

12 October 2020

[REDACTED]
[REDACTED]
[REDACTED]

Dear [REDACTED]

Response - Official Information Request

I refer to your request for information received on 14 September 2020. Your request has been considered under the Local Government Official Information and Meetings Act 1987 (LGOIMA) and I provide the following information.

LGOIMA 2020-9-20: Removing Development Contributions

Please provide all information why the Council decided to remove Development Contributions.

The information provided includes the Council reports and Council minutes that contain the information that elected members considered in making the decision to no longer charge development contributions.

- Council Open Agenda 3 December 2014
- Council Open Minutes 3 December 2014
- Council In-committee Agenda 3 December 2014
- Council In-committee Minutes 3 December 2014
- Council Open Agenda 17 December 2014
- Council Open Minutes 17 December 2014
- Council In-committee Agenda 17 December 2014
- Council In-committee Minutes 17 December 2014
- Council Open Agenda 18 February 2015
- Council Open Minutes 18 February 2015
- Council Open Agenda 26 May 2015
- Council Open Minutes 26 May 2015

You are entitled to seek a review by the Office of the Ombudsman. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

If you have any queries regarding this information, please contact David McCorkindale, Group Manager Customer & Strategy on 06 3660999 or email on davidbm@horowhenua.govt.nz

Horowhenua District Council publishes responses to Local Government Official Information and Meetings Act 1987 (LGOIMA) requests that we consider to be of wider public interest, or which relate to a subject that has been widely requested. To protect your privacy, we will not generally publish personal information about you,

or information that identifies you. We will publish the LGOIMA response along with a summary of the request on our website. Requests and responses may be paraphrased.

Yours sincerely,



David Clapperton
Chief Executive

Council

OPEN MINUTES

Minutes of an extraordinary meeting of Council held in the Council Chambers, 126-148 Oxford St, Levin on Wednesday 18 February 2015 at 4.00 pm.

PRESENT

Mayor	Mr B J Duffy
Deputy Mayor	Mr G G Good
Councillors	Mr W E R Bishop
	Mr R J Brannigan
	Mr R H Campbell
	Mr M Feyen
	Mrs V M Kaye-Simmons
	Mrs J Mason
	Mrs C B Mitchell
	Mr A D Rush
	Ms P Tukapua

IN ATTENDANCE

Mr D M Clapperton	(Chief Executive)
Mrs M Davidson	(Group Manager – Customer & Community Services)
Mr G Saidy	(Group Manager – Infrastructure Services)
Mr D McCorkindale	(Senior Manager – Strategic Planning)
Mr D Down	(Asset Planning Manager)
Ms G Scandrett	(Community Engagement Manager)
Mrs K J Corkill	(Meeting Secretary)

ALSO IN ATTENDANCE

Ms D Perera	(Audit Director, Audit New Zealand)
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MEDIA IN ATTENDANCE

Mr M Grocott	("Manawatu Standard")
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PUBLIC IN ATTENDANCE

There were seven members of the public in attendance at the commencement of the meeting.

1 Apologies

There were no apologies.

2 Public Speaking Rights

Public Speaking Rights had not been available for this meeting as the opportunity to submit and speak to these items would be available during the public consultation on the Long Term Plan.

3 Late Items

There were no late items.

4 Declaration of Interest

There were no declarations of interest.

5 Announcements

Audit New Zealand

Ms Debbie Perera, Audit Director, Audit New Zealand, was welcomed to the table. She congratulated Council on being one of the first Councils in New Zealand to be in a position to adopt its Long Term Plan consultation document under the new legislation, which was a significant achievement. She acknowledged the amount of time and effort required by both Councillors and Council officers to reach this point. Audit New Zealand had been impressed with the quality of the documentation provided with the audit process being quite smooth.

Ms Perera gave an explanation of the changes in the Audit process since the last Long Term Plan and what the auditors were required to consider during the audit process.

If Council adopted the documentation as tabled this evening, Ms Perera said she was pleased to be in a position to issue an unqualified audit opinion.

Mr McCorkindale joined the table providing an overview of the Annual Plan process to date and next steps. He noted that tonight marked an important milestone in development the 2015-2025 Long Term Plan, with the process having started 8 months ago (on 8 June 2014) with a Long Term Plan training workshop. He stressed that what was being presented was not new information and he explained the risk of the Plan not be adopted tonight and the issues if there were major changes made.

In response to a query, Mr McCorkindale confirmed that tonight was the halfway point in the journey and was the start of another process where feedback would be sought from the community. If there was strong feedback from the community on particular aspects in the Plan, that would be the time to look at making changes.

6 Executive

6.1 HDC Infrastructure Strategy

Purpose

The purpose of this report is to seek Council's adoption of amendments to the HDC Infrastructure Strategy 2015-45.

MOVED by Cr Kaye-Simmons, seconded Cr Bishop:

THAT Report 15/55 on HDC Infrastructure Strategy be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

Mr Down, in speaking to this report, said what was being sought tonight was the adoption of the final Strategy document.

As he had about 200 questions which he believed were critical and had a lot of reservations, Cr Feyen said he would vote against everything tonight.

Mayor Duffy overruled a Point of Order raised by Cr Rush when Cr Feyen continued to stand and speak when requested by Mayor Duffy to respect the table and to be more specific with his comments.

MOVED by Cr Kaye-Simmons, seconded Cr Bishop:

THAT the Horowhenua District Council's Infrastructure Strategy 2015-45 be adopted.

A division was called for, voting on which was as follows:

For:

Councillors: Wayne Bishop
Ross Brannigan
Garry Good
Victoria Kaye-Simmons
Joanna Mason
Christine Mitchell
Tony Rush
Piri-Hira Tukapua

Against:

Councillors: Ross Campbell
Michael Feyen

The motion was declared **CARRIED** by 8 votes to 2.

6.2 LTP Financial Statements, Financial Strategy and Balance the Budget Statement

Purpose

To enable Council to adopt the LTP Financial Statements, Balance the Budget Statement (and resolution), and amended Financial Strategy

MOVED by Cr Good, seconded Cr Brannigan:

THAT Report 15/56 LTP Financial Statements, Financial Strategy and Balance the Budget Statement be received.

THAT this decision is recognised as significant in terms of S76 of the Local Government Act.

CARRIED

Mr Clapperton introduced this report on behalf of Mr Law (who was not able to be present), noting the significance and level of detail contained in the documentation

and also that this information had been seen by Councillors by way of briefings. One of the recommendations was in relation to Council's legislative requirement to balance the budget. That resolution was required as Council would be in breach of that requirement for the next two years.

With regard to balancing the operating budget, Cr Mitchell queried what percentage of rate increase would be required for each of the next two years to bring that up so that Council did not have a deficit and would not go over the Government benchmark.

Having been forewarned of the question, Mr Clapperton said the percentage in 2015/16 would be 4.9% or \$1.4m and in the 2016/17 year would be 1.3% or a little over \$400,000.00.

After further discussion, it was:

MOVED by Cr Good, seconded Cr Brannigan:

THAT in relation to both the 2015/2016 and 2016/17 financial years within the 2015/25 Long Term Plan, the Council resolves that it is financially prudent, after considering the matters set out in Section 100(2) (a)-(d) of the Local Government Act 2002, to set projected operating revenues at a level that are insufficient to meet projected operating expenses.

THAT Horowhenua District Council adopts the Draft 2015/25 LTP financial statements, amended Financial Strategy, Prudential Benchmark Disclosure Statement and Balance the Budget Statement, to support the Consultation Document.

A division was called for, voting on which was as follows:

For:

Councillors: Wayne Bishop
Ross Brannigan
Garry Good
Victoria Kaye-Simmons
Joanna Mason
Christine Mitchell
Tony Rush
Piri-Hira Tukapua

Against:

Councillors: Ross Campbell
Michael Feyen

The motion was declared CARRIED by 8 votes to 2.

6.3 Revenue and Financing Policy and Funding Impact Statement

Purpose

To allow Council to adopt the Revenue and Financing policy and associated Funding Impact Statement.

MOVED by Cr Mason, seconded Cr Brannigan:

THAT Report 15/57 Revenue and Financing Policy and Funding Impact Statement be received.

THAT this decision is recognised as significant in terms of S76 of the Local Government Act.

CARRIED

Mr Clapperton noted that the purpose of this report was for Council to adopt, as required by legislation, a Revenue and Financing Policy which largely determined

how Council was going to fund its budget, whether by rates, by user fees and charges, etc. Council was indicating to the Community a possible change in the method of rating, from land value to capital value, so inclusive in the consultation document were the options around the method of rating and community feedback was being sought.

MOVED by Cr Mason, seconded Cr Brannigan:

THAT the Draft Revenue and Financing policy be adopted for consultation as part of the LTP consultation process.

THAT the Funding Impact Statement be adopted and form part of the LTP supporting documentation for the Consultation Document.

A division was called for, voting on which was as follows:

For:

Councillors: Wayne Bishop
Ross Brannigan
Garry Good
Victoria Kaye-Simmons
Joanna Mason
Christine Mitchell
Tony Rush
Piri-Hira Tukapua

Against:

Councillors: Ross Campbell
Michael Feyen

The motion was declared CARRIED by 8 votes to 2.

6.4 Draft Financial Contributions Policy

Purpose

The purpose of this report is to present to Council the Draft Financial Contribution Policy and Development Contribution Discussion Paper for adoption

MOVED by Cr Tukapua, seconded Cr Kaye-Simmons:

THAT Report 15/43 on Draft Financial Contributions Policy be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

Mrs Davidson spoke to this report saying the emphasis was on the word "Draft" with its purpose being to go out for public consultation as part of the Long Term Plan process.

In response to a query, Mrs Davidson clarified that Council had to have one or the other – either a Financial Contributions Policy or a Development Contributions Policy.

MOVED by Cr Tukapua, seconded Cr Kaye-Simmons:

THAT Horowhenua District Council adopts the Draft Financial Contributions Policy to be consulted on as part of the Long Term Plan 2015-2025 consultation process.

THAT Horowhenua District Council adopts the Development Contribution Discussion Paper to be included as supporting information to the Long Term Plan 2015-2025 consultation process.

A division was called for, voting on which was as follows:

For:

Against:

Councillors: Wayne Bishop
Ross Brannigan
Garry Good
Victoria Kaye-Simmons
Joanna Mason
Christine Mitchell
Tony Rush
Piri-Hira Tukapua

Councillors: Ross Campbell
Michael Feyen

The motion was declared CARRIED by 8 votes to 2.

6.5 Long Term Plan 2015-25 Supporting Documents

Purpose

The purpose of this report is to present to Council for adoption a number of the supporting documents to the 2015-25 Long Term Plan Consultation Document.

MOVED by Cr Bishop, seconded Cr Mitchell:

THAT Report 15/36 Long Term Plan 2015-25 Supporting Documents be received.

THAT this decision is recognised as not significant in terms of section 76 of the Local Government Act.

CARRIED

Mr McCorkindale requested a slight wording change in Recommendation 3.4, with the “Chair of the Finance Subcommittee” to be replaced by the “Chief Executive and the Mayor”. This was agreed to by the mover and seconder of the resolution.

MOVED by Cr Bishop, seconded Cr Mitchell:

THAT the supporting documents including Council’s Activity Statements, Significant Forecasting Assumptions, the proposed Planning Fees and Charges 2015/16, a Statement on Council Controlled Organisations, a Statement on the development of Maori capacity to contribute to decision making processes, and a Summary of Council’s Significance and Engagement Policy (attached as Appendices to this report) be adopted and be made available to the public as supporting information for the Council’s 2015-2025 Long Term Plan Consultation Document.

THAT, if necessary, the Senior Manager – Strategic Planning, in conjunction with the Chief Executive and the Mayor be authorised to correct any minor errors or omissions in the text or tables of any of the supporting documents before the 2015-2025 Long Term Plan Consultation Document is publicly notified.

A division was called for, voting on which was as follows:

For:

Councillors: Wayne Bishop
Ross Brannigan
Garry Good
Victoria Kaye-Simmons
Joanna Mason
Christine Mitchell
Tony Rush
Piri-Hira Tukapua

Against:

Councillors: Ross Campbell
Michael Feyen

The motion was declared CARRIED by 8 votes to 2.

6.6 Adoption of 2015-2025 Long Term Plan Consultation Document

Purpose

The purpose of this report is to adopt Council's 2015-2025 Long Term Plan Consultation Document for public consultation.

MOVED by Cr Mitchell, seconded Cr Mason:

THAT Report 15/33 Adoption of 2015-2025 Long Term Plan Consultation Document be received.

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act.

CARRIED

MOVED by Cr Mitchell, seconded Cr Mason:

THAT the 2015-2025 Long Term Plan Consultation Document be adopted for public consultation.

THAT, if necessary, the Senior Manager – Strategic Planning, in consultation with the Mayor and Chief Executive, be authorised to correct any minor errors or omissions in the 2015-2025 Long Term Plan Consultation Document before it is publicly notified.

A division was called for, voting on which was as follows:

For:

Councillors: Wayne Bishop
Ross Brannigan
Garry Good
Victoria Kaye-Simmons
Joanna Mason
Christine Mitchell
Tony Rush
Piri-Hira Tukapua

Against:

Councillors: Ross Campbell
Michael Feyen

The motion was declared **CARRIED** by 8 votes to 2.

5.08 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF COUNCIL HELD ON

DATE:

CHAIRPERSON:

Council

OPEN MINUTES

Minutes of a meeting of Council held in the Council Chambers, 126-148 Oxford St, Levin, on Tuesday 26 May 2015 at 4.00 pm.

PRESENT

Mayor	Mr B J Duffy
Deputy Mayor	Mr G G Good
Councillors	Mr W E R Bishop
	Mr R J Brannigan
	Mr R H Campbell
	Mr M Feyen
	Mrs V M Kaye-Simmons
	Mrs J Mason
	Mrs C B Mitchell
	Mr A D Rush
	Ms P Tukapua

IN ATTENDANCE

Mr D M Clapperton	(Chief Executive)
Mr D Law	(Group Manager – Finance)
Mr G Saidy	(Group Manager – Infrastructure Services)
Mrs M Davidson	(Group Manager – Customer & Community Services)
Mr D McCorkindale	(Senior Manager – Strategic Planning)
Mr K Peel	(Roading Services Manager)
Mr D Down	(Asset Planning Manager)
Mr J Paulin	(Finance Manager)
Ms G Scandrett	(Community Engagement Manager)
Mr M E Lepper	(Customer & Regulatory Services Manager)
Mr S Grainger	(Economic Development Manager)
Ms T Williams	(Strategic Planner)
Mrs K J Corkill	(Meeting Secretary)

ALSO IN ATTENDANCE

Various Council Officers attended from time to time throughout the meeting.

PUBLIC IN ATTENDANCE

There were 15 members of the public in attendance at the commencement of the meeting, with numbers fluctuating throughout the evening.

1 Apologies

There were no apologies.

2 Public Speaking Rights

8.7 Foxton Beach Freeholding Account
Christina Paton
Anne Hunt

8.2 Proposed Changes to Council's Rating System – Recommendation 2.3
Mike Coupe/Lew Rohloff, Horowhenua GreyPower

Submission 224 - Phillip Taueki

Submission 195 - Sam Ferguson, Waitarere Beach Surf Club

Submission 146 - Ken Riddle

Speakers would be heard following after the first agenda item had been addressed.

3 Declaration of Interest

Declarations of interest made by Councillors at the 5 May 2015 submission hearings subsisted. However, Cr Brannigan provided a further Declaration Form in relation to 8.12 Emergency Management and Cr Bishop provided a further form noting his interest in 8.1 Development Contributions Policy and 8.3 Rates Remission Policy.

Cr Bishop further noted that there were two submitters who shared his surname. Neither was related to him nor were they acquaintances.

4 Confirmation of Open & In Committee Minutes – 5, 6 & 7 May 2015

MOVED by Cr Good, seconded Cr Kaye-Simmons:

THAT the Open & In Committee minutes of the meetings of the Council held on Tuesday 5, Wednesday 6 and Thursday, 7 May 2015, be confirmed as a true and correct record.

CARRIED

5 Matters Arising

In relation to the minutes of Wednesday 5 May 2015, Submission 266 from Anne Hunt, Cr Feyen said he had requested that his objection to not being able to ask Mrs Hunt questions be noted in the minutes.

6 Announcements

There were no announcements.

7 Finance

7.1 LGFA Loan Raising Documentation

Purpose

To present to Council for consideration the Local Government Funding Agency Loan Raising Documentation for execution.

MOVED by Cr Bishop, seconded Cr Mitchell:

THAT Report 15/209 LGFA Loan Raising Documentation be received.

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act and this assessment has been carried out in accordance with Council's significance and engagement policy.

CARRIED

MOVED by Cr Good, seconded Cr Tukapua:

THAT the Horowhenua District Council notes that New Zealand Local Government Funding Agency Limited (LGFA) has proposed amendments to the Equity Commitment Deed, Multi-Issuer Deed, Notes Subscription Agreement and LGFA Shareholders' Agreement, to which the Council is a party, for the purposes of complying with changes to legislation, better reflecting current borrowing practices and other minor amendments, and that LGFA wishes to have the proposed amendments agreed by all parties by 1 June 2015.

THAT the Horowhenua District Council agrees to the proposed amendments.

THAT the Horowhenua District Council authorises Cr Bishop and Cr Rush to sign and execute all relevant documents (including agreements, deeds and shareholders' resolutions) on the Council's behalf in order to effect the proposed amendments.

CARRIED

Crs Campbell and Feyen recorded their vote AGAINST the motion.

Speaking Rights

Mrs Paton joined the table to speak in relation to the Foxton Beach Freeholding Account report. She indicated conditional support with regard to funding being made available for Parks and Reserves and for Whitebait Creek, but did not support funding being provided to Te Awahou-Nieuwe Stroom outlining her reasons for that stance.

In response to Mrs Paton's query about who owned the Whitebait Creek culvert, Mr Clapperton said he would confirm that prior to deliberations on that item.

A copy of Mrs Paton's further comments is **attached** to the official minutes.

With regard to the spending of monies from the Foxton Beach Freeholding Account, Mrs Hunt in her comments stressed that this was a statutory fund and it must be spent according to law. It was only vested in Council and the law would override any Council decision so Council needed to be careful when expending statutory funds on a project.

Mrs Hunt further commented on legal papers that would have been served on Council's lawyers today in relation to stormwater and wastewater which were live issues.

On behalf of Horowhenua GreyPower, Messrs Coupe and Rohloff requested Council to adopt the amendment suggested in its Supplementary Submission of 6 May 2015, rather than that proposed outlining the reasons for this request.

A copy of Horowhenua GreyPower's further supplementary submission is **attached** to the official minutes.

In speaking to his submission, Mr Taueki reiterated his concerns with regard to stormwater and wastewater and their effects on Lake Horowhenua, the POT lease, the Hokio Cut, and the potential cost to Council to address these matters.

Proffering apologies from his Waitarere Beach Surf Club colleagues who were unable to attend, Mr Ferguson said they were trying to embrace the approach of working more closely with Council officers and would like to bring to the table a further suggestion for collaboration. They would like to ask Council to consider whether the grant for surf life saving could be opened up for tender. The Surf Club thought it could submit a reasonably attractive package both for Council and for the Surf Club which would assist the Club with its overall project.

In response to a query about what that might look like, Mr Clapperton said that an indication had been received from the Surf Life Saving Club that it would like to offer another way of delivering a service; however it would not be appropriate to delve into the detail of that at this stage.

Having recently read a newsletter from Cr Campbell that noted that Council's debt level was forecast to rise to close to \$100 million over the next four years, Mr Riddle expressed his concern. That equated to over \$3,000 debt for every person within the district. He suggested that Council should set rates that were affordable and sustainable and Council should live within its means.

A copy of Mr Riddle's further comments, including a poem "Advice to Council", is **attached** to the official minutes.

Cr Campbell assured the meeting that in terms of his newsletter, he had made it clear the views expressed were his own, not Council's. He agreed to provide a copy of his newsletter to the Mayor and fellow Councillors.

Having declared an interest in the following item, Cr Bishop left the table.

8 Executive

8.1 Draft Long Term Plan 2015/2025 - Development Contributions Policy

Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the Council's Development Contribution Policy.

MOVED by Cr Good, seconded Cr Rush:

THAT Report 15/240 Draft Long Term Plan 2015/2025 - Development Contributions Policy be received.

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act.

CARRIED

Mrs Davidson spoke to this report and responded to Councillors' questions.

Mr Clapperton also noted that there would be no retrospective adjustment, but the cancellation would take effect from 1 July 2015.

With the approval of the mover and the seconder, "from 1 July 2015" was added to

the resolution.

MOVED by Cr Good, seconded Cr Rush:

THAT Council resolves to cancel the Development Contributions Policy from 1 July 2015 and adopt the Draft Financial Contributions Policy to be put forward as a change to the District Plan.

CARRIED

Cr Bishop rejoined the table.

The meeting adjourned briefly 4.30 – 4.45 pm.

Mayor Duffy invited Mr Doug Mercer to the table to speak, noting that Mr Mercer had received the Officer's reply to his submission too late to apply for speaking rights so he was being provided the opportunity to speak prior to deliberations on the next item.

Mr Mercer reiterated his support of the retention of land value as the basis for rating, saying that capital value would cost a lot more money for everyone.

8.2 Draft Long Term Plan 2015/2025 - Proposed Changes to Council's Rating System

Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the proposed changes to Council's Rating System.

MOVED by Cr Bishop, seconded Cr Good:

That Report 15/242 Draft Long Term Plan 2015/2025 - Proposed Changes to Council's Rating System be received.

That this decision is recognised as not significant in terms of S76 of the Local Government Act.

CARRIED

Council's Group Manager – Finance, Mr Law, spoke to this report. He noted that recommendation was as signalled through the consultation document, gave the rationale behind the recommendation and responded to Councillors' questions.

Cr Bishop signalled that he would like to move an alternative resolution:

Moved: Cr Bishop Seconded: Cr Good

"That the Council adopts option 2 as consulted on in the Consultation Document. This changes the valuation base for both General and Roding rates to Capital value from Land value.

That Council adopt a transition to the new system over a period of three years. This transition will shift 25% year 1, 25% year 2 and 50% in the third year of the funding to a capital value basis from a land value basis.

That Council adopts the proposed Business Differential which encompasses all businesses including utility companies> the differential will be based on Capital value and will have a differential of 35% of the Roding Rate and 30% of the General Rate.

That a Stormwater Rate, based on Capital value be set on all urban rating units (the same rating units as the current urban differential of the Solid Waste Rate) with the

stormwater funding removed from the current Roding and Stormwater Rate;

That council introduces a Serviceable differential on the water and waste water rate to be set at 50% of the fixed charges for each.

That an Aquatics Rate be set as a fixed charge district wide, (dispensing with the current extra targeted rate on Levin, Foxton and Foxton Beach).

That all Licence to Occupy retirement villages as well as all registered retirement villages (excluding retirement villages set up under a body corporate that have individual rating units) are contained within the business differential.

That all other targeted rates remain unchanged."

Cr Rush raised a point of order on the grounds that the recommendations in the Agenda had gone out for public consultation and speaking rights had been directed to those recommendations, so they should be discussed and debated prior to any possible amendments or alternative motions.

After discussion, and with the Chief Executive reading out from Standing Orders when points of order could be raised, Mayor Duffy did not support the point of order as the Officer's recommendation 2.3 had not been moved and seconded and he did not believe there had been a Standing Order's breach. If Cr Bishop's resolutions were not successful, Mayor Duffy said the Councillors would then consider the Officer's recommendation.

Councillors' discussion and debate focussed on the resolutions proffered by Cr Bishop, following Cr Bishop giving his reasons for what he proposed particularly as the decision was a significant one in the life of the district.

Cr Rush raised a further point of order in relation to remarks made by Cr Good as he said he believed he had been misquoted. Whilst the principles behind the recommendations had been previously explored, some of the information in relation to Cr Bishop's resolutions was being seen for the first time this evening.

Mayor Duffy upheld the point of order.

Before Cr Bishop exercised his right of reply, Mayor Duffy addressed the table saying that one thing communities were looking for was leadership and despite the difficulties, there was no excuse for a decision not being made. He said he did not believe saying more time was needed was an option. A decision was needed as to the revenue streams that Councillors thought were the best fit for this community.

During Cr Bishop's right of reply, Cr Rush raised a point of order as new information had been introduced whereas a right of reply was in rebuttal to comments made by the various speakers.

Mayor Duffy upheld the right of reply, with Cr Bishop then focussing his comments on remarks made by previous speakers.

A division was called for, voting on which was as follows:

For:

Councillors: Wayne Bishop
Brendan Duffy
Garry Good
Victoria Kaye-Simmons

Against:

Councillors: Ross Brannigan
Ross Campbell
Michael Feyen
Christine Mitchell

Joanna Mason

Tony Rush
Piri-Hira Tukapua

The motion was declared LOST by 5 votes to 6.

The meeting adjourned for a meal break (6.28-7.00 pm).

Discussion focussed on the Officer's recommendation 2.3, with Cr Rush moving the motion and Cr Brannigan seconding it. With the agreement of Crs Rush and Brannigan, the component of the Officer's recommendation in relation to residential rest homes was replaced with the recommendation proposed by Cr Bishop.

Prior to the recommendation being put, Cr Mitchell said she would like to make an amendment to address what she saw as an anomaly with regard to vacant rural residential lifestyle blocks, of which there were approximately 1,100, which were operated as part of a farming business but separately rated.

Moved: Cr Mitchell

Seconded: Cr Feyen

That vacant Rural Residential Lifestyle blocks which are contiguous with a farming business, and which are used as part of the farming business, are contained within the business differential.

After discussion, and on being put, the only one in support of the amendment was Cr Mitchell, with Cr Feyen abstaining. The motion was, therefore, LOST.

MOVED by Cr Rush, seconded Cr Brannigan:

THAT the Council adopts Option 3 as the rating system for the period of the Long Term Plan 2015-2025. This is detailed as:

THAT the General Rate be based on Land Value using the current differentials based on the current geographic boundaries retaining the Rural Differential at 25% and retaining the current phasing, with 4 years to run;

THAT the Roding Rate be based on Capital Value with two differentials based on use being Business and District Wide Other as with the original Option 2. The Roding Rate will exclude the stormwater costs;

THAT a Stormwater Rate, based on Capital Value, be set on all urban properties (the same properties as the current urban Solid Waste Rate);

THAT Council introduces a "Serviceable" Differential on the Water and Wastewater Rate to be set at 50% of the fixed charges for each;

THAT an Aquatics Rate be set as a fixed charge District wide, (dispensing with the current extra Targeted Rate on Levin, Foxton and Foxton Beach);

THAT all Licensed to occupy retirement villages as well as all registered retirement villages (excluding retirement villages set up under a body corporate that have individual rating units) are contained within the business differential.

THAT all other Targeted Rates are to remain unchanged.

Upon a show of hands, for the motion were Crs Campbell, Feyen, Mitchell, Tukapua, Brannigan and Rush; against were Crs Bishop, Mason and Kaye-Simmons. The motion was therefore CARRIED.

Cr Bishop withdrew from the table for the following item.

8.3 Draft Long Term Plan 2015/2025 - Rates Remissions Policy

Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the Council's Rates Remissions Policy.

MOVED by Cr Kaye-Simmons, seconded Cr Campbell:

THAT Report 15/239 Draft Long Term Plan 2015/2025 - Rates Remissions Policy be received.

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act.

THAT the proposed amendments to rates remission policy as outlined in the draft LTP and consultation document be adopted.

CARRIED

Cr Bishop rejoined the table.

8.4 Draft Long Term Plan 2015/2025 - Land Transport

Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to Land Transport.

MOVED by Cr Mason, seconded Cr Tukapua:

THAT Report 15/231 Draft Long Term Plan 2015/2025 - Land Transport be received.

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act.

CARRIED

Requesting that the report be taken as read, Mr Saidy and Mr Peel joined the table to respond to Councillors' questions and provide further clarification as required.

The various topics contained in the report were worked through separately with updates provided in terms of the various recommendations. The resolutions were moved in block except for 2.5 in relation to Foxton Main Street which was resolved separately.

MOVED by Cr Rush, seconded Cr Campbell:

THAT the programme of works for roading as identified in the infrastructure Strategy be implemented subject to the following amendment, the Council further increase the footpath capital budget from \$50,000 to \$100,000 per annum.

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and that the Chief Executive Officer liaise with the Waitarere Beach Ratepayers and Residents Association to consult on the lighting requirement for Waitarere Beach.

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented.

THAT officers carry out investigation and action options in 2015/2016 financial year

to improve pedestrian and vehicle safety at the intersection of service lanes and Bath St, as planned.

THAT the Grey Street and East Street planned investigation and construction work continues.

THAT alternative treatment options surrounding the Tokomaru underpass fence will be investigated and actions from the investigation programmed into the 2015/2016 financial year.

THAT feasibility studies of the proposed work in relation to Foxton/ Foxton beach including, Bond Street, Signal St, Roundabout at Park St/Ladys Mile/Robinson Rd Intersection, Seabury/Linklater Intersection and widening of Andresen St are completed for consideration by the Foxton Community Board into the 2015/2016 financial year.

THAT the programme of works for roading as identified in the infrastructure Strategy be implemented and that officers advise the submitters of Council's policies regarding sealing of private entrance ways and the reason why the Shannon Kohanga Reo car park was sealed.

THAT the programme of works for roading as identified in the infrastructure Strategy be implemented and that that Council bring forward the programme of works for Kent/Gloucester Road upgrade planned for 2018 to 2015/2016.

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and Council continue to investigate any arising issues to ensure compliance with LOS and remedy as required.

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented including a specific business case benefit-cost assessment of maintenance for Makahika Road in unsealed condition vs. sealed road maintenance within the 2015/2016 financial year and that the outcome of the assessment be communicated to the submitters.

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and the amendments made to the Long Term Plan 2015-2025 Activity Statement for Land Transport be accepted

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and that officers continue to work closely with NZTA on the RONS project to ensure the best outcome for the Horowhenua community.

THAT Council Officers assess the resource required to deliver an active transport (cycleway and walkway) strategy within, and across the Horowhenua District.

THAT Council Officers assess the opportunity to partner with other statutory, voluntary, and private stakeholder organisations in delivering an integrated cycleway and walkway strategy.

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and that officers continue to monitor car parking in the area of the Levin Railway Station to ensure that adequate car parking continues to be available to the community.

CARRIED

MOVED by Cr Rush, seconded Cr Campbell:

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and Council carry out work in Foxton Main Street as planned, with a communications plan, regarding the design and construction time frame, being prepared.

CARRIED

Cr Feyen recorded his abstention from voting on recommendation 2.5.

8.5 Draft Long Term Plan 2015/2025 - Miscellaneous Matters

Purpose

The purpose of this report is to present to Council for deliberation the submissions received to the Draft Long Term Plan 2015/2025 in relation to miscellaneous matters that go across multiple activities.

MOVED by Cr Mason, seconded Cr Bishop:

THAT Report 15/226 Draft Long Term Plan 2015/2025 - Miscellaneous Matters be received.

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act.

CARRIED

Mr Clapperton and Mrs Davidson spoke to this report advising that some submissions were just noted as there was no action required going forward.

After discussion, 2.5 in relation to not providing funding to the Levin Waitarere Surf Life Saving Club was removed from the recommendations for consideration.

MOVED by Cr Mason, seconded Cr Bishop:

THAT Council adopts the proposed Community Outcomes as identified in the LTP 2015-2025 Consultation Document.

THAT Council supports the Levin Waitarere Surf Life Saving Club's project to build a new clubroom at a new location at Waitarere Beach.

THAT Council continue to provide officer support to the Levin Waitarere Surf Life Saving Club in the preparation of the Notice of Requirement for a new designation, project establishment and funding applications.

THAT Council requests a joint Business Case from the Levin Waitarere Surf Life Saving Club and Council officers to allow Council to consider options for supporting fundraising efforts for the new clubroom.

CARRIED

The meeting adjourned at 8.20 pm to reconvene tomorrow (27 May 2015) at 3.00 pm.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF COUNCIL HELD ON

DATE:.....

CHAIRPERSON:.....

Council

OPEN MINUTES

Minutes of an extraordinary meeting of Council held in the Council Chambers, 126-148 Oxford St, Levin on Wednesday 17 December 2014 at 5.00 pm.

PRESENT

Mayor	Mr B J Duffy
Deputy Mayor	Mr G G Good
Councillors	Mr W E R Bishop
	Mr R J Brannigan
	Mr R H Campbell
	Mr M Feyen
	Mrs V M Kaye-Simmons
	Mrs J Mason
	Mrs C B Mitchell
	Mr A D Rush
	Ms P Tukapua

IN ATTENDANCE

Mr D M Clapperton	(Chief Executive)
Mr G Saidy	(Group Manager – Infrastructure Services)
Mr D McCorkindale	(Senior Manager – Strategic Planning)
Mr D Down	(Asset Planning Manager)
Ms G Scandrett	(Community Engagement Manager)
Mrs K J Corkill	(Meeting Secretary)

MEDIA IN ATTENDANCE

Mr M Grocott	(“Manawatu Standard”)
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PUBLIC IN ATTENDANCE

There were eleven members of the public in attendance at the commencement of the meeting.

1 Apologies

There were no apologies.

2 Public Speaking Rights

Three members of the public had sought speaking rights but because the items on the Agenda were procedural and interested parties would have the opportunity to submit during the LTP consultation process, speaking rights were declined.

Crs Feyen and Campbell expressed their dissatisfaction that members of the public were being denied the opportunity to speak.

Cr Feyen, in saying that he was interested in anyone having the chance to speak, suggested that if speakers would not add value at this point in time, it would indicate that comment from Councillors would not add value either. Looking at all the mistakes in the documents, he said it might have been good to listen to people a little more.

Mayor Duffy's reiterated that the items on tonight's Agenda were procedural before being taken out for consultation when all of the community would have an opportunity to engage in the process. Public comment at this stage would not add any value. He further noted that this had gone through a long internal process with a considerable number of briefings to get to the point that there was a document to take out to the community. If Councillors had any questions, or believed there were things that needed changing, these should have been brought up with the Chief Executive or Officers before this evening.

For the record, Mayor Duffy said that the CE had made contact with Cr Feyen to respond to any queries he may have had but that offer had been declined. This was not the forum now to bring up issues.

3 Late Items

There were no late items.

4 Declaration of Interest

There were no declarations of interest.

5 Announcements

There were no announcements.

6 Finance

6.1 Financial Strategy

Purpose

To adopt the Council's Financial Strategy required under s101A of the Local Government Act.

MOVED by Cr Good, seconded Cr Tukapua:

THAT Report 14/925 Financial Strategy be received.

THAT this decision is recognised as significant in terms of S76 of the Local Government Act.

CARRIED

With Mr Law, Council's Group Manager – Finance, being on annual leave, Mr Clapperton spoke to this item outlining this was a procedural report with the purpose of allowing Council to adopt the Financial Strategy. The Financial Strategy was an important component of Council's LTP as it was the framework or guideline Council needed around its levels of revenue, expenditure, activity and debt that would then be included in the LTP for consultation early next year.

In response to a comment from Cr Rush about the considerable amount of time and the contribution made by Councillors to the process, Mr Clapperton said that the whole process around the financial strategy started about two months after the new Council was sworn in. An independent expert was brought in to explain to Councillors the concept behind the LTP and components of the Financial Strategy. All Councillors participated in those discussions.

In saying there was a lot of mistakes in the document, Cr Campbell queried if Mr Clapperton was happy to present the Financial Strategy tonight because it would be the first time had gone out to the public, with discussions until now being behind closed doors.

Mr Clapperton said he took umbrage at the implication that he would place in front of Council incorrect information.

Mr Clapperton's stance was supported by Mayor Duffy, who also objected to the inference in the expression "behind closed doors". He said that Councillors had been involved in numerous briefings, which were part of the process and protocol that was worked through to prepare a document that could be taken to the community. That was how the system worked. Yes, this was the first time the document was in the public arena. Council would now go out and engage in discussions right across the community.

Cr Campbell was asked to identify the errors he had identified, which he said were right throughout the document.

On Cr Campbell identifying some of the items he believed were incorrect (on Agenda page 8, 4.4, the second sentence should read: "for 8 years out of the last 9 years" rather than "for 6 years out of the last 7..." as those increases did not line up; page 12, third sentence, should read "Since 2006 – not 2009 - Council's debt has increased.."). There were also others mistakes he could identify.

Mr Clapperton responded that the information queried by Cr Campbell was in fact correct.

With Mr Clapperton having confirmed that the information in the Report and in the Financial Strategy was correct, Mayor Duffy noted that such concerns could have been taken up with the CE prior to the meeting and he was not prepared to go any further with this line of discussion.

As a point of clarification, Cr Feyen queried why Solid Waste was not included in the Strategy as a core infrastructural asset along with Roding, Water and Wastewater.

Mr Clapperton explained that the term 'core infrastructural assets' had been derived from the intent of the Infrastructure Strategy framework. Council did have other than core assets in its portfolio including Solid Waste, Parks and Reserves, and Property. Council also had a requirement to complete asset management plans in relation to those assets, and did have to maintain them and to continue to deliver levels of service, but they were not deemed 'core assets' as were Roding, Water and Wastewater, and Stormwater).

Cr Tony Rush requested the Chief Executive to confirm that these same questions and the same answers had been provided at the last briefing.

Mr Clapperton said he was happy to have this clarified in a public meeting.

In response to a query from Cr Feyen with regard to the first sentence on page 16 “To live within our limit we cannot keep borrowing to renew assets”; did that mean that Council was borrowing against its reserves; did Council have any reserves that could be borrowed against; and if so how much, Mr Clapperton said part of the reason Council did not have reserves deemed to be available for asset renewals was because depreciation had been underfunded for a considerable time. If Council had been fully funding depreciation on core activities there would be reserves available and borrowing would not be required.

MOVED by Cr Good, seconded Cr Tukapua:

THAT the Horowhenua District Council adopts the Financial Strategy for the 2015/25 Long Term Plan to form part of the Consultation Document for that LTP.

CARRIED

Crs Campbell and Feyen recorded their votes against the motion.

Deputy Mayor Good expressed his exasperation at the behaviour of Councillors Feyen and Campbell, saying that Councillors had sat through innumerable briefings and other meetings, and everyone should be fully conversant with what was on the table.

7 Executive

7.1 Proposed Community Outcomes

Purpose

The purpose of this report is to present to Council the proposed community outcomes so these can be adopted for the purposes of consulting the community about these outcomes as part of the Long Term Plan 2015-25 consultation process.

MOVED by Cr Rush, seconded Cr Bishop:

THAT Report 14/923 Proposed Community Outcomes be received.

THAT this decision is recognised as significant in terms of S76 of the Local Government Act.

CARRIED

Mr McCorkindale joined the table to speak to this report and gave a background to the requirement for Council to review the current community outcomes in light of amendments to the Local Government Act in 2010 and 2012.

He outlined the current community outcomes included in the 2012-22 LTP, and the five proposed community outcomes which would go out for public consultation as part of the 2015-25 Long Term Plan consultation process.

In response to a query from Cr Feyen to the Chief Executive as to whether, under 5.1 on page 27 “Democracy”, the community would be getting better access to be heard by Council, Mayor Duffy said he was not prepared to have such grandstanding. Cr Feyen had been engaged in the briefings on this document, but had never brought up the issue that he was now raising.

When Cr Feyen continued to speak, Cr Rush raised a point of order. Firstly, under Standing Orders, when the Chair was speaking, Councillors should listen and not interject; secondly, when the Chair made a ruling, Councillors should accept it and move on.

The point of order was upheld.

In relation to the ten current wellbeing, Cr Campbell raised the fact that whilst it was proposed that these be cut down to five, the ten still took a big place in the five.

Mr McCorkindale responded that it was the intention under the five headings to have the bullet points providing a deeper explanation. It was about getting a sharper focus and a better link back.

MOVED by Cr Rush, seconded Cr Bishop:

THAT the proposed community outcomes:

A healthy local economy and a District that is growing

- We are a welcoming, enabling and business friendly district that encourages economic development*
- We have a shared respect for both economic development and environmental protection*
- We provide opportunities for people of all ages and at all phases of life to enjoy a standard of living within our District that is economically sustainable and affordable*
- We recognise the importance of population growth and actively promote the District as a destination*
- Our facilities and infrastructure services are planned and developed to meet future demand.*

A sustainable environment

- We are proud of our natural environment*
- We sustainably manage our environment so it can be enjoyed by future generations*
- Waste reduction, recycling, energy conservation and efficiency are promoted as part of how we all live*
- We recognise the importance and value of our district's natural resources*
- We actively support improving the health of our District's rivers, lakes and waterways.*

A community of knowledge, culture and diversity where people are proud to live

- We are proud of the heritage and diversity of our district and our people.*
- We respect each other and what we each contribute to the District through our traditions and culture.*
- We acknowledge the special role that Tangata Whenua has in our district.*
- We invest in the knowledge and skills of our people so they can fully participate in society.*
- We are advocates for the provision of quality social, education, health and training services.*
- Our communities have a 'sense of place' that makes people proud to live here.*

Safe, resilient and healthy communities

- We have reliable, efficient and well planned infrastructure and services.*

- *We advocate for personal safety and security within our District.*
- *We are organised and prepared to deal with natural hazards.*
- *Our young people live in a safe and supportive environment and are empowered to make positive and healthy lifestyle choices.*
- *Our community has access to health, social and recreation facilities to enjoy long and healthy lives.*
- *Our older people have access to opportunities that enable them to live a satisfying and healthy lifestyle.*

Positive leadership and effective partnerships

- *Our leaders consult with, and understand their communities and work for the good of all.*
- *We provide strong leadership in planning for the District's future.*
- *All our people and communities have the opportunity to participate in local decision making.*
- *We keep our District well-informed and ensure information is easily accessible for all.*
- *We work together with Iwi and Hapū in mutually beneficial partnerships.*
- *All sectors of the community are encouraged to work effectively together to achieve the best for the District.*

be adopted for the purpose of undertaking public consultation as part of the Long Term Plan 2015-25 consultation process.

CARRIED

7.2 Draft Infrastructure Strategy 2015-2045

Purpose

The purpose of this report is to seek Council adoption of the Draft Infrastructure Strategy 2015-2045.

MOVED by Cr Bishop, seconded Cr Mitchell:

THAT Report 14/927 Draft Infrastructure Strategy 2015-2045 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

The Chair noted the updated Draft Infrastructure Strategy 2015-2045 that had been tabled had some amendments to the draft that had been included in the Agenda. The tabled amended Draft Strategy was the one that Councillors would be adopting this evening.

Mr Down, Council's Asset Planning Manager, spoke to this report advising that Officers had spent time with Audit New Zealand representatives who had reviewed the draft Strategy and some changes had been made based on their recommendations.

Mr Down explained the difference between the two documents, with the graphs in the earlier version being replaced with graphs that included all operational costs, including interest and depreciation. The change was made following discussions with Audit New Zealand last week.

In response to a query from Cr Feyen as to whether the draft Infrastructure Strategy took cognisance of the district's liquefaction area, Mr Down said the point of including such things as earthquake risk was so that Council could plan to ensure

that key treatment facilities were safe in a seismic event.

MOVED by Cr Bishop, seconded Cr Mitchell:

THAT the Horowhenua District Council adopts the Draft Infrastructure Strategy 2015-2045.

CARRIED

8 Procedural motion to exclude the public

MOVED by Cr Mason, seconded Cr Mitchell:

THAT the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Development Contributions Policy and Financial Contributions Policy

<i>Reason for passing this resolution in relation to each matter</i>	<i>Particular interest(s) protected (where applicable)</i>	<i>Ground(s) under section 48(1) for the passing of this resolution</i>
<i>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</i>	<i>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</i> <i>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</i>	<i>s48(1)(a)</i> <i>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</i>

The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

CARRIED

5.45 pm The public were excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

The meeting adjourned briefly for a refreshment break 5.45 – 6.00 pm.

6.24 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF COUNCIL HELD ON

DATE:.....

CHAIRPERSON:.....

Council

OPEN MINUTES

Minutes of a meeting of Council held in the Council Chambers, 126-148 Oxford St, Levin on Wednesday 3 December 2014 at 4.15 pm.

PRESENT

Mayor	Mr B J Duffy
Deputy Mayor	Mr G G Good
Councillors	Mr W E R Bishop
	Mr R J Brannigan
	Mr R H Campbell
	Mr M Feyen
	Mrs V M Kaye-Simmons
	Mrs J Mason
	Mr A D Rush
	Ms P Tukapua

IN ATTENDANCE

Mr D M Clapperton	(Chief Executive)
Mr D Law	(Group Manager – Finance)
Mr G Saidy	(Group Manager – Infrastructure Services)
Ms G Scandrett	(Community Engagement Manager)
Mrs K J Corkill	(Meeting Secretary)

ALSO IN ATTENDANCE

Ms J Smart	(Chair, Foxton Community Board)
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PUBLIC IN ATTENDANCE

There were seven members of the public in attendance at the commencement of the meeting.

1 Apologies

MOVED by Cr Good, seconded Cr Rush:
THAT the apology from Cr Mitchell be accepted.

CARRIED

2 Public Speaking Rights

13.1 Significance and Engagement Policy and Community Engagement Strategy

Mrs Anne Hunt

3 Late Items

There were no late items.

4 Declaration of Interest

Cr Bishop declared an interest in Item 13.2 – Resource Consents Considered Under Delegated Authority.

5 Confirmation of Minutes – 5 November 2014

MOVED by Cr Good, seconded Cr Kaye-Simmons:
THAT the minutes of the meeting of the Council held on Wednesday, 5 November 2014, be confirmed as a true and correct record.

CARRIED

6 Matters Arising

Following on from his comments at the last Council meeting in relation to Councillors and other interested parties being able to attend Economic Development Board meetings, Cr Feyen proposed the following resolution, which was supported by Cr Campbell who spoke in support of wider attendance:

Moved: Cr Feyen Seconded: Cr Campbell

“That Council recommends to the Economic Development Board that it permits members of the public and Council to attend Board meetings.”

Following discussion when it was again noted that the Economic Development Board was an independent body not a committee of Council, and on being put, Cr Feyen called for a division:

For: Crs Feyen, Campbell, Kaye-Simmons and Tukapua
Against: Crs Brannigan, Rush, Good, Mason and Bishop.

The motion was declared LOST.

With regard to Cr Feyen's previous query around the Mayor's vote being recorded, Mr Clapperton said he had offered to meet with Cr Feyen on his queries in relation to the Annual Report. It had been his intention to also include the Mayor's discretionary voting in that discussion. That offer had been declined by Cr Feyen.

In relation to the Shannon Community Trust item, Cr Campbell noted that the document he had provided from Ngati Whakatere had been signed and dated at the meeting (after it had been tabled).

7 Leave of Absence

None requested.

8 Announcements

New Staff Introductions

New staff members – Cathy McCartney, Marjo Crueldad, Christele Prinsloo, Ewan Wagener, Ewen Robertson and Daniel Chu – introduced themselves and gave a brief outline of their roles at Council.

MW LASS Presentation

Mr Michael McCartney, and Craig Grant, Executive Officer of MW LASS made a PowerPoint presentation which set out the MW LASS 'journey – from where it started, the establishment of the company structure, the shared services results to date and the potential .

They responded to Councillor queries which included how the company was funded and the potential for shared services when it came to such things as landfills.

Mayor Duffy expressed his thanks for the presentation noting that Horowhenua District Council had committed to MW LASS from the start (in 2008) and was very focused on the gains that could accrue from the relationship.

Foxton Community Board

Ms Smart gave a brief update from the Board, noting that everything was trucking along in a very positive manner. She congratulated Council and the others involved in achieving the Aa rating for the Foxton Beach waster. There was a lot of positivity in the community, with the flags and banners up for the festive season and everyone was being encouraged to shop locally. She wished everyone a Happy Christmas.

9 Proceedings of Committees

9.1 Proceedings of the Foxton Community Board 17 November 2014

Purpose

To present to the Council the minutes of the Foxton Community Board meeting held on 17 November 2014.

MOVED by Cr Campbell, seconded Cr Brannigan:

THAT Report 14/885 Proceedings of the Foxton Community Board 17 November 2014 be received.

*THAT the Council **receive** the minutes of the Foxton Community Board meeting held on 17 November 2014.*

CARRIED

MOVED by Cr Feyen, seconded Cr Rush:

THAT Council, in response to the recommendation from the Foxton Community Board, approves the inclusion of \$83,000 from the Foxton Beach Freeholding Account in the draft 2015-2025 Long Term Plan for consultation, for the project to replace the Whitebait Creek culvert and associated catchment works.

CARRIED

9.2 Proceedings of the Finance Subcommittee 26 November 2014

Purpose

To present to the Council the minutes of the Finance Subcommittee meeting held on 26 November 2014 .

MOVED by Cr Bishop, seconded Cr Tukapua:

THAT Report 14/887 Proceedings of the Finance Subcommittee 26 November 2014 be received.

*THAT the Council **receive** the Open and In Committee Minutes of the Finance Subcommittee meeting held on 26 November 2014 and the Financial Report to 31 October 2014 .*

CARRIED

Cr Feyen queried the validity of the independent person on the Finance Subcommittee moving and seconding motions.

Mayor Duffy noted that Mr Jackson had been appointed to the position through the democratic process and as a Subcommittee member he was entitled to be fully involved.

In response to a query from Cr Campbell about the exact interest rate for the latest tranche of borrowing, Mr Law advised it was 5.1336%.

10 Finance

10.1 Financial Policies - Liability Management and Investment Policies

Purpose

To bring to Council Liability Management and Investment Policies that were considered by the Finance Subcommittee at its 29 October 2014 meeting.

MOVED by Cr Rush, seconded Cr Brannigan:

THAT Report 14/891 Financial Policies - Liability Management and Investment Policies be received.

CARRIED

Mr Law joined the table to speak to this report. He noted that it was the first of the policies being adopted leading up to the Long Term Plan. These policies would become operative as soon as they were adopted by Council. The reason for the change was that the new policies would replace outdated policies and the Finance Committee had also decided to use the LGFA covenants under the Liability Management Policy.

MOVED by Cr Good, seconded Cr Kaye-Simmons:

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

THAT Council adopts the updated Liability Management Policy.

THAT Council adopts the updated Investment Policy.

CARRIED

Cr Feyen abstained from voting.

10.2 Draft Rates Remission Policy Amendments Adopted for Consultation

Purpose

To bring to Council the amended draft Rates Remission Policy that was considered by the Finance Subcommittee at its 29 October 2014 meeting for adoption and consultation as part of the LTP consultation process.

MOVED by Cr Brannigan, seconded Cr Mason:

THAT Report 14/894 Draft Rates Remission Policy amendments adopted for consultation be received.

CARRIED

Mr Law noted that this policy would be consulted on during the Long Term Plan process and he outlined the new rating categories that would be included for consultation.

MOVED by Cr Good, seconded Cr Bishop:

THAT this decision is recognised as significant in terms of S76 of the Local Government Act

THAT Council adopts the amended and updated Rates Remission Policy for consultation as part of the LTP consultation process.

CARRIED

Cr Feyen abstained from voting.

11 Infrastructure Services

11.1 Extension of N5 Part B Water and Wastewater Services Contract

Purpose

The purpose of this report is to provide a recommendation to Council in regards to extending the current N5 Part B Water and Wastewater Services Contract with Downer.

MOVED by Cr Good, seconded Cr Brannigan:

THAT Report 14/890 Extension of N5 Part B Water and Wastewater Services Contract be received.

CARRIED

In requesting that the report be taken as read, Mr Saidy reiterated the rationale behind the proposal to extend the current contract with Downer for a further 24 months.

After discussion, which included:

- some expressed concern at the ability of new staff to monitor the project;
- the proposal made a lot of sense to maintain the levels of services already in place;
- there was a hope that this would not result in more costs as it did not allow the opportunity to renegotiate terms;
- costs had not been sought from other companies;
- some of the concerns raised had been allayed at the Projects Committee meeting;
- the new telemetry monitoring controls were just starting and they would eventually identify problems and potential savings;
- this was supported by Mr Jackson, the independent person on the Finance Subcommittee, who had considerable experience with similar contractual arrangements.

MOVED by Cr Good, seconded Cr Kaye-Simmons:

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act

THAT the Horowhenua District Council accepts the proposal from Downer to extend the current contract for another 24 months;

- *During this period (24 months) review the existing work schedule and*
- *Develop a new contract arrangement with a duration of 8 years with a 4 year plus a 2 x 2 year extension*

THAT the Horowhenua District Council works jointly with Downer to develop a new contract arrangement, to go to Council for approval by 1 January 2017, and if acceptable to Council the new contract will commence 1 July 2017.

CARRIED

Responding to a concern about the impact of new staff on the contract, Mr Clapperton said that whilst the staff concerned may be new to HDC, the experience and skills they brought to the organisation was of a very high calibre. The contract extension would also allow Council to identify more specifically what needed to go into contract schedules going forward.

12 Executive

12.1 Monitoring Action Sheets

Purpose

To present to Council the updated monitoring report covering requested actions from previous meetings of Council.

MOVED by Cr Tukapua, seconded Cr Kaye-Simmons:

THAT Report 14/670 Monitoring Action Sheets be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

Page 82 Item 13/803 – Waikawa Open Water Race Future

Cr Kaye-Simmons queried, given recent media coverage, if the fish had been relocated.

Mr Clapperton advised, without compromising the resolution of Council which it was his duty to implement, there were various parties looking at how they might assist Council in retaining the water race in its current form by perhaps taking over the consent. There were two aspects to the issue, one was the drinking water for stock and other was the environmental component.

Item 14/21 – Twinning between Horowhenua and Comines-Warneton

In response to query from Cr Tukapua as to the status of this matter, Mayor Duffy said this was parked at present. There had been some difference between the expectations of the Mayor of Comines-Warneton and this Council.

Page 90 Item 14/839 – Adoption of Policies and Bylaw following Special Consultative Procedure

Mr Clapperton commented that South Island Councils had made a collaborative approach to Government on the Psychoactive Substances issue. The matter had been discussed off-line at the Rural and Provincial meeting and HDC had a watching brief at the moment to see how it might support the SI initiative.

In response to a query as to why the Foxton Wastewater Consent was not on the Monitoring Report, Mr Clapperton clarified that it was an item on the Annual Plan Monitoring Report which came to Council and the Community Board quarterly. It would come through to the February 2015 meeting.

12.2 Chief Executive's Report to 3 December 2014

Purpose

The purpose of this report is for the Chief Executive to update Councillors on a number of important matters, including an update on key projects.

MOVED by Cr Rush, seconded Cr Brannigan:

THAT Report 14/882 Chief Executive's Report to 3 December 2014 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

It was noted that the only change to the meeting schedule for 2015 was that the Council meeting start time would be brought forward by 15 minutes to 4.00 pm.

MOVED by Cr Kaye-Simmons, seconded Cr Campbell:

THAT the Horowhenua District Council adopts the meeting schedule for 2015.

CARRIED

12.3 Documents Executed and Electronic Transactions Authorities Signed

Purpose

To present to Council the documents that have been executed, Electronic Transactions Authorities and Contracts that have been signed by two elected Councillors, which now need ratification.

MOVED by Cr Kaye-Simmons, seconded Cr Mason:

THAT Report 14/799 Documents Executed and Electronic Transactions Authorities Signed be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

THAT the Horowhenua District Council hereby ratifies the signing of documents and Electronic Transaction Authorities as scheduled:

- i) Electronic Transaction Authority relating to the sale of 8 Montgomery Street, Levin to Win Tak Lee Limited, contained in Certificate of Title WN11D/1243.*
- ii) Common Seal - Animal Nuisance and the Keeping of Pigs, Poultry and Bees Bylaw 2014.*

CARRIED

13 Customer and Community Services

13.1 Significance and Engagement Policy and Community Engagement Strategy

Purpose

The purpose of this report is to present to Council the feedback received from the recent consultation of the Draft Significance and Engagement Policy and Community Engagement Strategy, and to present finalised versions of both these documents for adoption.

MOVED by Cr Campbell, seconded Cr Brannigan:

THAT Report 14/888 Significance and Engagement Policy and Community Engagement Strategy be received.

CARRIED

Prefacing her speaking rights with congratulations to Council for fixing the Foxton Beach water supply, Mrs Hunt queried why submissions on this item had not been made publicly available. She then reiterated the main points in her submission particularly quoting Lord Steyn: *"The free flow of information and ideas informs political debate. It is a safety valve: people are more ready to accept decisions that go against them if they can in principle seek to influence them. It acts as a break on the abuse of power by public officials. It facilitates the exposure of errors in the governance and administration."* She said Council should adopt the report, but should not just tick the boxes when it came to consultation: it should really consult.

In speaking to this report, Ms Scandrett said it was a requirement for all Councils to adopt a Significance and Engagement Policy. Ten submissions had been received and copies of these submissions had been provided to Councillors although they had not been made public because submitters had not originally been advised they would become part of a public document.

In response to a query from Cr Feyen in relation to consultation issues with Ngati Whakatere and did Council only consult with iwi groups with which it had a MOU, Mr Clapperton noted that Ngati Whakatere was part of Raukawa. However, he would be happy going forward to look at interaction with smaller hapu. With regard to payment to iwi, that was negotiated for each MOU and there was no payment higher than \$10,000.

MOVED by Cr Good, seconded Cr Feyen:

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act.

THAT the Significance and Engagement Policy and Community Engagement Strategy be adopted by Council.

CARRIED

Having declared an interest in the following item, Cr Bishop left the table.

13.2 Resource Consents Considered Under Delegated Authority

Purpose

To receive the Land Use and Subdivision Resource Consent applications approved under delegated authority by the Environmental Services Department.

MOVED by Cr Rush, seconded Cr Mason:

THAT Report 14/800 Resource Consents Considered Under Delegated Authority be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

THAT the Subdivision and Land Use Resource Consents, as listed, be received:

All Subdivision Resource Consents Granted Under Delegated Authority **21/10/14 to 20/11/14**

Granted Date	File Ref	Subdivider	Address
05 Nov 14	502/2014/3540	Ian Hopkirk	17 Marine Parade, Foxton Beach
13 Nov 14	502/2014/3544	J & C Hathaway	96 Engles Road, Tokomaru Rural
20 Nov 14	502/2014/3549	Kimbal McHugo	151 Takapu Road, Levin Rural
20 Nov 14	502/2014/3413	Huritini Trust	Waikawa Beach Road, Levin Rural

All Land Use Resource Consents Granted Under Delegated Authority **21/10/14 to 20/11/14**

Granted Date	File Ref	Applicant	Address
28 Oct 14	501/2014/3536	Quin Buildings Direct	115 Rua Avenue, Waitarere Beach
29 Oct 14	501/2014/3547	Gorm Holdings Limited	125 Emma Drive, Levin Rural
10 Nov 14	501/2014/3546	D B McGregor	58 Shortt Street, Foxton Beach
12 Nov 14	501/2014/3551	N Z Transport Agency	689 Foxton/Shannon Road, Foxton/Himatangi
14 Nov 14	501/2014/3553	Wayne Bishop Builder Limited	70 Kimberley Road, Levin Rural

New Road Names approved under Delegation:

There were no new road names approved under delegation during the reporting period.

CARRIED

Cr Bishop rejoined the table.

14 Procedural motion to exclude the public

MOVED by Cr Rush, seconded Cr Feyen:

THAT the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Development Contributions

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)..	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2 2015 Tertiary Scholarship Recipients

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C3 Proposed Sale of Roe Street Land

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information. s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - The withholding of the information is necessary to enable the local authority to	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

	carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	
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The text of these resolutions is made available to the public who are present at the meeting and form part of the minutes of the meeting.

CARRIED

6.18 pm The public were excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

The meeting adjourned for a meal break (6.18 – 7.00 pm).

7.47 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF COUNCIL HELD ON

DATE:

CHAIRPERSON:

Notice is hereby given that an ordinary meeting of the Horowhenua District Council will be held on:

Date: Tuesday 26 May 2015
Wednesday 27 May 2015
Thursday 28 May 2015
Time: 3.00 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council

OPEN AGENDA

MEMBERSHIP

Mayor	Mayor B J Duffy	
Deputy Mayor	Mr G G Good	
Councillors	Mr W E R Bishop	
	Mr R J Brannigan	
	Mr R H Campbell	
	Mr M Feyen	
	Mrs V M Kaye-Simmons	
	Mrs J Mason	
	Mrs C B Mitchell	
	Mr A D Rush	
	Ms P Tukapua	
Reporting Officer	Mr D M Clapperton	(Chief Executive)
Meeting Secretary	Mrs K J Corkill	

Contact Telephone: 06 366 0999
Postal Address: Private Bag 4002, Levin 5540
Email: enquires@horowhenua.govt.nz
Website: www.horowhenua.govt.nz

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www.horowhenua.govt.nz

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Horowhenua District Council Service Centre, 126 Oxford Street, Levin
Foxton Service Centre/Library, Clyde Street, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takere/Library, Bath Street, Levin

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the Chief Executive Officer or the Chairperson.

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1 Apologies

2 Public Speaking Rights

Notification to speak is required by 12 noon on the day of the meeting. Further information is available on www.horowhenua.govt.nz or by phoning 06 366 0999.

3 Declaration of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

4 Confirmation of Open & In Committee Minutes

4.1 Meeting minutes Council – 5, 6 & 7 May 2015

3 Matters Arising

7 Announcements

File No.: 15/209

LGFA Loan Raising Documentation

1. Purpose

To present to Council for consideration the Local Government Funding Agency Loan Raising Documentation for execution.

2. Executive Summary

- 2.1 LGFA has advised that the amendments to the documents are necessary to ensure that the documents are compliant with the new Financial Markets Conduct Act (so that Councils may continue to borrow) in addition to some mechanical changes to update the borrowing process for Councils so that it reflects what actually happens in practice.
- 2.2 LGFA is targeting execution in May – as some of the amendments are driven by the need to comply with the Financial Markets Conduct Act they need to be in place prior to 1 June 2015.
- 2.3 As the amendments will be effected by deeds, execution by two elected representatives will be required. This report seeks passing the necessary appropriate authorising resolutions in time to meet this timeframe.

3. Recommendation

- 3.1 That Report 15/209 LGFA Loan Raising Documentation be received.
- 3.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act and this assessment has been carried out in accordance with Council's significance and engagement policy.
- 3.3 That the Horowhenua District Council notes that New Zealand Local Government Funding Agency Limited (LGFA) has proposed amendments to the Equity Commitment Deed, Multi-Issuer Deed, Notes Subscription Agreement and LGFA Shareholders' Agreement, to which the Council is a party, for the purposes of complying with changes to legislation, better reflecting current borrowing practices and other minor amendments, and that LGFA wishes to have the proposed amendments agreed by all parties by 1 June 2015.
- 3.4 That the Horowhenua District Council agrees to the proposed amendments.
- 3.5 That the Horowhenua District Council authorises Cr _____ and Cr _____ to sign and execute all relevant documents (including agreements, deeds and shareholders' resolutions) on the Council's behalf in order to effect the proposed amendments.

4. Background / Previous Council Decisions

Council agreed to be Shareholder/guarantor for the LGFA in June 2012. The necessary resolutions were passed at the Council meeting of 27 June 2012. Since then the Financial Markets Conduct Act has been passed into law.

5. Discussion

- 5.1 The Financial Markets Conduct Act 2013 (FMC Act) governs how financial products are created, promoted and sold, and the ongoing responsibilities of those who offer, deal and

trade them. It aims to facilitate capital market activity, in order to help businesses to fund growth and individuals to reach their financial goals.

5.2 The Financial Markets Conduct Bill was introduced into Parliament in October 2011 and passed into law in September 2013. The new law repeals the Securities Act 1978, Securities Markets Act 1988, and incorporates and amends a range of other related investment legislation.

5.3 The main purposes of the Act are to:

- promote the confident and informed participation of businesses, investors, and consumers in the financial markets, and
- promote and facilitate the development of fair, efficient, and transparent financial markets.

5.4 There was a staged implementation of the new FMC Act. These documents need to be amended and signed as part of this process.

6. Options

Council has no option but to sign the amended documents if it wants to continue to borrow through the LGFA. Much of our success in gaining low interest rates in the past 3 years has been as a direct result of LGFA's entry into the market. LGFA added competition and drove down interest rates.

6.1 Cost

There is no cost as the legal expenses are covered by LGFA.

6.1.1 Rate Impact

There is no rate impact, other than securing our ability to borrow at low interest rates.

6.2 Community Wellbeing

There are no negative impacts on Community Wellbeing arising.

6.3 Consenting Issues

There are no consents required or consenting issues arising.

6.4 LTP Integration

The Financial Strategy contained within the LTP is reliant on Council's continued ability to borrow at low interest rates through the LGFA as required. Support of the LGFA has always been a policy of Council to ensure competitive tension remains in the financial markets for local government.

7. Consultation

No consultation is required as these documents merely enable us to retain an existing relationship that was consulted on as part of the last LTP 2012/22.

8. Legal Considerations

As discussed the need to amend the documentation comes as a necessary requirement in implementing the Financial Markets Conduct Act 2013.

9. Financial Considerations

There is no financial impact

10. Other Considerations

There are no other considerations.

11. Next Steps

Once the necessary resolutions have been passed, it will be necessary for the two nominated councillors and the CE to sign the documents as per the signing instructions issued by the lawyers. The documents must be received by the lawyers no later than mid-day 29 May, 2015.

12. Supporting Information

Strategic Fit/Strategic Outcome

The LTP Financial Strategy assumes that council can borrow through the LGFA. Council uses the LGFA borrowing limits and covenants as Council's own borrowing limits and covenants in the Financial Strategy and Liability Management Policy.

Decision Making

The resolutions required do not meet the threshold for significance and do not need to be consulted on as Council is merely enabling the use of an established funding mechanism.

Consistency with Existing Policy

Council's Financial strategy, Investment Policy and Liability Management Policy all contain clauses enabling Council to maintain its shareholding in and borrowing from the LGFA.

Funding

No funding is required as the legal costs will be met by LGFA.



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

13. Appendices

There are no appendices for this report

Author(s)	Doug Law Group Manager - Finance	
Approved by	David Clapperton Chief Executive	

Draft Long Term Plan 2015/2025 - Development Contributions Policy

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the Council's Development Contribution Policy.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Development Contributions Policy be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That Council resolves to cancel the Development Contributions Policy and adopt the Draft Financial Contributions Policy to be put forward as a change to the District Plan.

2. Topic for Consideration

Topic: Development Contributions Policy

Submissions

Submission No. 21 (Landlink Ltd), 30 (Maureen Lee), 32 (Ray & Sandra Hudson), 37 (Margaret Jeune), 39 (Barry Barker), 40 (Janet & Raymond Rzepecky), 47 (Stuart Campbell), 54 (Andersons Farms Ltd), 63 (Quin Roofing Ltd), 66 (Larry Hine), 75 (Jill Brown), 87 (Waitare Beach Progressive & Rate Payers Association Inc), 89 (Geoff Kane), 93 (Attwell Valuers Ltd), 95 (Homestead Development Ltd), 98 (Dirk Ris), 105 (Quantum Tanks), 106 (Malcolm & Andrea Howard), 114 (Trayla Trailers Ltd), 116 (Maurice & Sophie Campbell), 127 (Allan Mitchell), 128 (Bob Wright), 136 (Russell Newton), 146 (Ken & Lynn Riddle), 150 (Harcourts Levin), 161 (T & M Design), 174 (Ewen Robertson), 176 (Youth Voice Horowhenua 2015), 185 (Horowhenua Farmers Ratepayers Group), 188 (Timms Farm Ltd), 192 (Noaro Farms Ltd), 196 (Sam Ferguson), 198 (Peter Hamilton & Margaret Hill), 202 (Pamela Good), 203 (Brian & Ann Thomas), 238 (Horowhenua Economic Development Board), 253 (Davis Contracting Levin Ltd), 254 (David Clark), 257 (Papaitonga Springs Subdivision Committee), 258 (Warren Harris), 260 (Justin Wilson), 7 (Nigel Crockett), 15 (Robyn Johns), Submitter No. 55, 65 (Fred Foothead), 69 (Raymond Bishop), 71 (Bruce Garratt), 72 (Joan Bishop), 77 (Graeme & Patricia Lucinsky), 92 (Roma Trust), 100 (Tommy Cushnahan Golf Ltd), 107 (Judy Brain), 108 (Ian & Jo Hopkirk), 119 (Robert Hoskins), 151 (Stephen & Karen Prouse), 156 (John & Robyn Saulbrey), 168 (Christine Toms), 175 (Kelvin Lane), 199 (Suzanne Havill), 205 (Charles Havill), 208 (Brian Good), 217 (Kris Burbery), 255 (Daniel Brizzle), 259 (Hamish McDonald), 263 (John Heskett), 1 (John Murphy), 31 (Gordon & Elizabeth Burr), 97 (Charles Davies), 110 (Kevin Metge), 145 (Ross Nicholson), 158 (Truebridge Associates Ltd), 194 (Rebecca Noaro - IDLE), 221 (Dennis Hunt), 8 (Rodney and Jeanette Jamieson), 13 (William & Wendy Tunley), 35 (Fiona Bell), 42 (Barry Rollinson), 56 (Sharon Freebairn), 61 (Kelvin Sherman), 64 (Murray Staples), 67 (Bernard Casey), 74 (Janice Goodburn), 99 (Catherine Madison), 130 (Peter Wright), 207 (Susanne & Murray Hanlon), 209 (Diana McGill), 223 (Sarah Elliot), 230 (Federated Farmers), 231 (Bruce Mitchell), 236 (Jeremy Manks), 12 (Gerd Ruschhaupt), 19 (Graham Conner), 16 (Mike Fletcher), 23 (Chris Thompson), 25 (Tony Strawbridge), 26 (Peter Price), 28 (Melanie Obers), 29 (Lone & Jens Jorgensen), 33 (Albert Burgess), 34 (Bruce & Moira Parsons), 45 (David Thomson), 46 (Tokomaru Village and

Community Association), 48 (Geoffrey McBrydie), 51 (Craig Dewhurst), 52 (Paul Smith), 53 (Janice Smith), 57 (Gary Willard), 60 (Piero Lavo), 76 (David Bowker), 79 (Diane & Stephen Mead), 111 (Esther Burns), 113 (Arthur & Glenys Woollard), 126 (Sharyn & Carl Williamson), 140 (Bruce & Virginia Stafford), 141 (Neville Gimblett), 153 (Troy Taylor & Paulianne Theuma), 157 (Carlo Ricci), 164 (Carol & Lyall Bilerbeck), 177 (Christina Paton), 212 (Simon Kuiti), 228 (Hokio Progressive Association), 233 (Deborah Gimblett), 237 (Bruce & Elaine Little), 239 (Gaylyn & Ross Bennett), 247 (William Huzziff), 250 (Linda Rawlings).

Summary of Submissions

The purpose of this report is to provide Council with information to assist them in making a decision with regard to Development Contributions. Council as part of the Long Term Plan 2015-2025 made a decision to consult on whether Council should cancel its existing Development Contributions Policy and implement a Financial Contributions Policy.

Through the draft LTP consultation process 125 submissions were received with regard to Development Contributions.

Below is a high-level breakdown of the submitters' views.

OPTION	Number of Submitters	Percentage
1. Cancel Development Contributions	40	32%
2. Suspend Development Contributions	24	24%
3. Harmonise Development Contributions	8	6%
4. Moderate Development Contributions	17	14%
5. Retain the Status Quo	36	29%

During hearings, some submitters provided further clarity to their submission - further changing the breakdown to the following:

OPTION	Number of Submitters	Percentage
1. Cancel Development Contributions	41	32.8%
2. Suspend Development Contributions	23	23%
3. Harmonise Development Contributions	8	6.4%
4. Moderate Development Contributions	17	13.6%
5. Retain the Status Quo	36	28.8%

Analysis

Introduction

Council currently charges development contributions to fund the cost of infrastructure, reserves or other community facilities arising from new housing or commercial developments. The current development contributions charged by Council are considered by some to be a disincentive to economic growth and new development in Horowhenua. Council is committed to creating an enabling environment to encourage economic growth in the Horowhenua district. Reviewing Council's position on development contributions is one area that Council can directly influence in the short to medium term.

What is a Development Contribution?

Every new residential or commercial development increases demand on the District's resources and services such as the transport network, water supply and reserves. A development contribution is a contribution from developers of cash, or in some cases land, to fund the additional

demand for reserves, network infrastructure and community infrastructure created by growth. Development contributions are typically charged for new houses, new commercial buildings and new sections created through subdivisions.

Council is required to review the Development Contributions Policy every three years. The last review was undertaken in 2012. During 2014 a number of workshops were held with Council exploring whether changes should be made to the current Development Contributions Policy to help stimulate economic growth in the District.

The Local Government Act 2002 (LGA 2002) introduced development contributions as a mechanism for Territorial Authorities to obtain funding for community infrastructure and public amenities. Development contributions are an optional source of funding and throughout New Zealand, 43 Territorial Authorities charge development contributions and 20 do not. In the last two years, both Rotorua District Council and Hutt City Council have made decisions to discontinue or exempt development contributions in order to assist the stimulation of growth in their respective areas.

The purpose of development contributions is to fund the costs of infrastructure, reserves or other community facilities arising from new housing or commercial developments. A financial contribution can be imposed as a condition of resource consent for a purpose set out in the District Plan. Council ceased using financial contributions when development contributions were introduced.

Development contributions in simple terms are the cost of capital expenditure for network and community infrastructure where a share of that cost is attributed to a unit of demand created by growth.

Development Contributions in the Horowhenua District - Discussion on Effective Funding and Implications on Growth

Horowhenua District Council adopted a Development Contributions Policy as part of its Long Term Plan in 2006. Council reviews the development contribution charges every three years. Reviews have been undertaken in 2009 and 2012.

The 2006 Development Contribution Policy did not include charges for commercial development. This was introduced by Council in 2009.

Council collects development contributions to support the following activities:

<u>Network Infrastructure</u>	<u>Community Infrastructure</u>
Roading	Reserves
Water Supply	Public and civic amenities
Wastewater	

Under each of these activities are a number of specific projects included in the Development Contribution Policy which is formally adopted as part of the Long Term Plan.

The development contribution amount triggered by a development is calculated by using units of demand on infrastructure.

For residential development, each allotment in addition to the original allotment is assessed as one unit of demand. For residential development on existing sites, any additional residential dwelling (as defined in the District Plan) over and above that on the site is assessed as one unit of demand.

Non-residential developments are assessed on the demand that they create. The number of units of demand generated by the development is determined by using a conversion function based on gross floor area of the development.

Development contributions are charged over a 15-20 year period to cover the incremental growth of increased demand on Council's infrastructure over time. This lengthy period was intended to achieve a situation where the costs are apportioned between the community and the developer.

Whether a development attracts a development contribution depends on the type of activity and use. Development contributions can be charged for developments of all types and scales. For instance, a one into two lot subdivision, an extension to an industrial workshop and a comprehensive commercial development will commonly attract a development contribution.

Accessory buildings (as defined in the District Plan) associated with primary production activities in the Rural zone is not liable for a development contribution unless a new connection to the Council water, wastewater or stormwater infrastructure is imposed as a condition of the Resource or Building Consent or is requested by the applicant.

Essentially, any development or change of land use that can generate more demand on infrastructure than the current use of the land will attract a development contribution.

In regard to keeping scale and type of development in mind, it is important to outline that 'developers' and developments relate to a range of people and scales. The point is that 'development' in general is the holistic growth of the district and the accumulation of both small and large developments. Development contributions are charges to the developer, but ultimately, the cost is passed on to businesses and tenants or capitalised in the price of the development.

A number of factors indicated that it is a good time to consider whether development contributions should be retained as a funding tool in the Horowhenua district. These factors include:

1. Whether development contributions should be remitted to encourage economic development
2. The Local Government Amendment Act has introduced clauses which make development contributions clearer and of lesser scope in regards to services for which they can apply
3. Analysis of Council financial information indicates development contributions are not yielding the budgeted revenue indicating growth is not at expected levels
4. The difficulty of implementing and managing development contributions in a consistent manner
5. Better Council asset management information identifying capacity of existing infrastructure to handle forecasted growth in the district

Long Term Plan 2015-2025 Process

Leading up to the Long Term Plan 2015-2025, workshops were facilitated on the issue of development contributions.

Council is required by law to have adopted a policy on development contributions or financial contributions. This is clearly set out in section 102 of the Local Government Act 2002 ("LGA02"), which states, as far as is relevant:

- "(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).*
- (2) The policies are –*
- (d) A policy on development contributions or financial contributions."*

It follows that if Council cancels its current Development Contributions Policy, it will need to replace it with a new policy. This may be a policy that states that no development contributions will be required, and describes the financial contributions, the Council will collect under the provisions of the RMA. If the Council opts for financial contributions to the exclusion of development contributions, it will also need to set in motion the process to make the necessary changes to the District Plan which is necessary to implement the policy.

The provisions that relate to the contents of a financial contributions policy are set out at section 106(2) and (4) of the LGA02. In section 106(2)(f) it states that the policy must, if financial

contributions will be required, “summarise the provisions that relate to financial contributions in the District Plan”. Council currently relies on development contributions rather than financial contributions for growth-related infrastructure (other than that integral to subdivision). Therefore, if Council were to cancel the Development Contributions Policy, it would need to either make the timing coincide with the adoption of changes to the District Plan introducing provisions for financial contributions, or adopt an interim policy under section 102(2)(d) that addressed the gap in provision for either development contributions or financial contributions.

The manner in which a development contribution policy must be adopted or amended is set out in section 102(4) of the LGA02, as recently amended by the Local Government Act 2002 Amendment Act 2014 (“the 2014 Amendment”). Section 102(4) reads:

“A local authority –

- (a) must consult on a draft policy in a manner that gives effect to the requirements of section 82 before adopting a policy under this section;*
- (b) may amend the policy adopted under this section at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of section 82”.*

There is no provision that specifically addresses the cancellation of the Development Contributions Policy, although it is noted the requirement, in section 106(6), to review a Development Contributions Policy every three years which must also be conducted pursuant to “a consultation process that gives effect to the requirements of section 82”. Since a review of the Development Contributions Policy might well, under certain circumstances, lead to its cancellation, we consider the consultation process outlined in that provision to be applicable in the event that Council proposes to cancel the Development Contributions Policy.

Section 82 of the LGA02 requires that a local authority undertakes consultation in accordance with a set of principles, although pursuant to section 82(3) those principles are to be observed in such manner as the Council, in its discretion, considers to be appropriate. The limits on the exercise of that discretion are set out in section 82(4).

Although section 82 is largely unaffected by the 2014 amendment, there is a new related section 82A that applies where a local authority is required to consult “in accordance with, or using a process or a manner that gives effect to, the requirements of section 82”. It therefore applies to the consultation Council must undertake if it intends to suspend or cancel the Development Contributions Policy. The active requirements are set out in section 82A(2), which reads as follows:

“The local authority must, for the purposes of section 82(1)(a) and (c), make the following publicly available:

- (a) the proposal and the reasons for the proposal; and*
- (b) an analysis of the reasonably practicable options, including the proposal, identified under section 77(1); and*
- (c) if a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy or other document; and*
- (d) if a plan or policy or similar document is proposed to be amended, details of the proposed changes to the plan, policy, or other document.”*

The combined effect of these provisions is that before Council determines the future of the Development Contributions Policy it will be required to prepare a consultation document pursuant to section 82A, and to consult with the relevant stakeholders (i.e. those persons who will or may be affected by, or have an interest in, the decision). Whereas the consultation process now required pursuant to the changes made by the 2014 Amendment is more flexible than the previous requirement to adopt or amend a Development Contributions Policy pursuant to the special consultative procedure, Council will still be required to go through a public consultation process with respect to the future of the Development Contributions Policy. This will apply whether it is

proposed to introduce a moratorium (i.e. suspend the implementation of the Development Contributions Policy), or to cancel the Development Contributions Policy.

Council in this instance, by including the Development Contributions as a key issue for consultation as part of its Draft Long Term Plan 2015-2025 process, has given effect to the consultation requirements provided in section 82 of the act.

Assessing Development Contributions and the options

There are two major schools of thought in regards to Development Contributions. The proponents state that the Local Government Act funding principles support that the developer as exacerbator and beneficiary of costs, incurred by Council to support growth, should pay for a portion of those costs as the people causing and/or benefiting from that expenditure. Their logic flow looks something like:

1. Council provides infrastructure and community facilities for the community
2. Those services have restrictions around capacity to service a constrained number of users
3. New developments use up existing service capacity and require the Council to increase the scale of the service to cope with increased users
4. New developments pick up a benefit from being able to use the existing service which has been funded by existing properties
5. Therefore, a logical extension is that new developments should contribute to the additional costs that growth will impose on the Council and other ratepayers

The opponents take a slightly different view. They typically do not refute that growth imposes costs. Their logic flow looks something like this:

1. There is no growth in the Horowhenua District
2. As there is no growth in the District, the new developments are not using up existing infrastructure capacity
3. Council is keen to see growth in the community as more ratepayers share a largely fixed cost of service
4. New ratepayers who come into the community, even if they do pick up a share of the unutilised capacity, lower the average cost for all ratepayers
5. New ratepayers also pick up a proportionate share of existing debt which is often incurred on capital items that were not designed to meet growth requirements. In doing so they lower the average cost for existing ratepayers
6. Development Contributions are an uncertain mechanism for recovery and attributing costs, and this uncertainty impacts on decisions by developers
7. Development Contributions are an obstacle to development

In the Horowhenua District context, Council receives feedback about development contributions being a disincentive to business development and new residential development. In the current low population growth, average economic growth, below average employment growth Horowhenua environment, the issues surrounding development contributions are amplified in particular where the application of a development contribution to a Brownfield or even Greenfield type development can be the tipping point between investment or not. This is of particular relevance when the property market is fairly flat as the risk of over capitalisation is a very real risk when investments are considered in relation to other markets with increasing property prices.

Options for Consideration

The following information goes through each option that was presented to the community for feedback on. It is important to note that further information can be found in the initial discussion paper that was given to both Council and the public during the Long Term Plan 2015-2025 process. This report can be found in Appendix 1 to this report.

Option 1 – Cancellation of Development Contributions	
Impact on Rates	0.08% average increase on current rates revenue income per year
Impact on Debt	Additional borrowing of \$400,000 per year less any financial contributions collected for development in new growth areas
Impact on Levels of Service	None

Under this option no development contributions would be collected for new developments from 1 July 2015. Historic developments that hadn't been invoiced for a development contribution would not need to pay a development contribution even if they previously would have owed one. Until a plan change to the District Plan requiring Financial Contributions has been adopted there would be a period (potentially 6-18 months) where no Development Contributions or Financial Contributions are charged. Developments occurring during this window would not be charged a contribution. Once the Financial Contributions Plan Change has been adopted financial contributions would be charged against developments in the new growth areas of the district and could only be imposed on those developments requiring resource consent (i.e, subdivisions).

Current projections for growth over the next 10 years in the district have resulted in an estimate of \$4.8 million in development contributions being collected over that period. Should Council decide to cancel the Development Contributions Policy, it would be required to fund this amount (\$4.8million) through loan funding (less any amount collected through Financial Contributions). The amount borrowed would be approximately \$400,000 per year with the accumulated annual interest coming to approximately \$250,000 over the ten year period.

By no longer charging development contributions a potential spin-off could be additional development in the District. The window where no development or financial contributions are charged could provide an incentive for increased development, particularly in those new growth areas which in time would be subject to a Financial Contribution charge.

Financial contributions are imposed as part of resource consent conditions. They are used to offset the environmental effects of a proposed development and help achieve the sustainable management of the district's natural and physical resources.

With this option Council would need to reintroduce a Financial Contributions Policy as set out in the Long Term Plan 2015-2025 Consultation document.

Cost

Current projections for growth over the next 10 years in the district have resulted in an estimate of \$4.8m in Development Contributions being collected over that period.

Should Council decide to cancel the Development Contributions Policy, it would be required to fund this amount for infrastructure development and renewals through loan funding, less any amount collected through Financial Contributions, should Council decide to introduce Financial Contributions.

The cost of borrowing over the period of the LTP of the \$4.8m or \$400,000 per annum accumulating over the 10 years is estimated as follows:

	<u>Total Borrowing</u>	<u>Cumulative Annual Interest</u>
Year 1	\$400,000	\$24,000
Year 2	\$800,000	\$49,440
Year 3	\$1,200,000	\$74,966
Year 4	\$1,600,000	\$100,498
Year 5	\$2,000,000	\$126,030

Year 6	\$2,400,000	\$151,562
Year 7	\$2,800,000	\$177,094
Year 8	\$3,200,000	\$202,626
Year 9	\$3,600,000	\$228,158
Year 10	\$4,000,000	\$253,689

Rate Impact

The rate impact of funding infrastructure development and renewals through loan funding rather than Development Contributions would be a 0.08% average increase on current rates revenue income or 0.80% over a period of 10 years.

LTP Integration

Whilst some would argue that cancelling Development Contributions would increase development in the district, thus increasing the number of ratepayers and lowering the average cost of infrastructure service delivery, no amendment has been made to growth projections in the 2015-25 draft LTP based on this occurring.

The draft LTP 2015-25 Consultation Document, the Revenue and Financing Policy and the Financial Strategy have all been based on this option.

Implementation of Financial Contributions

If Council was to choose Option 1 which is the cancellation of the Development Contributions Policy, the implementation of the Draft Financial Contributions policy would be required.

To implement a Financial Contributions Policy it will be necessary to undertake a formal plan change to the Horowhenua District Plan. The Plan change process is prescribed within Schedule 1 of the Resource Management Act. In brief the following steps would be involved:

1. Preparation of the plan change (the proposed amendments to the District Plan) and the section 32 evaluation report (which addresses the alternative options and Cost Benefit Analysis). There is flexibility in this part of the process for the level of consultation undertaken with stakeholders to be adjusted to suit similarly the level of engagement with Council through briefings or workshops. Generally the greater the level of consultation undertaken the longer this phase will take.
2. Adoption of the Plan Change by formal resolution of Council
3. Public Notification of the Plan Change, this triggers the start of the submission period.
4. Close of Submissions. Preparation and public notification of the Summary of Submissions. This triggers the start of the further submission period.
5. Further submissions close.
6. Analysis of submissions and preparation of Officer reports for the hearing of submitters
7. Hearing of submissions.
8. Decision prepared Hearing Panel
9. Decision adopted by Council and publicly notified. This triggers the start of the period for lodging appeals.
10. Appeal period closes.
11. Any appeals to the Environment Court are resolved potentially through mediation or Environment Court hearing.
12. If no appeals lodged or when the appeals are resolved, the decision can then be adopted by Council and the changes to the District Plan become operative.

Note that under the current legislation the new rules would not have legal effect until they are beyond legal challenge.

Application of the Financial Contribution Policy

The Financial Contribution Policy is given effect through the rules in the District Plan. The exact detail of these rules would be subject to the Plan Change process.

A subdivision application triggering the rules in the District Plan regarding financial contributions would then be assessed against those relevant rules. To comply with the rules would require the developer to demonstrate how the rules relating to Financial Contributions have been satisfied. This would result in a condition being imposed as part of the resource consent to subdivide, and would require the developer to pay the specified contribution amount. The amount will be determined by the detail in the District Plan and must be for the purpose of ensuring positive effects on the environment to offset the environmental effects of the proposed development.

Tokomaru Village and Community Association in its submission raised concerns about the potential time lapse between the cancellation of a Development Contribution Policy cancellation and a Financial Contribution policy implementation. Council could consider cancelling Development Contribution Policy, but only effective at the time in which Financial Contribution Policy is enforceable. However it will still require the existing DC policy to be updated to reflect legislative changes, and prolongs the current climate where development contribution is perceived to be a barrier to economic growth.

Option 2 – Suspension of Development Contributions	
Impact on Rates	0.08% increase on current rates revenue income per year
Impact on Debt	Additional borrowing of \$400,000 per year
Impact on Levels of Service	None

Under this option no development contributions would be charged for a defined period (e.g. three years) until Council decided to reinstate them. Council would still have a Development Contributions Policy that would set out what the development contributions would be if they were to be charged.

This option could incentivise development as there would be a limited window where there would be no development contributions charged. Potentially this could make some development projects economically viable that otherwise might not have been.

The absence of development contributions would mean that the costs of funding infrastructure development would be met through loan funding paid for by rates.

While Council could indicate how long the suspension may last for, Council would still be entitled to undertake a formal review of the Development Contributions policy earlier should it consider it necessary. Council would also have the option of introducing Financial Contributions through a change to the District Plan.

The option to suspend Development Contributions would require Council to select a period of time for which Development Contributions would be suspended. This option would essentially have the same impact as cancelling Development Contributions but only for a limited period of time. Council would then have the ability to reintroduce Development Contributions once the period of suspension ceased. With this option Council could choose to reintroduce financial contributions for development in new growth areas of the district under the provisions of the Resource Management Act.

The submitter has suggested that she should like to see large developments incorporate the requirement for parks/green space and sustainable practices. In the District Plan the Council has rezoned land (growth areas) for future development. For these growth areas, the Council provides Structure Plans to guide the future development in these areas. The Structure Plans identify indicative areas for parks/reserves and open spaces that are to be created as part of the development of these areas. Those undertaking development in these areas are required to be

generally in accordance with the relevant Structure Plan and provide the parks/reserves or open space where these have been identified. The current District Plan framework addresses the submitter's suggestion.

If Council resolved to suspend Development Contributions these factors would need to be considered:

Cost

Higher administration costs would apply for a suspension of Development Contributions compared to the cancelling of development contributions until such time as Council decides to lift the suspension of Development Contributions.

Rate Impact

The rate impact of suspending Development Contributions and funding infrastructure development and renewals through loan funding rather than Development Contributions would be an average of 0.08% increase on current rates revenue per annum depending on interest rates.

LTP Integration

If following submissions and deliberations Council chooses this option, then the Revenue and Financing Policy would need to be amended. If the decision was made to introduce financial contributions the Revenue and Financing Policy a further amendment may be necessary to reflect the financial contribution estimates for the growth areas.

Option 3 – Harmonise Development Contributions	
Impact on Rates	Very little rate impact as no additional load funding would be required
Impact on Debt	None
Impact on Levels of Service	None

The development contribution charge is made up of five components. Three of these components are universally applied across the district (these are roading, community and reserves) and two components (water and wastewater) are calculated using the estimated costs of the water and wastewater infrastructure projects for each town in the district.

Due to the different costs of the water and wastewater infrastructure projects the total development contribution varies for each town. Currently the development contributions range from \$5,465 excl GST (Rural) to \$18,294 excl GST (Levin Development Area 2). The current figures have been moderated so that the range between the highest and lowest development contribution is approximately \$12,000 rather than \$30,000.

The option of harmonising would result in the same development contribution of approximately \$14,000 excl GST. It is estimated that slightly less than \$400,000 per year would be collected through a harmonised contribution.

The harmonised rate would potentially become a deterrent for development in the towns where the current development contribution is much lower (i.e. Tokomaru and Waitarere). This is unlikely to be offset by increased development in those areas where the current development contribution would decrease as the change would be much smaller. The amount of the development contribution is still likely to be seen by some as making new development unviable.

There would be very little overall impact on rates and debt as this option is simply changing who pays to be consistent across the district.

Roger Truebridge, in his submission, sought Council to consider a combination of moderation and harmonization, essentially seeking a district wide uniform charge on subdivision developments only. While a flat fee might create some level of certainty and stability for developers and those wanting to invest in the market, the fee would create a level of unfairness across developments

where there will be a real risk that some would not be paying the full and actual cost of connecting to Council services.

While a harmonised or moderated rate may alleviate some concerns that submitters are raising, this may still be considered as a perceived barrier to growth across the district. In the Horowhenua district context, HDC receives feedback about Development Contributions being a disincentive to business development and new residential development. HDC commonly receives complaints about the high levies associated with a Development Contribution and the large variation across the district.

Presently harmonized (universal) Development Contributions across the whole District is applied for the following infrastructure types:

Roading	\$3,675
Community	\$1,134
Reserves	\$656

Despite water and wastewater rates being harmonized across the district, these two infrastructure types do not have their Development Contributions harmonised.

Development Contributions for water and wastewater have been calculated using estimated growth, renewal and development costs, and planned plant upgrades for each township with these utilities.

Should a harmonised development contribution be applied across all infrastructure types across the district, the following Development Contributions would be charged compared to the current Development Contributions for each township, not including development areas.

	Water \$	Wastewater \$	Roads \$	Reserves \$	Community \$	Total (ex GST)
Universal DC	4,439	4,458	3,675	656	1,134	14,362
Current DCs						
Tokomaru	475	15	3,675	656	1,134	5,956
Shannon	1,895	4,168	3,675	656	1,134	11,528
Foxton	1,750	1,886	3,675	656	1,134	9,101
Foxton Beach	1,378	7,114	3,675	656	1,134	13,957
Levin	5,001	4,329	3,675	656	1,134	14,795
Ohau	6,719	-	3,675	656	1,134	5,465
Waitarere Beach	-	1,035	3,675	656	1,134	6,500
All other rural & urban areas	-	-	3,675	656	1,134	5,465

Cost

Should Council decide to harmonise Development Contributions across all infrastructure activities, it is estimated that slightly less than \$400,000 per annum will be collected in Development Contributions compared to the current budget of \$400,000 per annum.

Rate Impact

There is very little rate impact with this option as no additional loan funding would be required.

LTP Integration

If following submissions on the draft LTP 2015-25 Consultation Document the Council chooses this option, then the Revenue and Financing Policy would need to be amended to refer to the Development Contributions being charged and the projected contributions. The current

Development Contributions Policy would need to be recalculated and updated taking into account updated costs for projects and new assumptions.

The Development Contributions Policy would need to be amended to harmonise Development Contributions across all infrastructure activities.

Council could choose to moderate Development Contributions to around \$7,500 for urban residential and the roading component only for rural, \$3,675, which still enables a development contribution but does not tip the development to be unviable. If rural properties were connected to either of Council's water or sewerage network an additional DC charge could apply.

The theory behind the roading component being retained for rural development is that each new unit will generate additional vehicular traffic on rural roads.

There is anecdotal evidence from some developers in the district that Development Contributions are justified and understood. However, the quantum of current Development Contributions relative to lower market values of new housing in the Horowhenua, compared to say Kapiti and Manawatu, means margins are being squeezed with the current Development Contributions charged. Some developers have suggested to the Chief Executive that they would be comfortable to pay \$7,000-\$8,000 in Development Contributions if Council retained the Development Contributions Policy.

Option 4 – Moderated Development Contributions

Impact on Rates	0.03% increase on current rates revenue per year
Impact on Debt	Additional borrowing of \$100,000-150,000 per year
Impact on Levels of Service	None

Council could choose to moderate Development Contributions to around \$7,500 for urban residential and the roading component only for rural, \$3,675, which still enables a development contribution but does not tip the development to be unviable. If rural properties were connected to either of Council's water or sewerage network an additional DC charge could apply.

The theory behind the roading component being retained for rural development is that each new unit will generate additional vehicular traffic on rural roads.

There is anecdotal evidence from some developers in the district that Development Contributions are justified and understood. However, the quantum of current Development Contributions relative to lower market values of new housing in the Horowhenua, compared to say Kapiti and Manawatu, means margins are being squeezed with the current Development Contributions charged. Some developers have suggested to the Chief Executive that they would be comfortable to pay \$7,000-\$8,000 in Development Contributions if Council retained the Development Contributions Policy.

Cost

Should Council decide to moderate the Development Contributions to say \$7,500 for urban residential development and \$3,675 for rural development, the level of Development Contributions collected per annum would be \$250,000-\$300,000, compared to the current budget of \$400,000 per annum.

This would result in additional borrowing of \$100,000-\$150,000 per annum or \$1,000,000-\$1,500,000 over the period of the LTP.

Rate Impact

The rate impact of funding infrastructure development and renewals through additional loan funding rather than Development Contributions would be a 0.03% average increase on current rates revenue or 0.30% over a 10 year period.

LTP Integration

If following submissions on the draft LTP 2015-25, the Council chooses this option then the Revenue and Financing Policy would need to be amended to refer to the Development Contributions being charged and the projected contributions. The current Development Contributions Policy would need to be recalculated and updated taking into account updated costs for projects and new assumptions. Council would need to resolve to moderate the Development Contributions to levels deemed appropriate based on assumptions revolved around affordability and the projected growth assumptions. It is important to note that the changes to the existing policy is a large piece of work and it is unlikely that it would be completed by mid June 2014 in time for the adoption of the Long Term Plan 2015-2025.

The submitter highlights that new homes and developers should pay to “tap into” existing infrastructure. The Draft Financial Contributions Policy allows for the actual cost for connection to existing infrastructure to be charged to the developer and not paid for by the ratepayer. The policy defines this to include Land Transport, Water Supply, Wastewater Disposal, Stormwater and Community Facilities and Services.

Option 5 – Status Quo Update current Development Contributions Policy

Option 5 – Status Quo Update current Development Contributions Policy	
Impact on Rates	None
Impact on Debt	None
Impact on Levels of Service	None

Development contributions would continue to be charged on new residential and non-residential development as it has been since 2012. The Development Contributions Policy would be updated taking into account the updated costs for projects and new assumptions supporting the Long Term Plan. It is likely that the development contribution charges would need to be moderated to at least current levels so that the contributions charged for areas such as Foxton and Shannon are not excessive (current unmoderated contributions for Foxton is over \$34,000). The impact of this option is largely expected to be a continuation of status quo with the development contributions charges being perceived by some to act as a disincentive to economic growth and in some cases make new development unviable.

If this option was chosen it is estimated that \$400,000 in development contributions would be raised each year for the period of the LTP. No additional borrowing would be necessary.

A key consideration with regard to Development Contributions is that it is a complex and expensive process for obtaining income. The cost of preparing the policy, reviewing and implementing is estimated to be on average \$83,000 per annum. This has not been precisely calculated but is a reasonable estimate based on staff time for reviewing, calculating Development Contributions, debtors and debt recovery administration, CEO and Mayor time dealing with complaints and the time taken for appeals. This point becomes more important when considering funding sources. The cost of the administration is set as an operational cost and is funded from operational revenue. However the revenue from Development Contributions is set as a capital funding source which reduces operations funding to the extent of the interest component as cost of funds. Therefore, the operating costs of Council are lower by approximately \$104,000 over the last three years through the interest effect, while the operating costs are more than double that sum through the costs of administering the policy.

There is an argument in the Horowhenua context that as a mechanism for collecting a small amount of revenue, Development Contributions do not evaluate well as an alternative revenue source. It is expensive to administer relative to revenue, it impacts on the behaviours of the payers and it does not have a broad base. The financial arguments for keeping it as a mechanism are

also not strong. It does not yield a significant amount of revenue and imposes risks on the organisation due to the uncertainty of it as an income system.

Given that Development Contributions are a mechanism for funding growth we need to consider whether Horowhenua District Council has sufficient infrastructure capacity in the short, medium and long term to service new development in the district for water, wastewater, roading and stormwater. Parallel to this, Council needs to consider its growth assumptions and whether the forecasted growth justifies the requirement for Development Contributions.

Taking into account the unmoderated Development Contributions identified in the Discussion Paper as released as part of supporting information alongside the Long Term Plan 2015-2025 consultation document, Council would probably be required to moderate Development Contributions to at least current levels.

Cost

Should Council retain the existing Development Contributions Policy, an estimated \$400,000 in Development Contributions will be raised each year for the period of the Long Term Plan 2015-2025.

Rate Impact

Should this option be chosen by Council, there would be a decrease in the rate requirement as indicated as part of Long Term Plan 2015-2025 consultation.

LTP Integration

If following submissions on the draft LTP 2015-2, Council chooses this option then the Revenue and Financing Policy would need to be amended to refer to the Development Contributions being charged and the projected contributions. The current Development Contributions Policy would need to be recalculated and updated taking into account updated costs for projects, new assumptions and current levels of moderation.

Conclusion

Council has five options to consider, they are as follows:

THAT Council resolves to cancel the Development Contributions Policy and adopt the Draft Financial Contributions Policy to be put forward as a change to the District Plan.

OR

THAT Council resolves to Suspend Development Contributions

OR

THAT Council resolves to Harmonise Development Contribution funding for the whole district

OR

THAT Council resolves to Moderate Development Contributions to market affordable levels

OR

THAT Council resolves to retain the status quo, and update current Development Contributions policy.

Officers preferred recommendation to Council is THAT Council resolves to cancel the Development Contributions Policy and adopt the Draft Financial Contributions Policy to be put forward as a change to the District Plan.

The recommendation is made for the following reasons:

Consultation

Pursuant to Section 82 of the Local Government Act, this matter has been out for community consultation. Feedback from the community was clear with over 32% advocating for the cancellation of Development Contribution, and coupled with those who also advocated for the suspension of Development Contributions more than 55% of those who made a submission are not in favour of Development Contributions.

Enabling economic development

In April 2014 Council unanimously adopted the Horowhenua Economic Development Strategy. This strategy sets a vision for the Horowhenua District, and emphasizes the need for policy settings within the Horowhenua District Council to represent a mindset whereby Economic Development is put at the centre of thinking. We do not know for sure that the cancellation of Development Contributions will enable economic growth, but we can only assume that if we decrease the costs of development, further development will be encouraged as more development opportunities become economically viable.

Financial contributions are imposed as part of resource consent conditions. They are used to offset the environmental effects of a proposed development and help achieve the sustainable management of the district's natural and physical resources. Further to this the Draft Financial Contributions Policy allows for the actual cost of new development to be charged to the developer and not paid for by the ratepayer. Currently the Draft Financial Contribution Policy only applies to areas of new growth (defined Growth Areas). This policy will be viewed as an enabler to economic growth.

Given the Financial Contribution Policy is required to go through a formal plan change and this is expected to take anywhere between 6 and 18 months, there may be a period whereby neither the Development Contribution Policy or Financial Contributions Policy is enforceable and a period whereby no contribution could be charged, potentially boosting development and therefore growth.

Funding for growth

Development Contributions in its simplest form are charged to pay for the cost of capital expenditure for network and community infrastructure where a share of that cost is attributed to a unit of demand created by growth. Given that Development Contributions are a mechanism for funding growth we need to consider whether Horowhenua District Council has sufficient infrastructure capacity in the short, medium and long term to service new development in the district for water, wastewater, roading and stormwater. The view of Council Officers is that this is not required, as there is capacity within the infrastructure network, and further the growth assumptions do not indicate likelihood that we will exceed growth targets (or the available network capacity).

Cost to organisation

A key consideration with regard to Development Contributions is that it is a complex and expensive process for obtaining income. The cost of preparing the policy, reviewing and implementing is estimated to be on average \$83,000 per annum. This has not been precisely calculated but is a reasonable estimate based on staff time for reviewing, calculating development contributions, debtors and debt recovery administration, CEO and Mayor time dealing with complaints and the time taken for appeals. This point becomes more important when considering funding sources. The cost of the administration is set as an operational cost and is funded from operational revenue. However the revenue from Development Contributions is set as a capital funding source which reduces operations funding to the extent of the interest component as cost of funds. Therefore, the operating costs of Council are lower by approximately \$104,000 over the last three years through the interest effect, while the operating costs are more than double that sum through the costs of administering the policy.

While there would be a costs associated with Financial Contributions, these would largely be the costs associated with developing the plan change. This would be a one-off cost rather than an annual cost. The cost of the plan change would be dictated by the number of submissions and

appeals. If the plan change followed a 'standard' process (based on less than 30 submissions, two days of hearings, any appeals resolved through mediation) the costs would be anticipated to be in the range of \$30,000 - \$45,000. Once the plan change has been made operative, the ongoing administration costs would largely be incorporated into the planning consent process and fees on-chargeable to applicants.

Recommendation

THAT Council resolves to cancel the Development Contributions Policy and adopt the Draft Financial Contributions Policy to be put forward as a change to the District Plan.


Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

3. Appendices

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Approved by	David Clapperton Chief Executive	
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DISCUSSION PAPER

Purpose

The purpose of this Discussion paper is to provide Council with background information on Development Contributions before considering the review of Horowhenua District Council's Development Contribution Policy.

Background

Horowhenua District Council has committed to creating an enabling environment to encourage economic growth in the Horowhenua District. Part of that commitment is the review of HDC's position on Development Contributions (DC's) and how they may be a disincentive to economic growth. Reviewing HDC's position on DC's is one area Council can influence in the short to medium term, the stimulation of economic growth in the district.

A number of factors indicate that it is a good time to consider whether DC's should be retained as a funding tool in the Horowhenua District. These factors include:

1. Whether Development Contributions should be remitted to encourage economic development
2. The Local Government Amendment Act has introduced clauses which make Development Contributions clearer and of lesser scope in regards to services for which they can apply
3. Analysis of Council financial information indicates Development Contributions are not yielding the budgeted revenue indicating growth is not at expected levels
4. The difficulty of implementing and managing Development Contributions in a consistent manner
5. Better Council asset management information identifying capacity of existing infrastructure to handle forecasted growth in the district

The Local Government Act 2002 (LGA 2002) introduced Development Contributions as a mechanism for Territorial Authorities to obtain funding for community infrastructure and public amenities. Development Contributions are an optional source of funding and throughout New Zealand, 43 Territorial Authorities charge DC's and 20 do not. In the last two years both Rotorua District Council and Hutt City Council have made a decision to discontinue Development Contributions in order to assist the stimulation of growth in their respective areas.

The purpose of DC's is to fund the costs of infrastructure, reserves or other community facilities arising from new housing or commercial developments. A financial contribution can be imposed as a condition of a resource consent for a purpose set out in the District Plan. HDC ceased using financial contributions when DC's were introduced.

Development Contributions in simple terms is the cost of capital expenditure for network and community infrastructure where a share of that cost is attributed to a unit of demand created by growth.

Legislative Changes

In 2013, the Ministry of Internal Affairs instigated a review of Development Contributions which resulted in changes to the LGA 2002. Of particular note, the review concluded that DC's can be an appropriate method of funding infrastructure except for public amenities e.g. civic buildings and museums. It was also concluded that it is widely accepted that improvements should be made to both the legislation and the way DC's are applied across New Zealand. These improvements have been included in the Local Government Act 2002 Amendments Bill No.3. An extract from the explanatory note to that Bill stated:

“A 2013 government review of Development Contributions identified difficulties associated with the current legislative framework and how it is being implemented by Councils. For example, Development Contributions are being used to fund types of infrastructure that may be better funded from general revenue sources, and the degree of transparency in apportionment of the costs and benefits of infrastructure is variable. There are also limited mechanisms for resolving challenges to Development Contribution charges and opportunities to encourage greater private provision of infrastructure.”

The Bill provides a new purpose for Development Contributions and principles to direct and guide how they are used by Councils. Secondly, there are provisions that clarify and narrow the range of infrastructure that can be financed by DC's. Thirdly, the Bill introduced a DC objection process, with decisions made by independent commissioners. In addition, the Bill encourages greater private provision of infrastructure through the use of Development agreements and includes provisions to improve the transparency of Council's Development Contribution policies.”

Development Contributions in the Horowhenua District - Discussion on Effective Funding and Implications on Growth

Horowhenua District Council adopted a Development Contributions Policy as part of its Long Term Plan in 2006. HDC reviews the DC charges every three years, reviews have been undertaken in 2009 and 2012.

The 2006 Development Contribution Policy did not include charges for commercial development. This was introduced by Council in 2009.

Council collects Development Contributions to support the following activities:

Roading
Water Supply
Wastewater
Stormwater

Reserves
Public and civic amenities

Under each of these activities are a number of specific projects included in the Development Contribution Policy which is formally adopted as part of the Long Term Plan.

The Development Contribution amount triggered by a development is calculated by using units of demand on infrastructure.

For residential development, each allotment in addition to the original allotment is assessed as one unit of demand. For residential development on existing sites, any additional residential dwelling (as defined in the District Plan) over and above that on the site is assessed as one unit of demand.

Non-residential developments are assessed on the demand that they create. The number of units of demand generated by the development is determined by using a conversion function based on gross floor area of the development.

Development Contributions are charged over a 15-20 year period to cover the incremental growth of increased demand on Council's infrastructure over time. This lengthy period was intended to achieve a situation where the costs are apportioned between the community and the developer.

Whether a development attracts a DC depends on the type of activity and use, and DC's can be charged for developments of all types and scales. For instance, a one into two lot subdivision, an extension to an industrial workshop and a comprehensive commercial development will commonly attract a DC.

Accessory buildings (as defined in the District Plan) associated with primary production activities in the rural zone is not be liable for a DC unless a new connection to the Council water, wastewater or stormwater infrastructure is imposed as a condition of the Resource or Building Consent or is requested by the applicant.

Essentially, any development or change of land use that will generate more demand on infrastructure than the current use of the land will attract a Development Contribution.

In regard to keeping scale and type of development in mind, it is important to outline that 'developers' and developments relate to a range of people and scales. The point is that 'development' in general is the holistic growth of the district and the accumulation of both small and large developments. Development Contributions are charges to the developer, but ultimately, the cost is passed on to businesses and tenants or capitalised in the price of the development.

In the Horowhenua District context, HDC receives feedback about Development Contributions being a disincentive to business development and new residential development. In the current low population growth, average economic growth, below average employment growth Horowhenua environment, the issues surrounding DC's are amplified in particular where the application of a DC to a Brownfield or even Greenfield type development can be the tipping point between investment or not. This is of particular relevance when the property market is fairly flat as the risk of over capitalisation is a very real risk when investments are considered in relation to other markets with increasing property prices.

There are two major schools of thought in regards to DCs. The proponents state that the Local Government Act funding principles support that the developer as exacerbator and beneficiary of costs, incurred by council to support growth, should pay for a portion of those costs as the people causing and or benefiting from that expenditure. The logic flow looks something like:

1. Council provides infrastructure and community facilities for the community
2. Those services have restrictions around capacity to service a constrained number of users

3. New developments use up existing service capacity and require the Council to increase the scale of the service to cope with increased users
4. New developments pick up a benefit from being able to use the existing service which has been funded by existing properties
5. Therefore, a logical extension is that new developments should contribute to the additional costs that growth will impose on the council and other rate payers

The opponents take a slightly different view. They typically do not refute that growth imposes costs. Their logic flow looks something like this:

1. There is no growth in the Horowhenua District
2. As there is no growth in the district, the new developments are not using up existing infrastructure capacity
3. Council is keen to see growth in the community as more ratepayers share a largely fixed cost of service
4. New ratepayers who come into the community, even if they do pick up a share of the unutilised capacity, lower the average cost for all ratepayers
5. New ratepayers also pick up a proportionate share of existing debt which is often incurred on capital items that were not designed to meet growth requirements. In doing so they lower the average cost for existing ratepayers
6. Development Contributions are an uncertain mechanism for recovery and attributing costs, and this uncertainty impacts on decisions by developers
7. Development Contributions are an obstacle to development

Development Contributions are an important part of the Local Government funding toolkit. However, they are a tool to be selected with some care. In reality, there is a strong logic for both charging and not charging DC's. So there is no right or wrong stance to take.

There is a perception that the imposition of DC's restricts development. This has not been clearly established to be true or false.

Analysis

The analysis of Development Contributions should be undertaken from the viewpoint not of the tool but of the circumstances for the community. In this type of analysis, important elements to consider are:

- Understanding the actual costs of growth, whether these costs are necessary for growth or drivers by growth
- Identifying the reality of growth in the context of the services and assets
- Understanding the revenue and funding impacts and the costs of the alternatives

Analysis of the Long Term Plan capital programme and projected revenue from development Contributions reveals:

- The 10 year costs of growth for capital are \$27.477m of a total capital budget of \$172.355m
- Development Contributions revenue is budgeted at \$15.965m

For the last three years Council's Annual Reports show the following breakdowns of growth capital expenditure against budget:

2011/12	1,738	537	(1,201)
2012/13	1,759	1,745	(14)
2013/14	<u>1,714</u>	<u>1,040</u>	<u>(674)</u>
Total	5,211	3,322	(1,889)

The following table shows actual Development Contributions revenue against budget:

2012/13	1,366	784	(582)
2013/14	1,366	463	(903)
Budget 2014/15	1,461	646	(815)
Total	4,191	1,893	(2,298)

Two major things stand out in regards to the above:

Firstly, the level of growth related expenditure is 36% below forecasted expenditure, indicating a deferral of growth related capital expenditure

The second item is that the revenue from Development Contributions is significantly below budget. The revenue from this source accounts for 1.2% of actual total revenue. As such, the DC Policy and its management are not strong contributors to the revenue or the indebtedness of Council.

Another consideration in regards to DC's is that it is a complex and expensive process for obtaining income. The cost of preparing the policy, reviewing and implementing is estimated to be on average \$83k per annum. This has not been precisely calculated but is a reasonable estimate based on staff time for reviewing, calculating DC's, debtors and debt recovery administration, CEO and Mayor time dealing with complaints and the time taken for appeals. This point becomes more important when considering funding sources. The cost of the administration sets as an operational cost and is funded from operational revenue. However the revenue from DC's sets as a capital funding source which reduces operations funding to the extent of the interest component as cost of funds. Therefore, the operating costs of Council are lower by approximately \$104k over the last three years through the interest effect, while the operating costs are more than double that sum through the costs of administering the policy.

There is an argument in the Horowhenua context that as a mechanism for collecting a small amount of revenue, DC's do not evaluate well as a tax system. It is expensive to administer relative to revenue, it impacts on the behaviours of the payers and it does not have a broad base.

The financial arguments for keeping it as a mechanism are also not strong. It does not yield a significant amount of revenue and imposes risks on the organisation due to the uncertainty of it as an income system.

Key Questions for Council to Consider

- Does Horowhenua District Council require Development Contributions to fund the costs of new or additional assets or assets of additional capacity required as a result of growth?
- Would Horowhenua District Council's Development Contribution Policy be robust enough to meet the scrutiny of independent commissioners?
- Does Horowhenua District Council have sufficient infrastructure capacity in the short, medium and long term to service new development in the district for:
 - Water
 - Wastewater
 - Roothing
 - Stormwater
- Should Council utilise alternate funding mechanisms to fund infrastructure for specific growth areas?



FINANCIAL CONTRIBUTION POLICY

DRAFT

1. Introduction

Section 102(4) of the Local Government Act 2002 requires the Council to adopt a policy on development contributions (money or land required from developers under the provisions of the Local Government Act 2002) or financial contributions (money or land required from developers under the provisions of the Resource Management Act 1991 and the Horowhenua District Plan). The Act states:

“(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).

(2) The policies are –

(d) A policy on development contributions or financial contributions.”

As part of its Long Term Plan 2015-2025 consultation, Horowhenua District Council has proposed that it does not have a Development Contributions Policy. This is a result of low forecast growth as well as Council's desire to lead an enabling and progressive role in Horowhenua, where economic development and growth is encouraged. This Financial Contributions Policy would replace the Development Contributions Policy (2012).

While rates are set to meet the needs of the community, they are not considered appropriate to recover the additional costs of growth brought about by new development.

The Resource Management Act 1991 requires Council to manage the effects of subdivision and development in a manner that promotes the sustainable management of the district's natural and physical resources. Council intends to use financial contributions to offset the effects of development activities.

Those undertaking activities such as building or subdivision expect to directly benefit from their efforts; however, these activities can affect the wider community. The Horowhenua District Plan requires the developer to pay for the full and actual costs of works directly related to their activity. However in the absence of Development Contributions it becomes necessary for this Financial Contributions Policy and the District Plan to recognise that development in new growth areas should also contribute a portion of costs to compensate for adverse environmental. In doing so the wider community does not unduly subsidise these private development activities.

The purpose of this Financial Contributions Policy is to enable contributions in areas that are identified as new growth areas.

2. What are Financial Contributions?

Financial contributions provide a means of offsetting, avoiding, remedying or mitigating the adverse effects of such activities. Section 108 of the Resource Management Act 191 sets out the circumstances under which conditions may be imposed on applications for resource consents. A condition may include a financial contribution as set out in Section 108(9). Financial contributions (whether money, land, or a combination of both) may be required from developers where the cost of providing or upgrading the public infrastructure or utility service can be attributed to a development.

Financial contributions and conditions on resource consents can be applied for the following reasons:

- To compensate for the situation where development leads to a demand for additional infrastructural services or leads to the deterioration of the existing infrastructure
- As a means to avoid, remedy or mitigate adverse effects of activities on the environment caused by the development.

Requiring developers to pay the actual costs of extending services is considered to be an appropriate method of encouraging an efficient, consolidated and compact pattern of land use (where new development is connected to existing development).

Currently the district is not experiencing, nor forecasted to experience, demand for public infrastructure generated by growth, therefore no allowance has been made for capital expenditure to be funded from financial contributions during the term of the Long Term Plan 2015-2025. With Council having recently identified and rezoned areas in the district for future growth, the potential exists for development to occur in these identified growth areas creating the demand for public infrastructure before any infrastructure has been provided.

3. Policy for Charging Financial Contributions

Financial contributions (whether money, land, or a combination of both) may be required as conditions of land use and subdivision consents in relation to the matters below. It should be noted that the amount or value of contributions (if any) will depend upon the circumstances of each resource consent application.

The purpose, circumstances and maximum amount of financial contributions that may be imposed by the Council as a condition of consent is specified below:

Provision of new roads and streets - Required where access to the site cannot be provided from existing streets. Maximum amount is the actual cost of building the road, and connecting the site to road network including the value of the land.

Upgrading and widening of existing roads - Required where development would result in the need to upgrade the road or the capacity of the existing road to serve the development. Maximum amount is the actual cost of the work.

Off-street vehicle parking/loading spaces - Where on-site parking is required by the District Plan but cannot be provided to meet the requirements, Council may require a financial contribution to provide and maintain nearby public car parks. Maximum amount is \$2,000 per car parking/loading space.

Street lighting - Council may require the upgrading of street lighting where, as a result of a proposed development, it is deemed necessary. Maximum amount is the actual cost of the work.

Water Supply - To ensure that a satisfactory supply of water is provided to a development, Council may require a potable water supply to be established or connection to reticulated services to be made. Maximum amount is the actual cost of the work.

Wastewater Disposal - Council may require either connection to an existing reticulated system, the upgrading of the system, or the establishment of on-site wastewater collection, treatment and disposal system for the waste water generated by the development. Maximum amount is the actual cost of the work.

Surface Water Disposal (Stormwater) - Council may require drainage facilities to reduce the adverse effects of uncontrolled run-off of stormwater from new developments. Maximum amount is the actual cost of the work.

Esplanade reserves/strips/accessways - Where a subdivision development (excluding boundary adjustments) is proposed along the margins of watercourses/waterbodies that are identified in the Horowhenua District Plan as priority water bodies, the Council may require the provision of an esplanade reserve, strip or access strip.

Exceptions

Financial contributions will not be taken where any new allotment is to be vested in Council or the Crown, or is to be used exclusively as an access lot or for a network utility structure.

4. Enforcing the Policy

The provisions that relate to the contents of a financial contributions policy are set out at section 106(2) and (4) of the Local Government Act 2002 ("LGA02"). In section 106(2)(f) it states that the policy must, if financial contributions will be required, "summarise the provisions that relate to financial contributions in the District Plan". The Horowhenua District Plan does not currently include any specific provisions for financial contributions.

A consent authority must not include a condition in a resource consent requiring a financial contribution unless the condition is imposed in accordance with the purposes specified in the District Plan and the level of contribution is determined in the manner described in the District Plan.

This Financial Contributions Policy will not be able to be implemented until such time as a plan change to the District Plan has been initiated and become operative. Until a plan change to the District Plan requiring financial contributions has been adopted there would be a period where no development contributions or financial contributions are charged. Once the Financial Contributions Plan Change has been adopted financial contributions would be charged against developments in

the new growth areas of the District and could only be imposed on those developments requiring resource consent (i.e. subdivisions).

Under this Policy no development contributions would be charged for new developments from 1 July 2015. Historic developments that have not already been invoiced for a development contribution would not need to pay a development contribution even if they previously owed one.

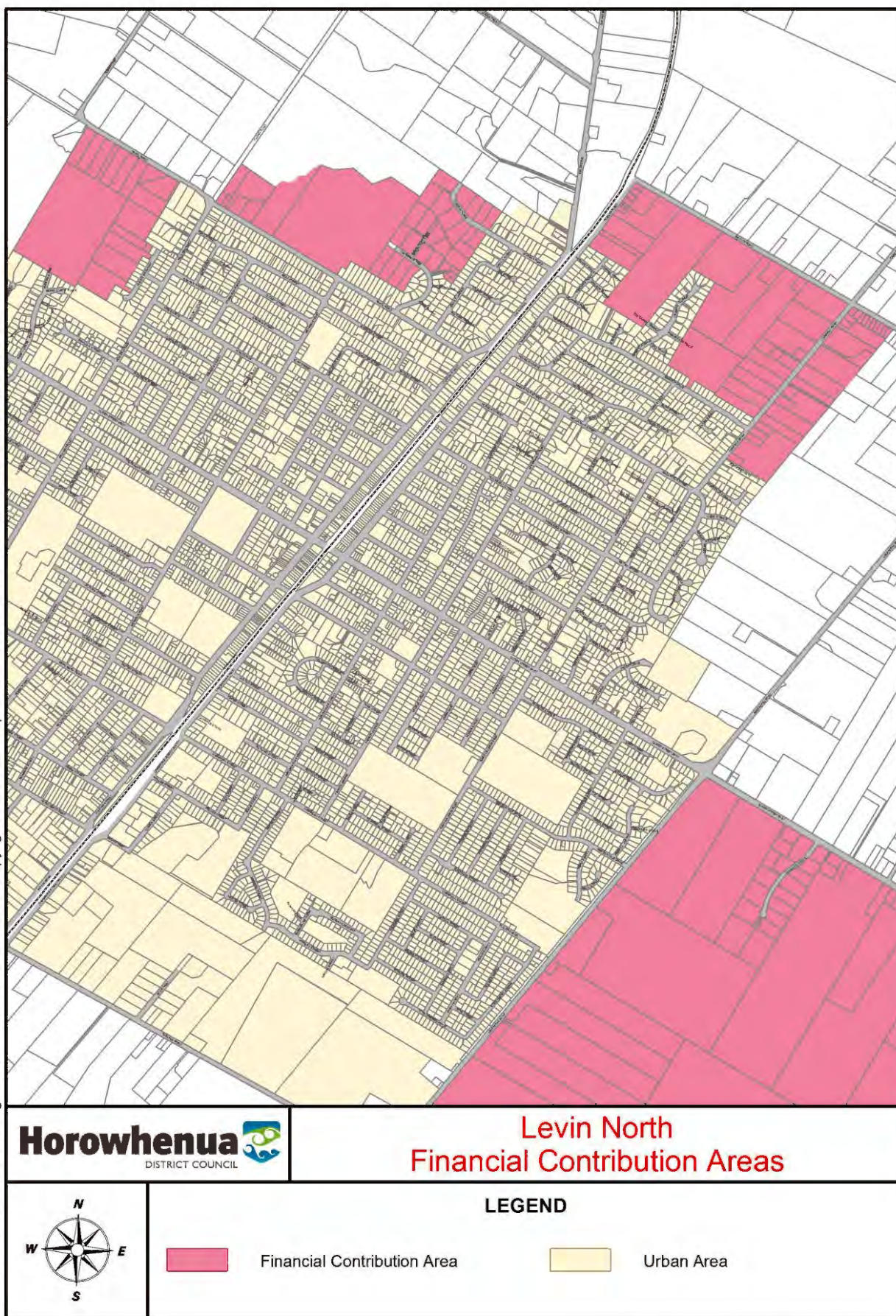
5. Reviewing the Policy

Council is required to review its Development Contributions or Financial Contributions Policy every three years.

Should circumstances change once operative and there becomes an identified need to make changes to the financial contribution provisions of the District Plan then this policy would be amended through the special consultative processes identified in Section 83 of the Local Government Act 2002. This would follow with a District Plan change.

Notwithstanding the above, this Policy will be reviewed at least three yearly as part of the review of the Long Term Plan where the appropriateness of this policy will be assessed and changes recommended to Council when considered necessary. Council is entitled to review the Policy earlier if it determines it necessary using the special consultative process.

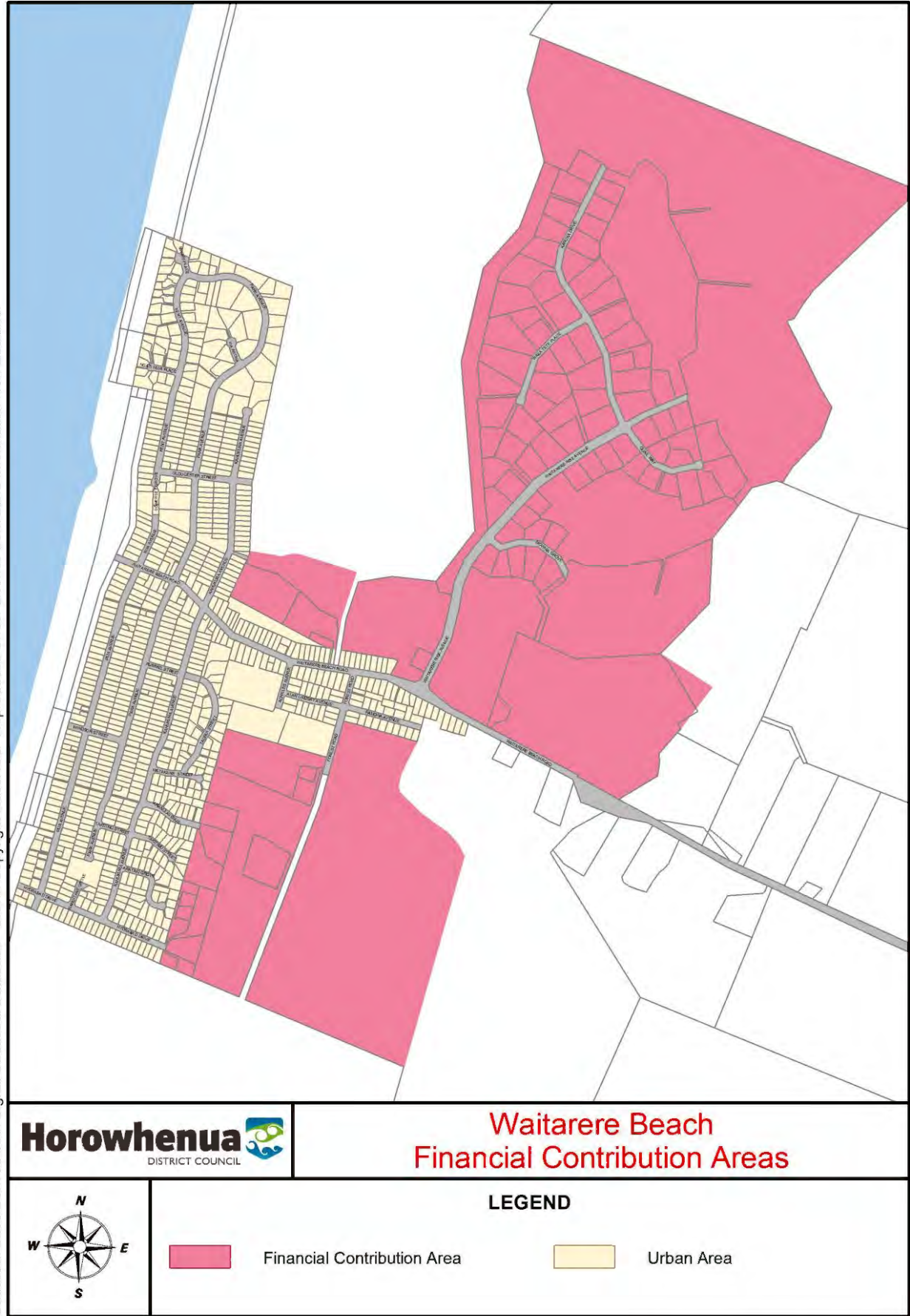
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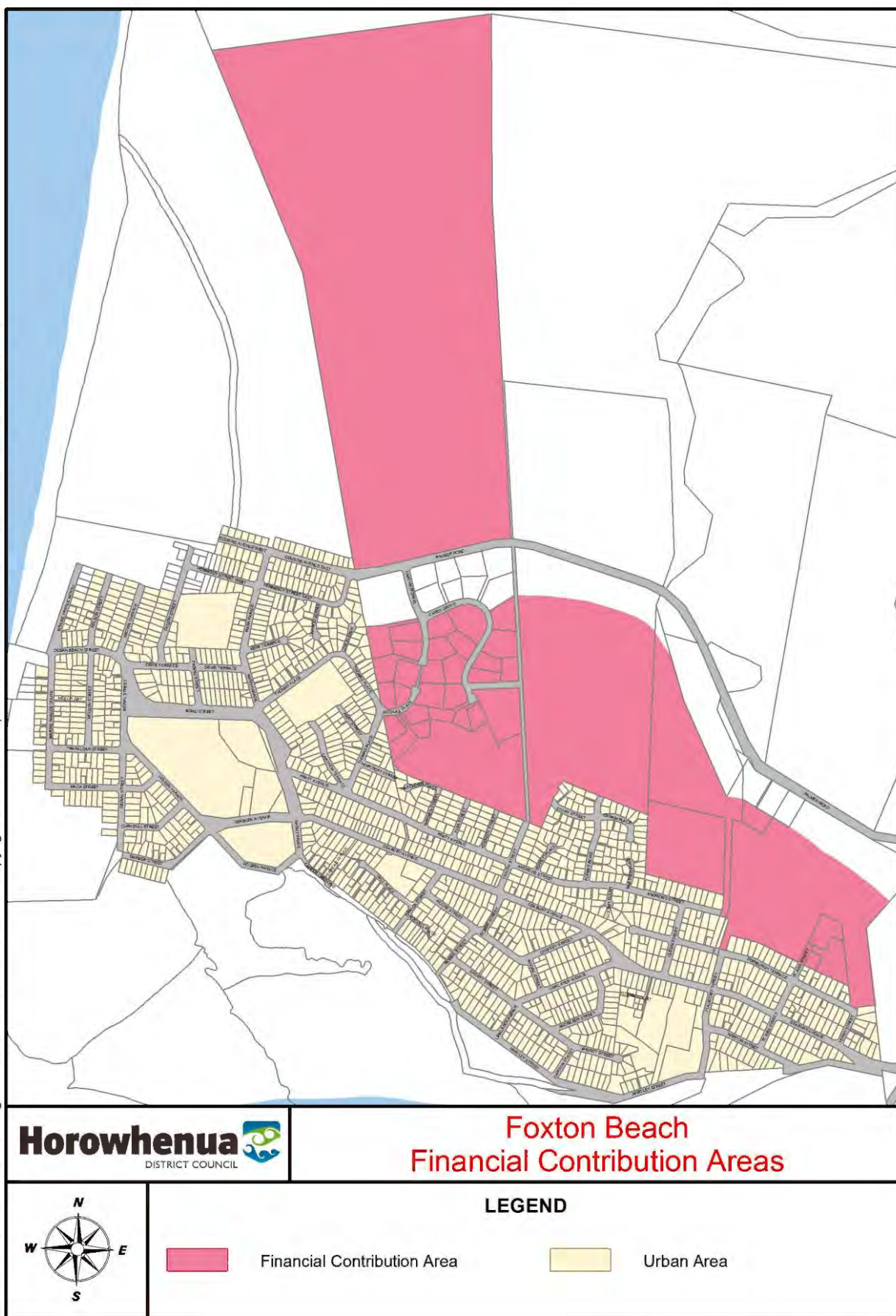
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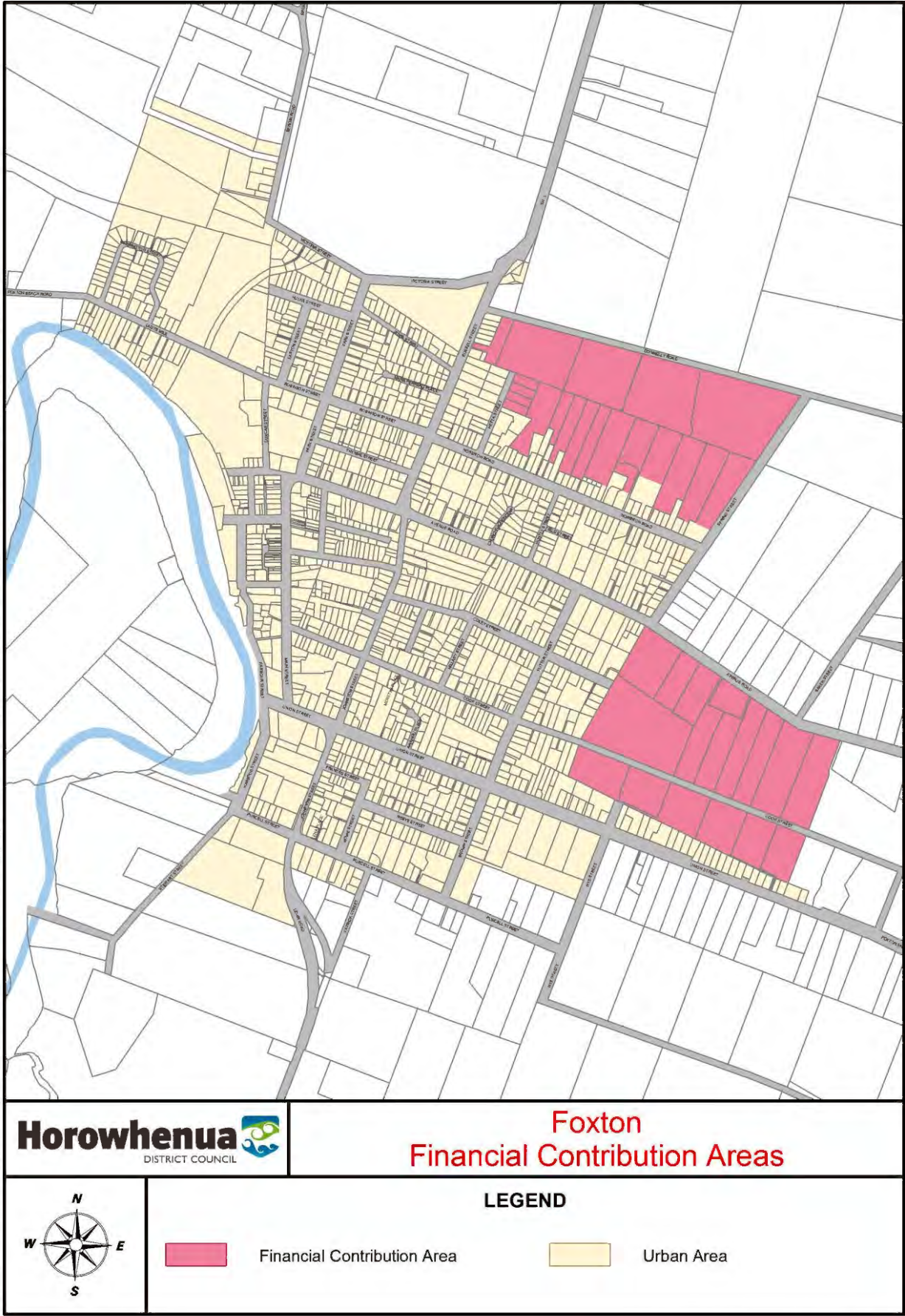
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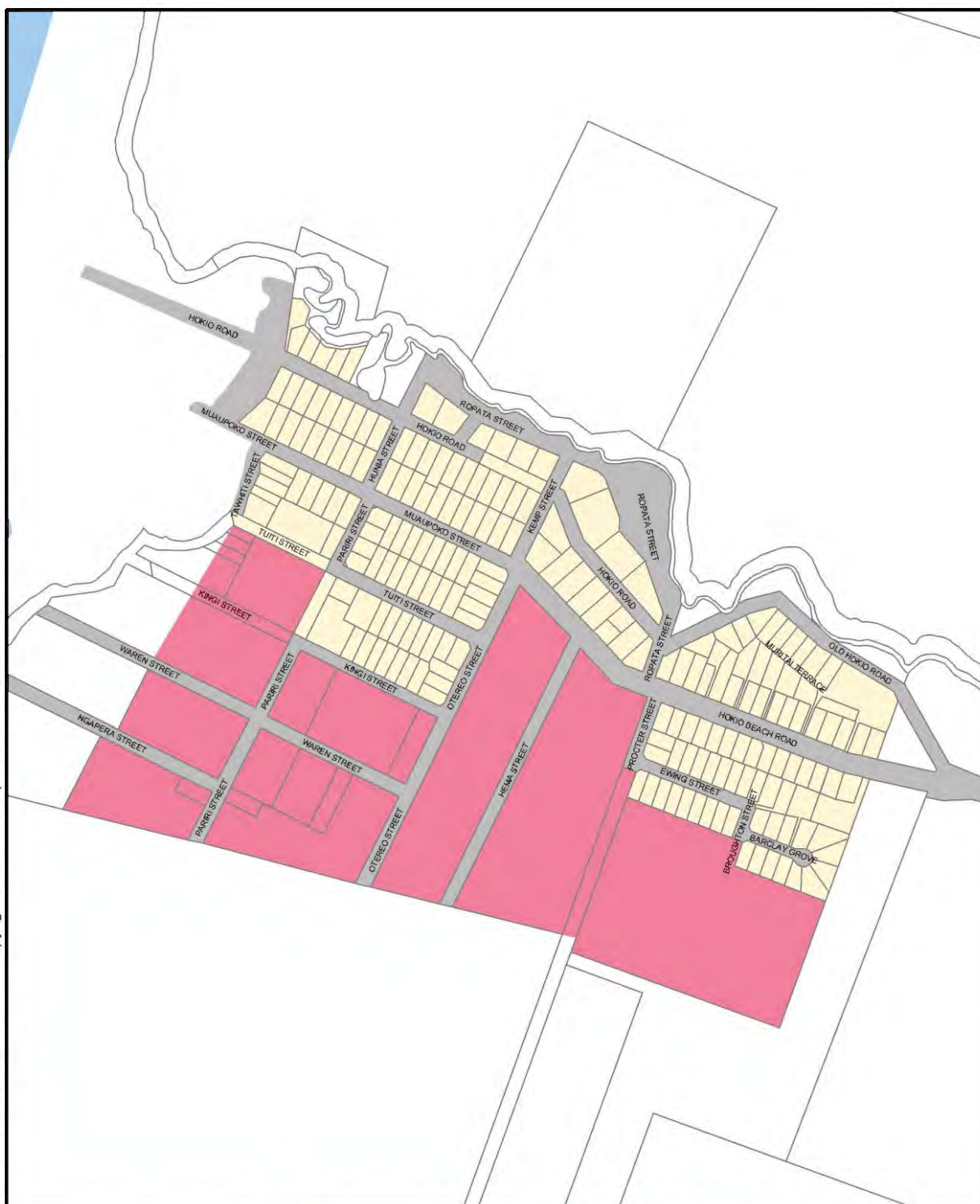
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Horowhenua
DISTRICT COUNCIL

Hokio Beach Financial Contribution Areas



LEGEND



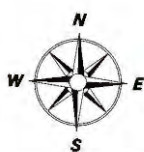
Financial Contribution Area



Urban Area

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Version: 1.0



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Financial Contribution Area

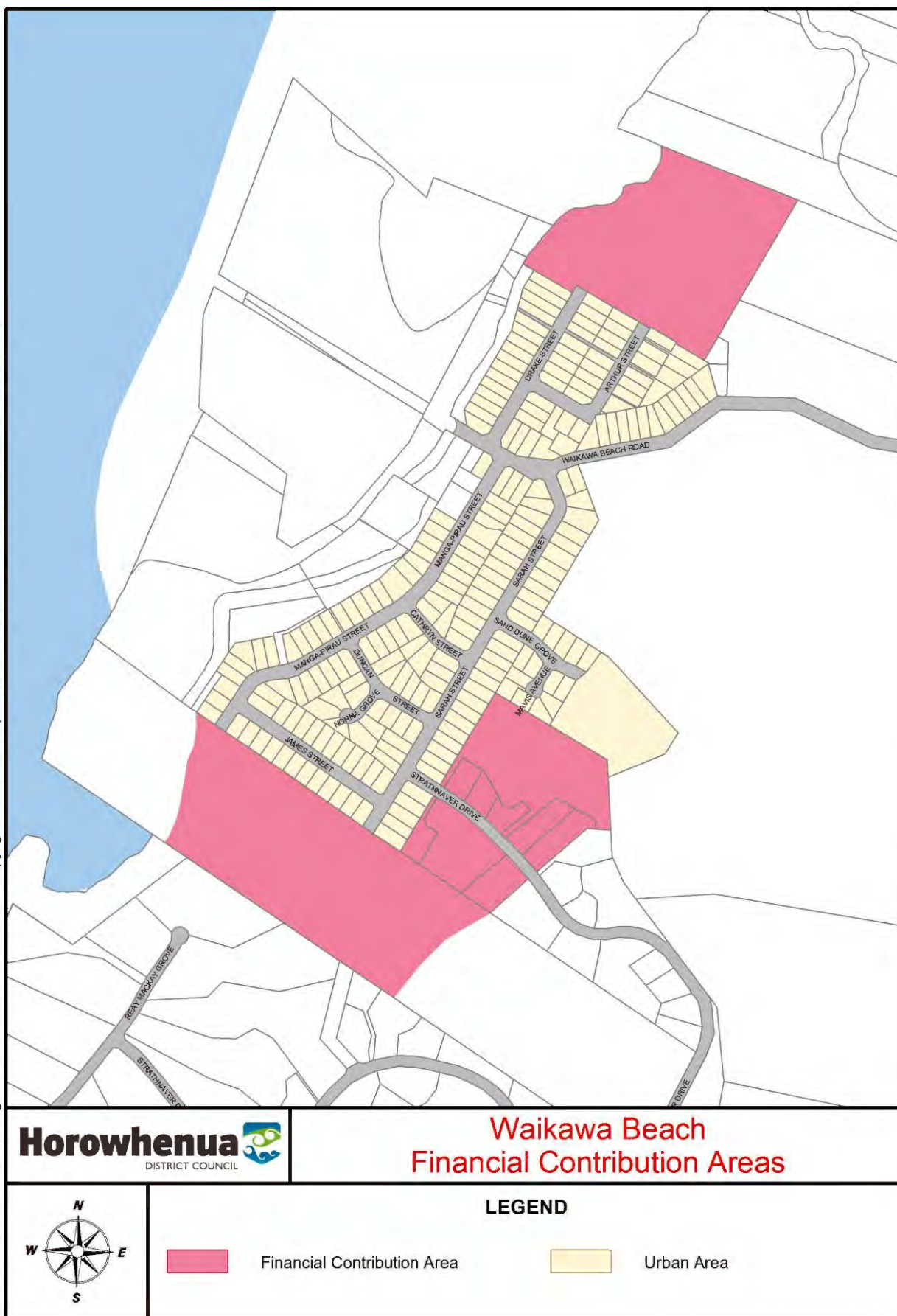


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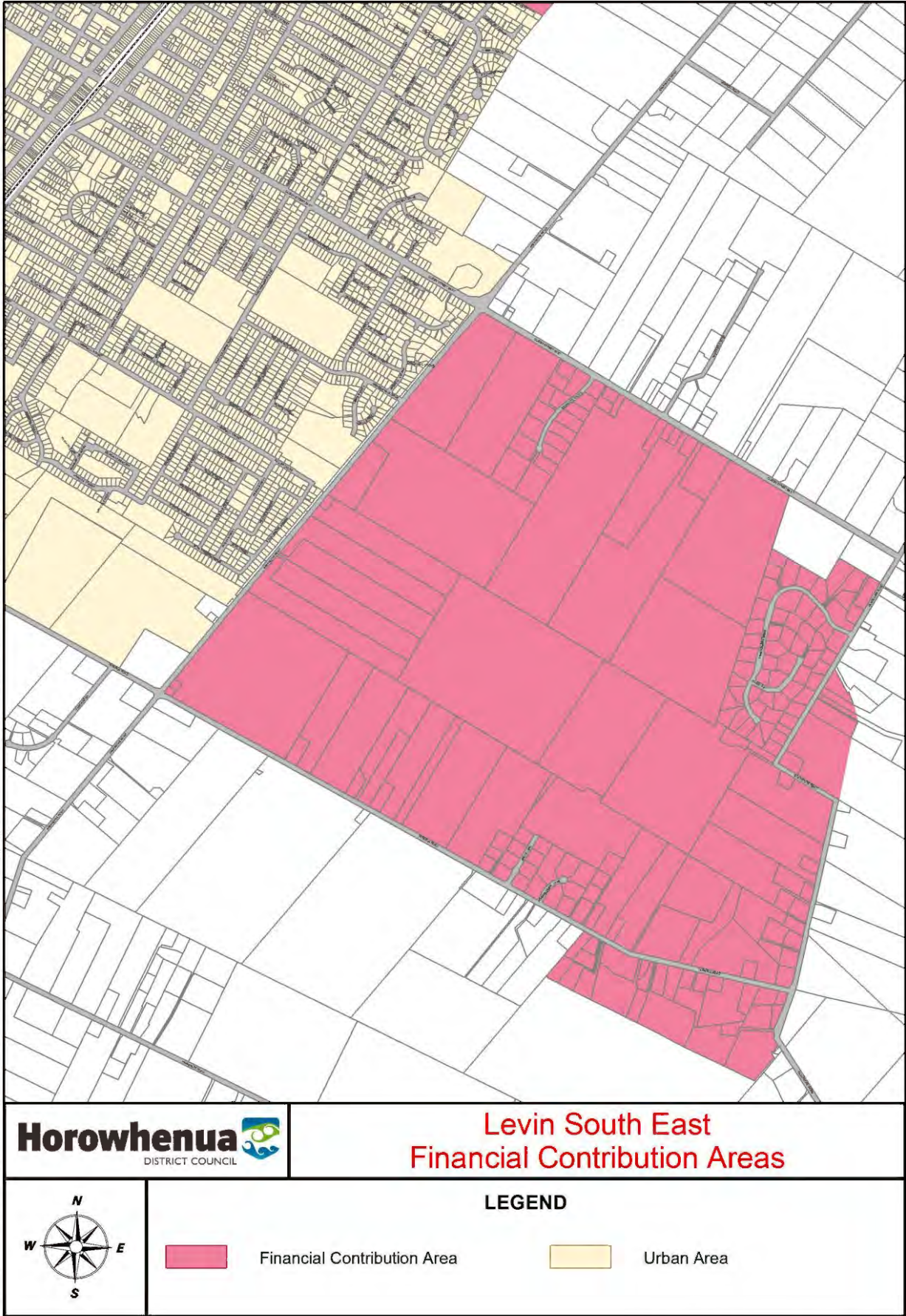
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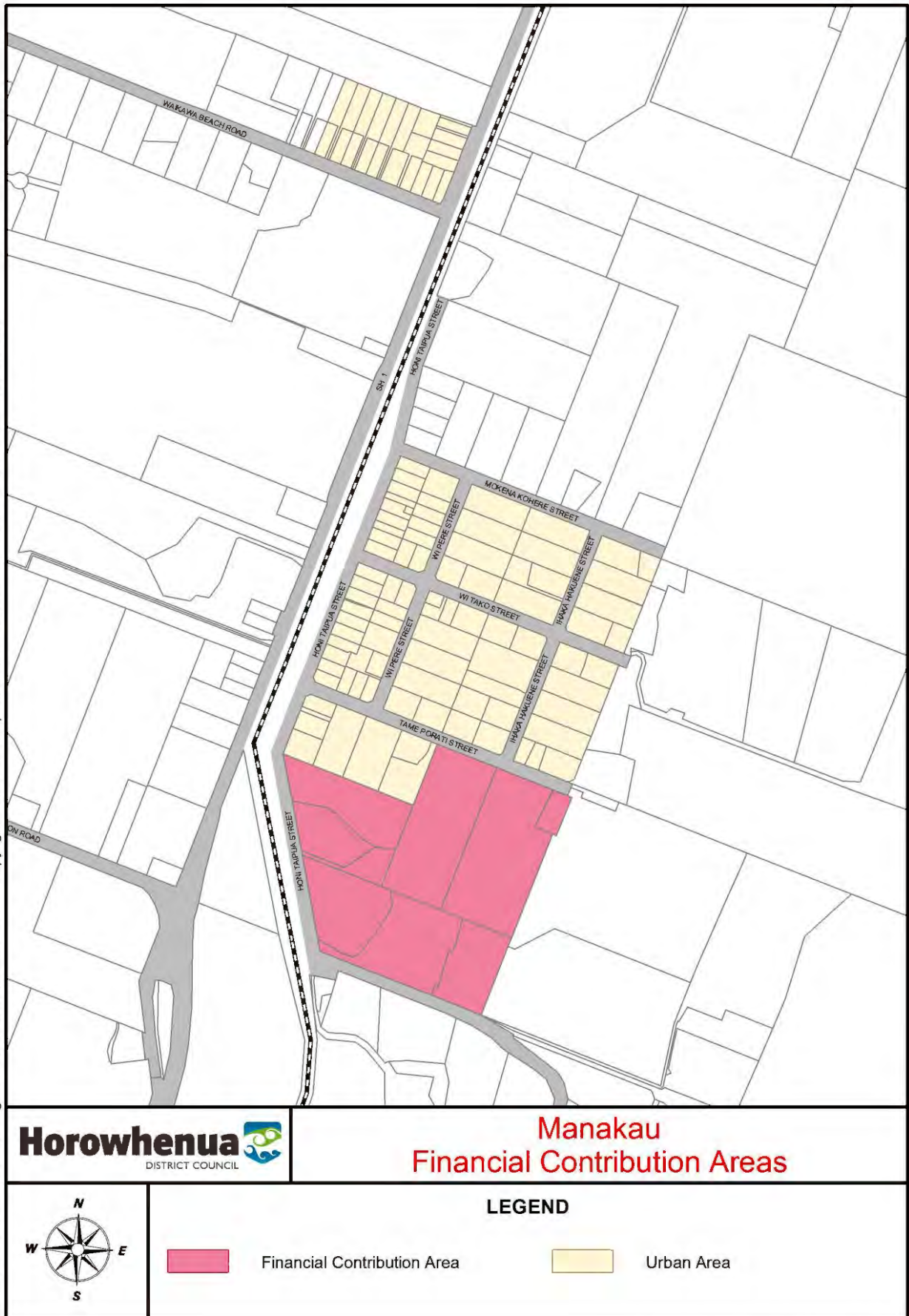
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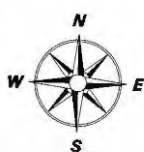
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Financial Contribution Area

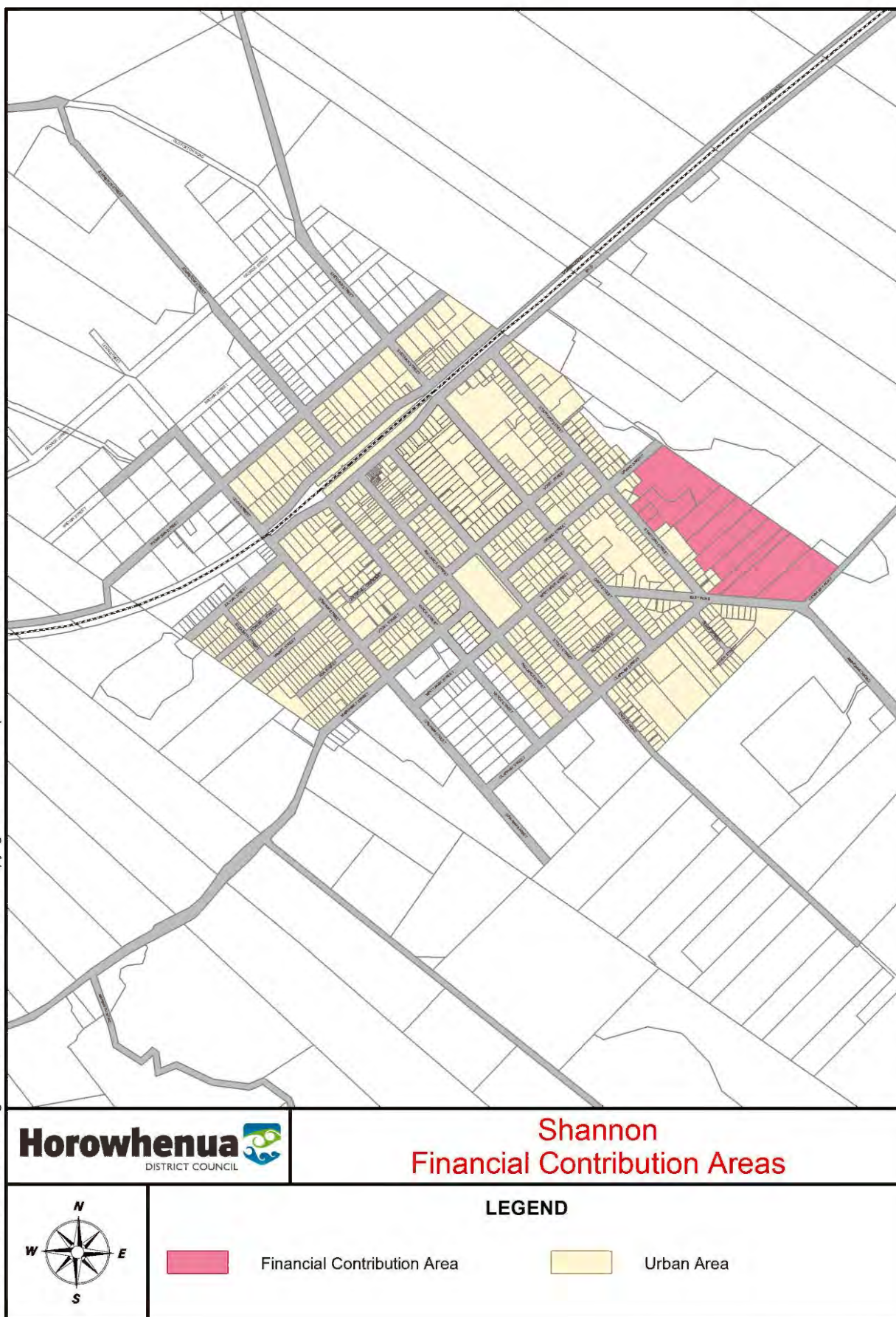


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Horowhenua
DISTRICT COUNCIL

Shannon Financial Contribution Areas

LEGEND



Financial Contribution Area



Urban Area

Date: 29/01/2015

Version: 1.0

File No.: 15/242

Draft Long Term Plan 2015/2025 - Proposed Changes to Council's Rating System

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the proposed changes to Council's Rating System.

2. Recommendation

- 2.1** That Report Draft Long Term Plan 2015/2025 - Proposed Changes to Council's Rating System be received.
- 2.2** That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3** That the Council adopts Option 3 as the rating system for the period of the Long Term Plan 2015-2025. This is detailed as:

That the General Rate be based on Land Value using the current differentials based on the current geographic boundaries retaining the Rural Differential at 25% and retaining the current phasing, with 4 years to run;

That the Roding Rate be based on Capital Value with two differentials based on use being Business and District Wide Other as with the original Option 2. The Roding Rate will exclude the stormwater costs;

That a Stormwater Rate, based on Capital Value, be set on all urban properties (the same properties as the current urban Solid Waste Rate);

That Council introduces a "Serviceable" Differential on the Water and Wastewater Rate to be set at 50% of the fixed charges for each;

That an Aquatics Rate be set as a fixed charge District wide, (dispensing with the current extra Targeted Rate on Levin, Foxton and Foxton Beach);

That all residential rest homes are contained within the Roding Business Differential regardless of whether they are registered or not; and

That all other Targeted Rates are to remain unchanged.

3. Topics for Consideration

Topic 1	Clarification of items raised in submission presentations.
Topic 2	Proposed Changes to Council's Rating System

Topic 1: Clarification of items raised in submission presentations

Submissions

Submissions Nos. 205 (Charles (Joe) Havill), 237 (Bruce & Elaine Little), 259 (Hamish McDonald), 47 (Stuart Campbell), 59 (Warwick Meyer), 257 (Papaitonga Springs Subdivision Committee), 144 (KCE Mangahao), 226 (Lorraine Blenkhorn).

Summary of Submissions

1. Joe Havill discussed the possibility of using the landscape domains from the District Plan to create different zoning areas in the rural area.
2. Bruce & Elaine Little is expecting the numbers to be prepared for Option 3 to inform the deliberations.
3. That the “economic use” part of Hamish McDonald’s submission (pg 60 b) be explored/addressed.
4. Stuart Campbell raised that the Long Term Plan does not factor in the impact of more ratepayers and how this would help with the rates as the district grows.
5. Submission 59 and 257 raise the issue of whether it is fair and right to rate a fixed charge targeted rate for water to those that are on trickle feed water.
6. KCE Mangahao address the different approaches that Taupo have taken and Waitomo are considering for Electricity differentials.
7. Lorraine Blenkhorn - Investigate or address whether using Greenbelt Residential zone as a way to identify rating small rural properties – confusion between rating ‘zones’ and District Plan planning ‘zones’.
8. Charles Cordwell - Address whether Council needs to inflation adjust the budget.

Analysis

1. Landscape domains in the District Plan do not strictly follow property boundaries. It is possible to rate using these boundaries for a rate. However, it would necessitate breaking up properties and gaining special valuations for each portion of a property. This is done by regional councils when defining areas of benefit for River control schemes. There is a cost to set these rates up and there is some doubt over the cost versus benefit of rating these separately.
2. Option 3 will be explored in some detail with the general discussion on the rating review later in this report.
3. Hamish McDonald raises issues over the definition of a lifestyle property from the Rating Valuation Rules 2008. This definition is what is used by the valuers to establish whether a property is a rural business or a lifestyle property.

“Lifestyle land, generally in a rural area, where the predominant use is for a residence and, if vacant, there is a right to build a dwelling. The land can be of variable size but must be larger than an ordinary residential allotment. The principle use of the land is non-economic in the traditional farming sense, and the value exceeds the value of comparable farmland”

Hamish McDonald contends there are examples of where rural farming businesses are incorrectly classified as lifestyle land. Land Use codes are checked as part of the ongoing roll maintenance process and QV are particularly diligent in ensuring the accuracy of Horowhenua District Council (HDC) land use codes given the potential impacts on rating liability. The transmission from lifestyle to rural use is grey, however, the key here is consistency and officers believe the QV team has

worked with HDC to ensure a robust process of category and land use identification that meets the legal requirements and interpretations.

4. Stuart Campbell's issue about whether growth is factored into the Long Term Plan (LTP). The answer is, yes Council does account for the growth in the rating base in the LTP in line with the assumptions on growth.

5. The Targeted rate for water on fixed charge for those on trickle feed is in place. The argument here is that they do not get the same services as people in an urban area on the same fixed charge. The people on trickle feed need to provide the same infrastructure as those with rain water tanks. As all these properties are on water meters, it is possible to stop levying the targeted rate and rely on water by meter charging. However, they are able to disconnect from Council's water supply and avoid the charge that way if they so desired. Most want the surety of supply provided from the Council's network. Therefore, the targeted rate should remain.

Warwick Meyer – provide clarification on whether the rates have gone up just because of rate increases or whether there have been other factors e.g. change to rating category. Warwick Meyer's property was protected by the rural differential until 30 June 2006, since then it has been progressing through the transition set up in the 2009/19 LTP to move rural residential properties to be the same as urban as far as the valuation based rates are concerned.

6. There are Councils who do have differentials in favour of hydro electric dams and other electricity generating assets. These Council's include Taupo, Ruapehu, Waitaki, Waimate, MacKenzie and Southland. Most of these Councils have large electricity generating assets in proportion to their total capital value to a point where the company owning the assets was by far the largest ratepayer.

South Taranaki (STDC) is similar to HDC with just 1 hydro dam, Land Value (LV) \$710k and Capital Value (CV) \$61.1m, so roughly twice the value of the Mangahao dam. STDC used to have a differential in favour of hydro dams but no longer do. STDC rate (in 2014/15) this dam \$500.69 UAGC, General rate \$56k, Roothing Rate \$58k. Total \$114.5K. This compares with HDC (under CV Option 2) Uniform charges \$554, General rate \$38.5k, Roothing rate \$21.8k total \$60.8, their current rate is \$2.354k. The dam in STDC represents 0.72% of STDC's total CV. The Mangahao dam represents 0.52% of HDC's CV.

7. While Council is able to use District Plan Zone boundaries to set rates, it has not used these Zones for rating purposes. However there is some confusion among ratepayers as many think Council does use District Plan Zone boundaries to set rates. Using the Greenbelt Residential Zone areas to identify properties for setting a rating differential can be done. However, this would not capture only lifestyle properties as there are some farms within this Zone. But again it would need to be proven that these properties deserve special treatment.

8. Charles Cordwell queried whether Council needs to inflation adjust the budget and therefore should be inflation adjusting the financial support Council provides to the Surf Life Saving New Zealand. While there is no legal requirement to inflation adjust our budgets, it is an accounting standards requirement. Timaru District Council has had qualified audit opinions on their Draft LTPs because they did not inflation adjust their budgets.

Council also asked for some rate comparisons to other Councils. The average rate calculated below is simply the total rates for the District/city divided by the number of rateable properties for the district/city.

The most recent survey done by the Taxpayer's union and Fairfax Media returned the following;

District/ City Council	Average rate 2012/13
Horowhenua	\$1,848
Kapiti Coast	\$2,173

Manawatu	\$2,566
Rangitikei	\$1,809
Wanganui	\$2,041
Palmerston North	\$1,995
Tararua	\$1,782
Ruapehu	\$1,932
Wellington	\$2,163
Porirua	\$2,344
Auckland	\$2,636

Note: these are for the 2012/13 rating year so are out of date but the proportionality is clear. Our above average rate increases will bring us up to the middle of the pack. Incidentally, City Councils should be able to outperform small District Councils like HDC and Rangitikei, due to the economies of scale they possess.

Topic 2: Proposed Changes to Council's Rating System

Submissions

Submission No. 1, 3, 7-13, 15-17, 19, 23-26, 28-37, 39, 40, 42-49, 51-61, 62, 64-72, 74-80, 83, 84, 87, 89, 91-94, 96-100, 106-108, 110-114, 116-120, 123-131, 134, 136, 140, 141, 144-146, 149, 151-159, 162, 164-166, 168, 169, 172-177, 185, 188, 192, 194, 196, 198, 199, 202-205, 207-209, 212, 216-218, 220-224, 226, 228, 230-234, 236-239, 242-254, 256-260, 262, 263, 264, 267.

Refer to the list of Submitters and names at the end of this report.

Summary of Submissions

Some statistics on the submissions:

Supporting Option 1 –Status Quo	122
Of these:	30 were heard 24.6%
	12 would have a rates reduction under CV
	9 pay an average of \$763 going to \$1,285 under CV
Supporting Option 2 - differentiated CV	45
Of these:	17 were heard 38%
	19 would have had an increase under CV
Supporting Option 3 – hybrid of LV and CV	10
Of these:	4 were heard
	2 would have a rates reduction under CV
State no preference	4
Of these:	None were heard
	3 would have a rates reduction under CV

Identified issues are:

- 1) That the level of rates are unfair and the increase is unfair.
- 2) Request for extra differentials (farming, registered retirement villages, utilities, hydro dams and retirement villages).
- 3) That CV Rating is a deterrent to development.
- 4) That there are affordability issues for superannuitants, especially those that are “asset rich but income/cash poor” who would be adversely affected by CV rating.
- 5) That the Business differential being set at a level below the differential applying to residential rating units does not help with council’s aim of making residential rates affordable.
- 6) That the accuracy of the Category (use) codes and the capital values within the DVR and RID are not “fit for purpose”.
- 7) Assessment of the undifferentiated CV option with no Stormwater rate, put forward by Grey Power and others, especially the Papaitonga subdivision community.
- 8) Commentary on the possibility of a staged introduction of the Option 2 CV proposal.
- 9) The request from Federated Farmers for a UAGC to reduce the valuation component of the General rate.
- 10) Commentary on the possibility of a stepped differential to reduce the rates on high value District Wide other differential rating units.
- 11) Commentary on the recommendation, Option 3, hybrid of both LV and Capital value.

Analysis

1) The level of rates are unfair and the increase is unfair

Generally, ratepayers react to the magnitude of the increase facing them in any transition to CV rating, rather than having any real issue with CV as a rating basis. However, as with all generalisations there are exceptions.

Many complain about the increase as being unfair without realising that their current rates are unfairly low in comparison to other (urban) ratepayers in Levin and to a lesser extent Foxton. Many in rural townships gain relief from the harmonisation of Water and Wastewater rates by using the rating base of Levin and Foxton (to a lesser degree).

The degree of cross subsidisation is detailed in the table below.

Town	Water	Wastewater
Levin	\$946,727 + \$105 each	\$678,006 + \$86 each
Shannon	(\$540,604) - \$820 each	(\$958,612) - \$1,520 each
Foxton	(\$61,930) - \$44 each	\$281,018 + \$215 each
Foxton Beach	(\$230,178) - \$156 each	\$76,445 + \$52 each
Tokomaru	(\$175,619) - \$708 each	(\$90,234) - \$490 each
Waitarere Beach		\$13,377 + \$16 each

In addition to this all townships (other than Levin, Foxton and Shannon) had a 9% differential. This differential was put in place about 1995-9. It may have been reasonable at that time. However, the beach communities grew substantially between that time and the review in 2008/9. To the point that Foxton Beach became larger than Foxton, Waitarere Beach grew to be larger than Shannon. The differential should have been reviewed during this time to reflect this growth. However, every new subdivision in these beach communities lowered the rate to all existing rate payers within the township differential because although the rating base grew the differential remained at 9%.

Some statistics

Town	Average rates 2008/9					2008/09	2014/15	% Increase
	General \$	UAGC	Solid waste \$	Water \$	Sewer \$	Total \$	Total \$	For 6 years
Hokio Beach	34	366	86	0	0	486	725	49.2%
Waitarere Beach	90	366	86	0	188	730	1,366	87.1%
Waikawa Beach	189	366	86	0	0	641	1,152	79.7%
Ohau	93	366	86	226	0	771	1,405	82.2%
Manakau	150	366	86	0	0	602	1,472	144.5%
Foxton Beach	62	366	86	177	222	913	1,628	78.3%
Tokomaru	31	366	86	612	447	1,542	1,447	(0.06%)
Rural Residential	195	366	70	0	0	631	1,009	59.9%
Levin	698	366	86	226	297	1,673	1,961	17.2%
Foxton	242	366	86	300	398	1,392	1,744	25.3%
Shannon	188	366	86	422	216	1,278	1,592	24.6%

Source – 2008/9 and 2014/15 Annual Plans

Note that Tokomaru rates for 2014/15 are still below that of 2008/9 due to the effect of harmonisation of water and sewer rates.

Note also that in 2008/9 the Uniform Annual General Charge (UAGC) was \$366 for each rating unit. So in the case of Hokio, for example, the valuation based proportion of the general rate was \$34 whereas in Levin it was \$698.

Generally council has been increasing towns and rural lifestyle rates above normal levels over the last six years while reducing the increase for Levin, Foxton and Shannon to address this anomaly.

Lifestyle/rural residential properties prior to 2009 were in the Rural Differential. This differential was set up originally to protect framing properties. The higher rural land values would have meant a disproportionate level of rates being attributable to rural farming properties. This makes sense for large land area pastoral type farming operations. However, an unintended consequence was that lifestyle and rural residential properties (as well as intensive farming operations, horticultural and specialist livestock, poultry and piggery farms) with relatively small land areas were also receiving the benefit of this differential.

An average lifestyle/rural residential properties was paying \$631 (as shown in the above table) in 2008/9 compared to Levin (less the Water and sewer rate) \$1,151. Of course many argue the lack of services received in rural areas. However, the Horowhenua District is a small District and as such Levin's services are arguably accessible to most.

Regardless of any philosophical argument that may be used to justify a particular stance, rates are a tax. A judge at the Court of Appeal in the Woolworth v Wellington City case has said:

"it is implicit in the scheme of the legislation that the rating system in all its diversity remains primarily a taxation system and not a system inherently based upon the principle of user pays"

Attached as Appendix 1 is a comparison of current rates with option 1 Stats Quo as well as option 2 CV Rating and what the equivalent rate would be at the end of the original 10 phasing period. Note that low value properties in the townships (especially Hokio) would be better off under option 2.

2) Request for extra differentials for farming, registered retirement villages, utilities, hydro dams and retirement villages

The most common uses of differentials at the present time are to:

- increase rating loads on commercial/industrial properties
- decrease rating loads on rural properties, and
- decrease rating loads on 'stand out' high-valued properties (e.g. particularly high valued residential properties, capital intensive properties such as hydroelectric dams and dairy factories).

The power to use differential rates is not something that should be used arbitrarily or to excess. Consider differentials on a general rate in circumstances where there are differences in:

- *levels of service* – if one group receives a higher level of service, or a higher share of benefits, then it should be charged more (this is one of the main reasons that section 101(3) of the Local Government Act 2002 requires a consideration of benefit)
- *willingness to pay* – if one group is willing to pay more than another group, your council might determine that that group should pay a higher proportion
- *cost* – if the cost of providing a service to one group is higher than for others, they should pay more.

If the differences between categories of ratepayer are so great that differentials are justified, then there may be a case for using one or more targeted rates instead of a differential.

Other reasons for differentials that are sometimes used to justify the imposition of differentials on business are:

- businesses receive favourable tax treatment on the payment of rates
- businesses are able to pass on their rates to the customer.

It is true that business is able to treat rates as an expense and 'write off' 30 percent of this for taxation purposes. It is also true that business is able to claim back GST paid on rates as part of the normal processes through which GST is confined to the sale of final goods and services.

Those who consider the tax treatment irrelevant for the setting of rates point out that owners of rental residential properties also have an ability to claim rates as an expense.

Others point to local government's claim that income distribution is a matter for central government, and then question whether basing a differential on the basis of perceptions of inequity in tax treatment (and therefore disposable income) are consistent with that line.

Also, differentials are more prevalent under a LV rating system, mainly relating to rating loads on rural properties.

A separate farming differential category; Federated Farmers and others submit *"That a separate differential category for properties used primarily or solely for farming is established"*.

Federated Farmers goes on to say *"Finally, Farming businesses are also homes, and the place in which farmers raise their children"* in support of a differential in favour of farming rating units. This would give farms a decided advantage (even under the business differential) as farmers homes are already rated lower than their urban counterparts. While urban businesses are rated in the business differential the urban business owner's houses are rated as residential rating in the higher rated District wide other differential. In fact one could argue that the farmers homes being rated lower than urban business owners homes could be a valid reason to rate farmers higher.

They go on to say *“Without a differential system, any activity that is funded through the capital value of the property is likely to result in a large contribution of rates from farming enterprises, regardless of the incidence of either relative benefit or relative ability to pay. Without a differential on rural properties, farms would simply be penalised because they happen to rely on large amounts of land to generate their income”*. However, this is largely been corrected under CV rating as they have earlier stated *“Under a land value rating system, large rural properties may pay a disproportionate share of rates in return for benefits reaped. This has resulted in the necessity of creating a rural differential, to reduce the inequality for rural landowners”*.

They also state *“in the current rating proposal there is no mechanism to avoid the impact of increasing farm values over time from paying prohibitive rates as a percentage”*. This is true but a differential in favour of farming would be no different an argument than that the commercial CBD should have a differential different from the Industrial rating units for the same reason. Where would it end? The valuation effect on rates is an unavoidable consequence of value based rating, LV or CV. It effects residential as well as businesses. One part of Levin could go up above the average while another area decreases. Differentials should not be used to stop this occurring. The number of differential categories would proliferate and make the rating system overly complex. Simplicity, and transparency and, therefore, understanding and acceptance is a strength in any rating system. Also, one of the main arguments for the proposed system outlined as option 2 in the LTP was for reducing the number of differentials.

The contention that only farm land increases in value while urban buildings must decrease because they are depreciating, is fundamentally flawed. CVs are set using sales prices not the accounting book value of, cost less depreciation. CV values are based on the selling price not the accounting book value.

One of the benefits of CV rating is that CVs will rise and fall on market forces and should reduce when profitability reduces. Both hill country farming and industrial property values have decreased in the not too distant past, when the profitability of the businesses declined. The potentially may happen with dairy farm land if the current erosion of international dairy prices continues for some years. These CV fluctuations occur as a matter of course between revaluations and can also affect different locations within an urban area.

It is true that some councils using CV rating have differentials in favour of farmers, Kapiti Coast and Manawatu District councils both have such policies. Conversely, Rangitikei DC rates their rural properties for the “public benefits” associated with urban water and sewer networks. Rangitikei use a targeted rate for utilities “district wide- public good” where 25% of the costs of urban water, wastewater and stormwater schemes (to reflect the “public good” arising from the provision of these schemes), are set as a district wide rate. Two thirds of this rate is set as a fixed (uniform) charge while one third is recovered by way of valuation based rating. Note this is district wide so is levied on all rating units within the district.

Whether these (and other) differentials are set up quite often occurs for political reasons rather than sound assessment of benefits and ability to pay. Council should know better than most, once a differential is put in place it needs constant monitoring to insure it remains current and its objectives are still being met. Councillors and Officers should all understand how difficult it is to “fix” a broken differential. The process Council has gone through for the past 6 years is not well understood or accepted by those affected.

Some statistics:

- There are 1,411 rating units that are *“used primarily or solely for farming”*.
- They are estimated to pay \$4.119m in total rates (11.27%)
- Their increase under the LTP is \$187.6k (4.77%)
- They represent 44.42% of the total LV
- They represent 27.31% of the total CV
- They represent 7.94% of the total rating units
- They are estimated to pay \$2.129m in General rates (22.85%)

- They are estimated to pay \$1.204m in Rooding rates (26.67%)
- The proposed differential factor is 0.67 for the General rate and 0.85 for the Rooding rate
- The combined total differential factor is 0.73 under the Business differential, Federated farmers have asked for a differential factor of 0.80

The Farmers Ratepayers group asks for a Farming Differential that re-establishes the 25% General rate and 31% Rooding Rate differential but also includes rural based utilities. The submitter also seeks the differential to protect the farmers from adverse changes through unequal revaluation increases.

The former "Rural Business" differential for which the 25% General Rate and 31% Rooding Rate differential were set contained within it the following rating units:

- 1,390 Farming rating units proposed to pay \$3.9m in rates,
- 60 Rurally located businesses,
- 1,124 vacant rural residential rating units,
- 78 not-for-profit owned rating units, and
- 14 rural based utilities.

By way of explanation; the current existing differential was based on a geographical area. The proposed new business differential is based on use. Therefore, the 1,124 vacant rural residential/lifestyle and 78 not-for-profit rating units will be shifted to the new District Wide Other differential. There are now 1,411 farming rating units (refer above) as 21 farming "use" properties are currently in the geographically based Urban and Township differentials

The 1,411 farming rating units are made up as follows:

- 96 Arable farms estimated to pay total rates of \$385k a proposed rate reduction of \$4k (-1.05%),
- 672 Dairy farms estimated to pay total rates of \$2.3m a proposed rate increase of \$54k (+2.34%),
- 66 forestry blocks estimated to pay total rates of \$79k a proposed rate increase of \$6k (+7.8%),
- 228 horticulture farms estimated to pay total rates of \$403k a proposed rate increase of \$72k (+21.92%),
- 283 pastoral farms estimated to pay total rates of \$715k a proposed rate increase of \$28k (+4.15%), and
- 66 specialist livestock farms (poultry, pigs, etc) estimated to pay total rates of \$192k a proposed rate increase of \$31k (+19.44%).

If a differential was set up just for these properties any increases in value above or below the average for the differential would affect only the other properties within the differential. I.e. if dairy farms were to reduce in value by more than the overall average the other use such as horticulture and specialist livestock may pay more while dairy would pay less. This would be no different in the urban business between the various classes, especially between industrial, on the one hand, and Commercial on the other. Could these ratepayers also ask for a differential to avoid rate movements due to valuation effects as well?

The inclusion of utilities in this proposed differential would mean the benefit of CV rating on these utilities would be to the benefit of the farming community only. The proposal for CV rating on such utilities was so they would bring in \$246K of rates that reduces the rate requirement of all of all other businesses so providing a small rating incentive to businesses. This incentive would largely be lost for industrial/commercial businesses and would effectively shift their rating back to that which residential properties would pay. Urban based utilities are owned by Council so no "benefit" is achieved from rating them.

The 60 rurally located businesses would continue to get the unintended “benefit” of being included in a differential class intended for farmers. These businesses would still see their rates increase but the benefit would go to other rating units within the proposed rural business differential.

Also, farming rating units under Council’s proposal would contribute 22.85% of the General Rate and 26.67% of the Rooding Rate. In the current financial year with the differentials in place the contributions were 21.61% of the General Rate and 26.74% of the Rooding rate from the 1,411 farming rating units.

Also, a farming differential would not gain any benefit from any growth in the Industrial/commercial sector that could be achieved from a large green-fields development under CV rating. Such an increase in CV would be less likely in the farming community, relying on dairy conversions or large scale specialist livestock developments such as poultry farms. Is this what the farming communities want?

The Retirement villages association asks for a new differential for registered retirement villages.

Rest homes have the most rates per a single assessment in the district. Although they are affected by the transition to CV rating the biggest impact is the effect of the rating per Separately Used or Inhabited Part (SUIP) rating where the uniform targeted rates are applied multiple times in accordance with the number of separately inhabited parts (the flats/hostel). Costs increases in Water and Sewer rates (as well as libraries swimming pools etc) have the most effect on rest homes. However, note that their rate per unit is still below the average residential rate for Levin of \$2,103. (Foxton \$2,014) that also have full services.

The updated proposed rates per unit/flat are:

- Madison \$1,896
- MiLife \$1,734
- Summerset \$1,772
- Reevedon \$1,902
- Masonic \$1,740
- Te Awahao (Masonic Foxton) \$1,529

Trackside Body Corporate asking for retirement/lifestyle village type communities to be treated differently for rating purposes.

The rates on the units within these communities are proposed to be about the average rate for Levin, about \$2,100.

Are these villas any different from small 2 bedroom flats or townhouses on small sections (possibly cross leases) elsewhere in the District. Levin has a considerable number of such dwellings. The only difference is the Body Corporate charges which is no different from the maintenance costs that a townhouse owner would face where there are several townhouse on a “normal” size allotment with internal roading etc, the difference is only in the scale.

The Trackside development was originally treated as Rural residential but clearly is now part of the built up area of Levin with all services available to residents. As such they will be treated as being in the urban differential category if council does not proceed with the CV proposal.

Eric Booth of Trackside Body Corporate uses the argument that they have their own internal infrastructure, however, when they leave the internal roads they must use council roads, stormwater in Mako Mako Road must be treated before it reaches the lake so they are now also included within the urban stormwater area and will be levied a stormwater rate, along with the rest of Levin.

The low rates evident when the owners first bought into the Trackside village were an obvious selling point. However, this was never going to remain, as the original land was within the rural

differential, while it was vacant but was destined always to be included in the Levin built up area and so be treated no differently than the rest of Levin.

A separate differential for Utilities and hydro dams

Whether a differential for these groups is justified comes down to an assessment of reasonableness. The courts have the test that the rates set needs to be so unreasonable that no reasonable council would impose that level of rates on a single entity before they would intervene. There are three court cases in this space. The cases are:

Electricity Corporation of NZ (ECNZ) v MacKenzie District Council (MDC) 1991,

ECNZ v Waimate District Council (WDC) 1991, and

ECNZ v South Waikato District Council 1994.

In the MacKenzie case, MDC set their rates on CV based on a Rating Information Database (RID) that did not include the ECNZ assets. These valuations were added to the RID and the rate in the dollar was applied to these rating units. Once a property appears on a valuation roll as a separately rateable property local authorities have to rate the property. This resulted in a \$1.9 million unallocated surplus of rate funding in excess of MDC's required rates income.

The case became the benchmark for "unreasonable" (in the legal sense). MDC was rating on undifferentiated capital value. Various dams in the district had just become rateable. The Court held that the council's decision to treat the dams as if they were just another ratepayer was unreasonable.

The Court, in this case, appears to have been swayed by two factors. First, the value of the dams was such that the amount of rates collected from ECNZ would have amounted to 78% of the total rating revenue for that district. Second, the Council had made no plans for spending the money.

Judicial intervention is justified only where the decision is 'perverse', 'irrational', 'outrageous in its defiance of logic' and 'so unreasonable no reasonable local authority would have made it.'

In the Waimate case, WDC was on LV. In this case, the High Court found it was unreasonable for Waimate's decision to impose a land value general rate differentiated on the hydroelectric dams in such a way as to recoup an equivalent amount of revenue to that which they would have collected under the capital value system.

In the South Waikato case. As with the previous cases it involved a failure to grant a differential to hydroelectric dams in the district, however, in this instance South Waikato District Council was only using the general rate to fund roading, regulatory services and the costs of democracy.

In conclusion, in the opinion of officers, HDC would not break the unreasonableness test in collecting \$226k extra in rates from the utility companies being 0.6% of HDC's total rates income from 2.79% of the districts total CV. Licence to occupy lifestyle villages still remain Council's largest ratepayers.

3) That CV Rating is a deterrent to development

Although capital value rating may discourage capital growth, one needs to ask will it occur anyway. CV rating does not seem to impede capital development elsewhere in New Zealand where councils are already on CV rating, notably Auckland, Tasman and Selwyn. Also existing ratepayers benefit more from the growth in the rating base than under LV.

The effect of increased values on rates depends on the extent of the development and what other development has occurred in the District in that particular rating year (e.g. building a garage on an already established residential property should not have a direct result in an increase in that properties rates whereas constructing a new industrial building on a previously vacant site will increase the rates for that property).

Ultimately there is an average of 135 new houses built in this District each year (approximately 42 in residential areas and 93 in rural areas), in addition to new businesses, development on rural properties such as the construction of new milking sheds and poultry sheds. Each one of these

developments takes their share of the rates, and may even reduce the rates for existing ratepayers who have done modest capital improvements such as constructing a new garage on a residential property. The growth benefits of CV far outweigh the growth benefits under LV.

In the relation to development, LV rating for high intensive factories or farming operation does not account for the high usage the developed properties make of council services. A poultry farm has a small footprint in comparison to a dairy farm. The poultry farm under LV rating will be rated much lower than the dairy farm, but are their less truck movements and therefore less use of roads? The same will occur between a pastoral farm with lower CV and a dairy farm of equivalent size with a higher CV.

4) The affordability issue

A study of the Grey Power's supplementary paper on the issue presented to Council at the hearing on the 6 May has been carried out. It is a paper prepared using verifiable census data and studies done on the subject of affordability. The Grey Power analysis is summarised below.

- Household incomes – done by ward however, the incomes for Kere Kere (read Foxton) and Levin are \$36.9k and \$33.9k against a national average of \$63k
- Kere Kere and Levin also have the highest numbers of households with incomes of \$30k or less.
- Kere Kere and Levin have the lowest percentage of household with incomes above \$100k, by some margin.

Note that Waiopahu has the best score for HDC on all counts albeit still lower than the national average. Of note 73% of our rural residential/lifestyle properties are in Waiopahu with the other 27% roughly equally dispersed between Kere Kere and Miranui.

- The "Shand" report on rating maintained that when rates exceed 5% of the gross household income they become "unaffordable".
- Single superannuitant's gross income before tax is \$431.10 per week.
- Council's CV rating proposal comes in at 10.32% for 2015/16 rising to peak at 14.18% in 2023/4 on a rating unit with a LV of \$76k, CV \$190k.

Attached as Appendix 2 is a map showing the deprivation indices for our District. Note that the southern parts of Levin, all of Foxton and Shannon show as the most deprived and therefore the most likely to have rates affordability issues.

That Foxton, Shannon and the southern area of Levin, have an affordability issue.

In relation to the, mainly, rural residential properties that are "asset rich but income/cash poor" the following observations have been made by various rating guides produced by SOLGM.

Wealth v Income. Wealth is the sum total of an individual's stock of assets such as their property (both real and personal) and their income-producing capability less their liabilities. Income, on the other hand is the amount of money an individual receives during a period (usually a year) from work, investments and the like.

Rates are a funding mechanism that tailors an individual's liability according to the amount of a single component of wealth they own (land) rather than income, and thus there are so-called 'asset rich, income poor' ratepayers. One needs to treat these claims with some caution; an individuals' wealth is a function of their income over their life span, and often individuals with a high degree of wealth in the form of land have other assets as well. Nevertheless the distinction between income and wealth does have implications for your rating system such as the mix of fixed and value-based charging that your local authority employs, and the design of any remission and postponement policies.

To be strictly accurate rates are based on gross rather than net wealth (i.e. the value of assets held rather than assets less liabilities). To illustrate the difference, in a purely value based rating

system a family of five paying off a mortgage would ceterus paribus be paying the same as a couple who held the property mortgage free, but no-one would argue that these two owners have the same ability to pay.

Some, particularly elderly, ratepayers will claim they have “sunk all of their resources” into purchasing a property (e.g. a home in a retirement village). But the prudent investor should be considering all of the costs involved in making an investment before making a decision. Placing too great a weight on this kind of circumstance encourages one type of asset ownership over others – local authorities should not be in the business of what is effectively an underwriting a property investment decision.

Willingness to pay v ability to pay.

Some of that discussion appears to confuse genuine affordability issues (or ability to pay) with issues around the ratepayers willingness to pay.

Ability to pay is a measure of an individual’s actual capacity to meet the cost of their contribution to community services. The public tend to link ability to pay with an individual’s income, but considerations of ability to pay should also take account of ratepayer wealth (as ratepayers can liquidate some assets, particularly those of a financial nature).

Willingness to pay is a completely different concept and perhaps can be best illustrated by this comment from a local authority submission to the 2007 Rates Inquiry:

‘our rates are unpopular rather than unaffordable’.

Willingness to pay is, simply put, a measure of how much people ‘want’ to pay their rates/ charges – or in economic terms, the degree to which they place a value on the services they receive in return. The difference between ability to pay and willingness to pay can also be thought of as ‘can’t pay’ as opposed to ‘won’t pay’. When viewed in these terms it becomes clear that often when local authorities refer to affordability they are in reality referring to willingness to pay, or to be more accurate the local authority’s perception of the ratepayer’s willingness to pay.

It is important to distinguish between the ability to pay and willingness to pay as the options for resolving issues can be different. Both can be resolved through reducing service levels and hence the overall funding requirement.

Willingness to pay is closely related to perceptions of ‘value for money’. Resistance to paying rates often reflects a lack of awareness of the services being provided and the cost of providing them. Options for addressing willingness to pay issues therefore tend to involve better promotion of the package of services being offered to the community (in other words, selling the benefits that come from rates).

A genuine ability to pay issue might be handled with:

- a remission or postponement policy.*
- encouraging ratepayers to take up weekly or fortnightly payment options.*
- pointing ratepayers to the Rates Rebate Scheme.*
- referral to Work and Income (a ratepayer who genuinely cannot afford rates is also likely to have difficulty meeting other costs as well).*

Equity in its broadest sense, equity as a concept is largely about the distribution of rates (incidence) among groups in a way that is perceived to be ‘fair’. Equity or fairness are often quoted by individuals and groups. Equity/fairness are very much in the eye of the beholder – and in practice there will be a large degree of political judgement in the consideration of equity.

Giving due consideration to equity may well necessitate considering various aspects:

- *horizontal equity is the idea that like should be treated alike, those in similar circumstances should be treated in a similar way rated a equal amount.*
- *vertical equity is the idea that those who have a higher income should be treated differently i.e. rated more.*
- *intergenerational equity – relates to the treatment of individuals over time, all other things being equal, today's residents and ratepayers should not subsidise the consumption and production decisions of future ratepayers and vice-versa.*

Overarching all this is the fact that rating systems cannot meet all individual expectations. Rating policies cannot be worked out and administered on the basis of the impacts on individual properties; compromise is required. It is not possible to write a policy that gives a level of fairness and equity that satisfies every single property owner- there will always be those who think they should pay lower rates than someone else. Historically, Councils have found they must seek a "best fit" for categories of property, not for individual properties. Policies have to be derived from a common set of principles that are applied to everyone.

5) That the Business differential being set at a level below the differential applying to residential rating units does not help with council's aim of making residential rates affordable

The business differential is set at an average of 0.73 for the General and Rooding rates. The total "slice of the pie" borne by businesses has not changed just how it has been apportioned across the business differential. The "benefit" of CV rating Utility companies has been used to reduce the rate in the dollar for the differential overall. The statistics for each differential are shown in Appendix 3.

The Grey Power alternative – undifferentiated CV with stormwater cost back in the Rooding Rate, statistics are shown as Appendix 4. Note that there is a shift of \$780k in rates from the Business differential to the DW Other differential. Also note the rate increase for Levin Residential has reduced from 0.43% to -1.37% (\$259,446) and for Farming an increase from 4.77% to 19.87% (\$593,459). The increase to the farming component is mainly due to the Stormwater costs being put back into the Rooding rate. Notice also the impact on the Levin business component.

To this extent (\$780k) the existence of a Business differential in favour of businesses does not help with affordability.

The Grey Power alternative is further explored in section 7 of the report.

6) That the accuracy of the Category (use) codes and the capital values within the DVR and RID are not "fit for purpose".

1) The submission from Hamish McDonald number 259, and other submissions from mainly the Papaitonga ratepayer's group, raised issues around the accuracy of;

- the Category codes used to identify properties for the differentials
- the accuracy of the capital values used as a basis for rating.

Many submissions pointed out that the capital values were not as accurate as the old Government values and were calculated using indices, as pointed out by Mr Havill. The Bennett's point out that most often when an objection to a valuation is made it is the capital value that is changed.

Capital value is based on the value of the land and improvements. This includes fruit trees, nut trees, vines, berryfruit bushes, or live hedges. Utility network infrastructure is legally regarded as an improvement, therefore it has a capital value and can be legally assessed for all value-based rates. Once on the District Valuation Roll (DVR) that land becomes liable for the UAGC and any fixed targeted rates, irrespective of the valuation system i.e. every local authority should either be assessing rates on phone boxes and lines, gas pipes and the like or remitting them as part of a remissions policy.

Capital value tends to have access to a greater volume of transactions and hence richer sales information. There have been approximately 50 sales of dwellings for every sale of land. Values under this system are likely to a more accurate set of data than that generated under the land value system.

Even in areas with a higher number of land sales, land transactions tend to be concentrated in the peripheral (greenfields) areas. The value of land in these cases may not be representative of the values elsewhere in the district.

Capital value targets intensity of use/intensity of development. The higher the intensity of development the greater the capital/land value ratio is likely to be and the higher the share of rates any given property will pay. For example, properties such as hydroelectric dams, dairy factories, and other capital intensive properties can expect to pay especially high levels of rates.

Intuitively one would expect capital value to show a closer correlation with ability to pay than land value, especially noting the earlier discussion about land values and ability to pay. The Shand enquiry of (2007) found a very high degree of correlation between income and capital values.

Land value is based on the value of the bare (unimproved) value of the land.

Land value generally provides a poorer reflection of benefit than the capital valuation bases. To take a simple example, assume there are three different rating units side by side. They are similar in every respect except one is unimproved, one has a two bedroom house, and one has a five story residential apartment complex. All other things being equal the three have the same value under the land value system. But no-one would argue that the degree of benefit is the same - they make quite different use of local authority services.

Historically property values, especially land values, have been seen as poor indicators of ability to pay. Covec 2007 report "*Trends in the Use of Rating Tools Nationally to Fund Services*" plotted a single metropolitan local authority's Land and Capital Values (at meshblock level) against meshblock income. Unsurprisingly they found a positive relationship that is as income increases so does the Capital Value. However, Covec also found that a surprisingly high degree of relationship between unimproved values and income. While this is far from conclusive evidence, if translated across local authorities of different sizes, and mixes of land use, it might suggest land value is a better predictor of ability to pay than has been previously assumed. But is it better?

The land value system takes no account of the state of development of the land. To the extent that rates form a significant part of cost structures this may, at the margin, encourage development of vacant land and or more intensive development of developed land. All things being equal, those who use or develop land intensively pay the same rates as those who do not develop land at all. This was historically seen as a strong argument for land value.

The market for unimproved land is much smaller than that for improved land. With less transactions data to rely on there is the potential for lower data quality (for example, one or two significant sales of unimproved land could potentially skew results).

It has been claimed that unimproved values tend to fluctuate more than capital values. Swings in valuation are driven off sales information which are driven by market demand. One of the major factors in demand is location – certain suburbs or 'school zones' become sought after, urban growth fuels demand for land on the urban/rural fringe, zoning changes manifest themselves in sudden shifts in demand for different categories of property. It is the site that is the determining factor; it then follows that this would be reflected in valuation. Council saw evidence of the impact of a zone change on values last year where the land values increased markedly while CV's moved marginally or, in the case of some residential rating units, not at all.

Mr McDonald states Council is using "*out of date land use codes*". However, Council is using "category codes" which are well maintained.

Since the release of the September 2013 revaluation there have been 84 reported market transactions of lifestyle properties within the Horowhenua District. 62 of these properties, or 74% have sold within $\pm 10\%$ of the 2013 rating valuations. A number of the other transactions falling outside of this range are in the process of being investigated by QV officers to determine the

reason for the variance between selling price and current rating value. There are numerous reasons why a variation may occur. Clearly this does not support the claims that the Capital Values within HDC lack quality.

Land Use codes are checked as part of the ongoing roll maintenance process and QV are particularly diligent in ensuring the accuracy of HDC land use codes given the potential impacts on rating liability. The transition from lifestyle to rural use is grey, however, the key here is consistency. The QV team have worked with HDC to ensure a robust process of category and land use identification that meets the legal requirements and interpretations.

Also, every ratepayer has the opportunity to object to any rating valuation if they believe it is inaccurate or is based on inaccurate information in accordance with section 32 of the Rating Valuations Act (1998).

Mr McDonald asserts that capital values “lack the quality to be used as a rating base. “The maintenance of the DVR for new buildings and other improvements is not up-to-date caused mainly by the fact that the DVR is used for Land value rating by HDC.”

QV’s service level agreement with HDC makes no differentiation for rating base variations with regards to the requirements to maintain the DVR in an accurate and up to date manner. All new improvements ready to be valued as at 31 May must be on the DVR by 30 June that same year. The above concerns are therefore unfounded.

Mr McDonald also states *“Council in considering the change to CV has overlooked the extra cost in keeping the DVR up-to-date as to new buildings and capital improvements in both rural and urban areas.”*

In accordance with the above statement relating to roll maintenance, the additional VSP costs associated with a move to capital value rating will be nil as the QV contract is for the continual maintenance of both LV and CV.

In relation to the assertion that the 2016 revaluation will be better and more accurate than the 2013 revaluation. There is no basis for this assumption. Council’s expectation of QV, our valuation service provider, is that the CV are maintained as accurately as the LVs. If the CVs are seen as “not fit for purpose” so should the LVs Council has been using up until now. It is obvious from the discussion above that CV must be more accurate than LVs because there is far more sales evidence to support CVs. How often does a purely unimproved land (land with absolutely no improvements) in an urban or rural area get sold? Very rarely. Roughly 50 houses for every 1 bare land block. Recently the sales of bare land have been virtually non-existent due to the economic recession.

While the Rating Values (RVs) are not as accurate as the former Government Values (GVs) Council’s do not require the absolute accuracy that GV’s provided. Central Government devolved the National Property Database (as it was), and the cost of producing it, to Districts in 1999. Since then the absolute accuracy of GV’s is no longer available. Valuations are derived from applying indices to existing values based on recent sales in the area. Valuers no longer visit each and every rating unit. They now only visit if some activity has occurred like a building consent for improvements. Any improvements that do not require a building consent will not be reflected in a valuation. This is why it is important for ratepayer to object to their values if they feel they are incorrect. They certainly should not be relied upon as approximations of the true selling price.

Officers are concerned that the real estate industry (and the public at large) still use RV’s as if they were GV’s. Real Estate agents will often tell homeowners to object to their RVs to increase them when they are putting their homes up for sale. The Government walked away from their responsibility of the “public good” aspect of having GV’s. Council’s do not require the absolute accuracy of GV’s in order to set rates. An approximation is all that is required and all that is paid for. Nor should Local government shoulder the extra cost of achieving the public good aspect of an accurate GV when it is not required to set rates. You get what you pay for. Local government used to complain about the cost of obtaining GV’s for the DVR from the old Valuation Department when they were only paying a third of the cost. Council is now paying 100% of the cost.

7) Assessment of the undifferentiated CV option with no Stormwater rate, put forward by Grey Power and others, especially the Papaitonga subdivision community

Grey Power has asked for undifferentiated General and Rooding rates (no business differential) with the stormwater cost remaining in the Rooding rate. This rating scenario has been modelled and it appears as Appendix 5.

Refer to item 5 above and Appendix 3 and 4 to see the extent of the change at a macro level. Appendix 5 shows this at a micro level.

Because of the impact on the farming rating units \$593K (or 22% of the \$2.6m rate increase) it would most probably breach the threshold where a further round of consultation would be necessary for the proposal to be implemented. It was not singled as an option in the LTP and the farming community would most probably remove their qualified approval for CV rating. At the very least there would be more vigorous calls for a farming differential to be put in place to mitigate this effect. Such a differential would remove the advantage that Grey Power is trying to achieve.

8) Commentary on the possibility of a staged introduction of the Option 2 CV rating proposal

A suggestion is for two increments of 25% for the 2015/16, and 2016/17 with a 50% increment of for the 2017/18 after the 2016 revaluation. This revaluation would be effective from 1/7/2017.

The inference here is that there will be a "correction" of the CV in that revaluation. Any "correction" will be by way of objection. Most objections seek to drive the CVs up while leaving their LVs unmodified, at least that has been the pattern under a LV rating system.

As discussed above, it is not true that the current CV are necessarily incorrect, they are just not as accurate as people have come to expect under the former GV regime.

The transition process could initially be to agree on the period of transition and the percentages to be transitioned each year. Then a targeted rate needs to be set up call a transition rate which will decrease each year as the agreed percentage is shifted to the CV General/Rooding Rate. The Stormwater Rate needs to be part of this as well.

Such a proposal could work similar to Hamilton City who are transitioning to CV over 10 years i.e. 10% per year. They have a General Rate on CV which in the first year has 10% and a "Transition Rate" on land value holding 90%. Each year a further 10% is added to the General Rate and removed from the Transition Rate.

In our case it could be 25% in the Differentiated General Rate, Differentiated Rooding Rate and Stormwater rate (As per Option 2) the remaining 75% rated as it is currently. Council may need to make the call on whether the remaining four year transition remains for the LV component. A general rate cannot have two valuation methods, i.e. it can't have a differential on CV while another is on LV, but Officers would be able to set up two Rooding rates one on LV and one on CV. In year 2 a further 25% shifts while year 4 the remaining 50% shifts.

Of course it need not be 25%, 25%, 50%. It could be any amount and any period the Council wishes.

Another issue is that the ratepayers of the District will not understand the "transition" rate unless Council undertakes some extensive communications on this before they receive their rates assessments. This is because the transition rate concept was not debated as part of the consultation on the CV proposal. This communication may also need to be repeated/reinforced for year 2 and 3 of the transition.

9) The request from Federated Farmers for a UAGC to reduce the valuation component of the General Rate

Federated Farmers submits *"That the Council introduces a Uniform Annual General Charge, and this funds activities that provide public benefit but may be too small to justify their own targeted uniform charge."*

Analysis

Council has not had a UAGC since the 2008/09 rating year. Council instead has preferred to use targeted rates set using a fixed “uniform” charge. These targeted rates are the Library, Swimming pool, Representation and Governance, Solid Waste. This helps with transparency. While it is possible to introduce a UAGC as they have proposed, this would not enhance transparency as the only place where the makeup of the UAGC would be disclosed is the Revenue and Financing policy and not as a line item on a rate assessment. Given that transparency is something the Federated Farmers see as being important this does not fit with that philosophy.

Of course the use of a UAGC would further reduce the burden on high valued rating units and further reduce the amount they would pay under the general rate. This would mean a reduction for the farming group below the proposed 22.85% they would currently pay. It would also increase the minimum rate for low value properties and so negate some of the affordability gains derived from going to CV rating.

Also, legislation only allows 30% of total rates to be collected by use of uniform charge. The LTP has this at 26.21%. This allows for a further 3.79% or \$1.272m. Not all the rates listed in the submission, as being available to be included in the UAGC, could be accommodated within the 30% cap. Also it is necessary to have some “wiggle room” otherwise Council would need to constantly “tweak” the UAGC to enable it to remain under the 30% cap.

10) Commentary on the possibility of a stepped differential to reduce the rates on high value District Wide other differential rating units

There has been some disquiet amongst some regarding the magnitude of the transitional increase in rates for rating units with high CVs. This has been in relation to those high valued Rural Residential/ Lifestyle properties and some coastal community properties.

This increase could be mitigated by use of a stepped differential. This is where a differential category can be set up with a lower rate in the dollar above a certain value. This could be done with more than 1 step. It is quite a complicated calculation involving iterations. The overall effect is to increase the rates on lower valued properties to enable reductions on higher valued properties. This would modify, but not entirely remove, the affordability gains of going to CV rating.

It is possible to set a maximum rate for an otherwise valuation based targeted rate such as the Roothing rate. A differential setting a uniform amount replaces the rate in the dollar multiplier over a nominated valuation.

Conclusion

Most submissions seek to lower rates on their own properties or groups and communities. However, such a reduction, whether it is through the use of a differential or other means, does not meet the overall Council objectives for introducing Capital Value Rating. These objectives were:

1. To make rates more affordable to low value urban properties in the light of known future increases to water and sewer targeted rates. This would give such properties more capacity to absorb the increases in these targeted rates.
2. To provide a small rating incentive to small commercial and industrial businesses where the economic conditions have made such businesses less viable. This was done by rating utilities on capital value so as not to increase the rating requirement from the non-business community.
3. To fix the historical anomalies inherited from the differential system in place prior to 1/07/2009, where rating units situated in Townships, Rural residential/lifestyle, Rural based businesses and intensive farming were gaining an unintended benefit from these differentials.
4. A desire to treat all businesses the same.
5. To remove urban stormwater costs from the Roothing Rate.
6. A desire to take the differential out of the Swimming Pool Rate.

7. To decrease the rate for water and sewer availability by half where a property may have a connection but is not using the service, or where the service is available but not being used.
8. To reduce the use of differentials, and above all else.
9. Achieve a more equitable taxation system.

To reiterate, most people are objecting to the magnitude of the increase in the transition to Capital Value Rating rather than a particular issue with CV rating itself. There are exceptions.

A lack of willingness to pay rather than ability to pay is prevalent amongst the high value property owners. Although there may be genuine asset rich income poor property owners, rating systems are not sophisticated enough, nor has the government given us the necessary taxation tools to address situations other than through hardship remission and postponement policies.

Commentary on the recommendation, Option 3, hybrid of both LV and Capital value

2) **Option 3** is essentially a compromise. It addresses the objectives of Council but to a much lesser degree. Option 3 also has a mitigating effect on the extremes of rate increases to high valued properties evident in Option 2. Option 3 will at least introduces some CV elements into the rating system and leaves future council's time to address the rating system to further enhance equity and fairness, which may be increasing the CV component but may also include enhanced use of targeted rates.

Option 3 has the following attributes;

- 1) For the General rate;
 - a) Based on Land Value
 - b) The current differentials based on geographic boundaries
 - i) Retaining the Rural differential at 25%
 - c) Retains the current phasing, with 4 years to run,
- 2) For the Roding rate;
 - a) Capital value based
 - b) Has the two differentials based on use;
 - i) Business
 - ii) District Wide Other
 - c) Has the stormwater costs removed
- 3) Set up a stormwater rate on CV set on all urban properties (the same properties as the current urban Solid Waste Rate.
- 4) Introduces a "Serviceable" differential on the water and wastewater rate
- 5) The proposed Aquatics district Wide rate (dispensing with the current extra targeted rate on Levin, Foxton and Foxton Beach
- 6) Ensure that all Residential rest homes are in the business differential regardless of whether they are registered or not.
- 7) All other targeted rates to remain unchanged.

The rationale for the Roding rate being on CV and not the General Rate;

- 1) The utility companies will be targeted for roading but not community services.
- 2) The increases to lifestyle properties and towns will be mitigated
- 3) A incentive for businesses will remain albeit watered down
- 4) Affordability will be better, but again not to the extent originally intended.
- 5) It can be done without a further round of consultation as it was signalled in the consultation document as a option and it does not have a major negative impact on any sector of the community other than reducing the decreases for low value property owners, and thus lowering the affordability gains.

- 6) Gains some benefit from the LV v CV debate while enabling a review for next LTP or intra LTP. Continue the dialogue with stakeholders.
- 3) Refer to Appendix 6 and other Appendices (1, 3 and 4) to see the extent of the change at a macro level. Appendix 7 shows this at a micro level with indicator properties.

Recommendation

THAT the Council adopts Option 3 as the rating system for the period of the Long Term Plan. This is detailed as

- That the General rate be based on Land Value using the current differentials based on the current geographic boundaries retaining the Rural differential at 25%, and retaining the current phasing, with 4 years to run.*
- That the Roothing rate be based on Capital Value with two differentials based on use being Business and District Wide Other as with the original option 2. The Roothing Rate will exclude the stormwater costs.*
- That a Stormwater rate on CV be set on all urban properties (the same properties as the current urban Solid Waste Rate)*
- That Council introduces a "Serviceable" differential on the water and wastewater rate to be set at 50% of the fixed charges for each.*
- That an Aquatics rate be set as a fixed charge district wide, (dispensing with the current extra targeted rate on Levin, Foxton and Foxton Beach).*
- That all Residential rest homes are contained within the Roothing Business Differential regardless of whether they are registered or not.*
- That all other targeted rates to remain unchanged.*

Explanation of options that appear in the appendices.

Option 1

Option 1 is the option 1 that was in the Consultation Documents. It is the current rating system, but it includes the 7.61% proposed rate income increase as it applies to individual properties and classes of properties.

Option 2

Option 2 is the option 2 that was in the Consultation Documents. Option 2 was Council's preferred option. It introduced:

- CV on both the General and Roothing rate, but had a business differential on both.
- The business differential was set at an average 0.73 cents for every \$1 of the "other" General and Roothing rates i.e. a lower rate.
- Has a new Stormwater rate set on CV but only on Urban rating units (towns and townships).
- The stormwater costs were formally funded as part of the Roothing Rate.
- Option 2 also has a district wide Aquatics Rate set as a uniform charge the in the same way as the Library rate. This was formally set as a differential whereby 80% of the cost was levied on Levin, Foxton and Foxton Beach and 20% by the District as a whole. The removal of this differential has lowered the rates for thses 3 communities while increasing the rates for all other communities for the Aquatics rate.
- Option 2 in the Appendices also has the 7.61% proposed rate income increase as it applies to individual properties and classes of properties.

Option 3

Option 3 is the recommendation described above. It was also an option that was in the Consultation Document. It also has the 7.61% proposed rate income increase as it applies to individual properties and classes of properties. The effect, compared to Option 2, is to:

- Soften the rate increases for high value properties, but
- Increases the rates on low valued properties so lessening the affordability gains that were occurring in option 2.
- Decreases rates applying to utilities.

The Grey Power Scenario

The Grey Power scenario differs from Option 2 in the following ways:

- While it is CV for both the General and Roothing Rates it does not have the Business differential, so is undifferentiated. This means that the benefits from rating utilities (i.e. the extra rates that apply to utilities under capital value) are shared by all rate payers in the district. It has the effect of actually increasing the utility rates further from that which occurred in option 2.
- It does not have a stormwater rate, so the stormwater costs are still funded from the Roothing rate. This is the major reason why the farming rates increase so much in this scenario from option 1.
- The aquatics and other rate changes are unaffected from scenario 2

End of phasing (appendix 1)

End of phasing has all the attributes of Option 1 but what Option 1 would look like in four years time after the current phasing is finished. It incorporates the 7.61% proposed rate income increase as it applies to individual properties and classes of properties.

Option 1 has 5 Differentials:

- An Urban Differential applying to Levin, Foxton and Shannon. This differential currently pays 44% of the General rate and 41% of the Roothing rate, this is down from the 2008/09 differential of 59%
- A Township differential applying to all the small towns excluding those in the urban differential. This differential currently pays 15% of the General Rate and 14% of the Roothing Rate, this is up from the 2008/09 differential of 9%
- A Rural Residential (including Lifestyle blocks). This differential currently pays 16% of the General Rate and 14% of the Roothing rate, this is up from their 2008/09 share of the Rural Differential (approximately 6% of the total General and Roothing Rate)
- A Rural "Business" differential. This differential currently pays 25% of the General rate and 31% of the Roothing Rate, this is down from their 2008/09 share of the Rural Differential (approximately 26% of the total General and Roothing Rate)
- A Transitional differential that is being used to shift the rates from Urban to Township and rural Residential
- Remember, in 2008/09 there was only a General rate and Solid waste rate. Roothing and Stormwater, Libraries, Swimming Pools and Representation and Governance cost were taken out of the General Rate a set as uniform targeted rates. This had the effect of increasing urban, township and rural residential proportion of the total rates and decreasing the rates to the Rural business differential

End of Phasing brings us to having only 2 differentials

- A Rural “Business” differential that will be no different from current (25% of the General Rate, 31% of the Roding Rate).
- A District Wide Other differential which will incorporate, Urban, Townships and Rural Residential) of 75% of the General Rate and 69% of the Roding rate.
- The phasing over the last 6 years (and the next 4) had the effect of increasing the General and Roding Rates (above the average) for Townships and Rural Residential and lowering the rate (below the average) for Urban (Levin, Foxton and Shannon).
- Note how some low valued properties in Hokio Beach would be better off under CV than the current rating regime in 4 years time.

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8	Rodney & Jeanette Jamieson
9	Graeme Ambler
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13	William & Wendy Tunley
15	Robyn Johns
16	Mike Fletcher
17	Sara Bryers
19	Graham Conner
23	Chris Thompson
24	Jason Batt
25	Anthony (Tony) Strawbridge
26	Peter Price
28	Melanie Obers
29	Lone & Jens Jorgensen
30	Maureen Lee
31	Gordon & Elizabeth Burr
32	Ray & Sandra Hudson
33	Albert Burgess
34	Bruce & Moira Parsons
35	Fiona Bell
36	John Bates
37	Margaret Jeune
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42	Barry Rollinson
43	Raquel de Malmanche
44	Marilyn Cranson
45	David Thomson
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47	Stuart Campbell
48	Geoffrey McBrydie
49	Alexia & Earl Woodmass
51	Craig Dewhurst
52	Paul Smith
53	Janice Smith
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55	Submitter No. 55
56	Sharon Freebairn
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59	Warwick Meyer
60	Piero Lavo
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74	Janice Goodburn
75	Jill Brown
76	David Bowker
77	Graeme & Patricia Lucinsky
78	Terence Grant
79	Diane & Stephen Mead
80	Sylvia Van Nistelrooy
83	Joaquin Sitte
84	Raewyn Tate
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89	Geoff Kane
91	John Martin
92	Megan Cushnahan (Roma Trust)
93	Steve Attwell (Attwell Valuers Ltd)
94	George Coutts
96	David Rix
97	Charles Davies
98	Dirk Ris
99	Catherine Madison
100	Thomas Cushnahan (Tommy Cushnahan Golf Ltd)
106	Malcolm & Andrea Howard
107	Judy Brain
108	Ian & Jo Hopkirk
110	Kevin Metge
111	Esther Burns
112	Andrew Hyslop
113	Arthur & Glenys Woollard
114	Dave & Debbie Hobbs
116	Maurice & Sophie Campbell
117	Helen Croskery (Kereru Children's Learning Centre Ltd)
118	Helen Croskery
119	Robert Hoskins
120	Graham Dawson
123	Maurice Beach
124	John Haverkamp
125	Henry & Maureen Jordens
126	Sharyn & Carl Williamson
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151	Stephen & Karen Prouse
152	Lorna Thornton
153	Troy Taylor & Paulianne Theuma
154	Charles Rudd
155	Robert de Malmanche
156	John & Robyn Soulbrey
157	Carlo Ricci
158	Roger Truebridge (Truebridge Associates Ltd)
159	Michael Coupe (Horowhenua Grey Power Association Incorporated)
162	Graham Smellie
164	Carol & Lyall Bilderbeck
165	Julia & Robert Kuttner
166	William Taylor
168	Christine Toms
169	David Green
172	D. & V. Mercer
173	Rosemary Pitt
174	Ewen Robertson
175	Kelvin Lane
176	Youth Voice Horowhenua 2015
177	Christina Paton
185	Ann Thomas (Horowhenua Farmers Ratepayers Group)
188	Dianna Timms (Timms Farm Ltd)
192	Adrian Noaro (Noaro Farms Ltd)
194	Rebecca Noaro (IDLE)
196	Sam Ferguson
198	Peter Hamilton & Margaret Hill
199	Suzanne Havill
202	Pamela Good
203	Brian & Ann Thomas
204	Jan & Leslie Thomas
205	Charles Havill
207	Susanne & Murray Hanlon
208	Brian Good
209	Diana McGill
212	Simon Kuiti
216	Bryan May
217	Kris Burberry
218	Eric Booth (Trackside Body Corporate)
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221	Dennis Hunt
222	Davey Hughes
223	Sarah Elliot
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236	Jeremy Manks
237	Bruce & Elaine Little
238	Cameron Lewis (Horowhenua Economic Development Board)
239	Gaylyn & Ross Bennett
242	Tony Murdoch (SoRT & Wildlife Foxton Trust)
243	Christopher Pauiter
244	Aubery Lane
245	Rosalie Huzziff
246	Kiri Hayes
247	William Huzziff
248	Malcolm Huzziff (Huzziff Farms Ltd)
249	Leslie Bidlake
250	Linda Rawlings
251	Michael Nash
252	Mark Rankin
253	Gary Davis (Davis Contracting Levin Ltd)
254	David Clark
256	Wally Dalgliesh
257	Jan Henshall (Papaitonga Springs Subdivision Committee)
258	Warren Harris
259	Hamish McDonald
260	Justin Wilson
262	Ellen Vertongen
263	John Heskett
264	John Collyns (Retirement Villages Association)
267	Ross Leggett (Electra)


Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

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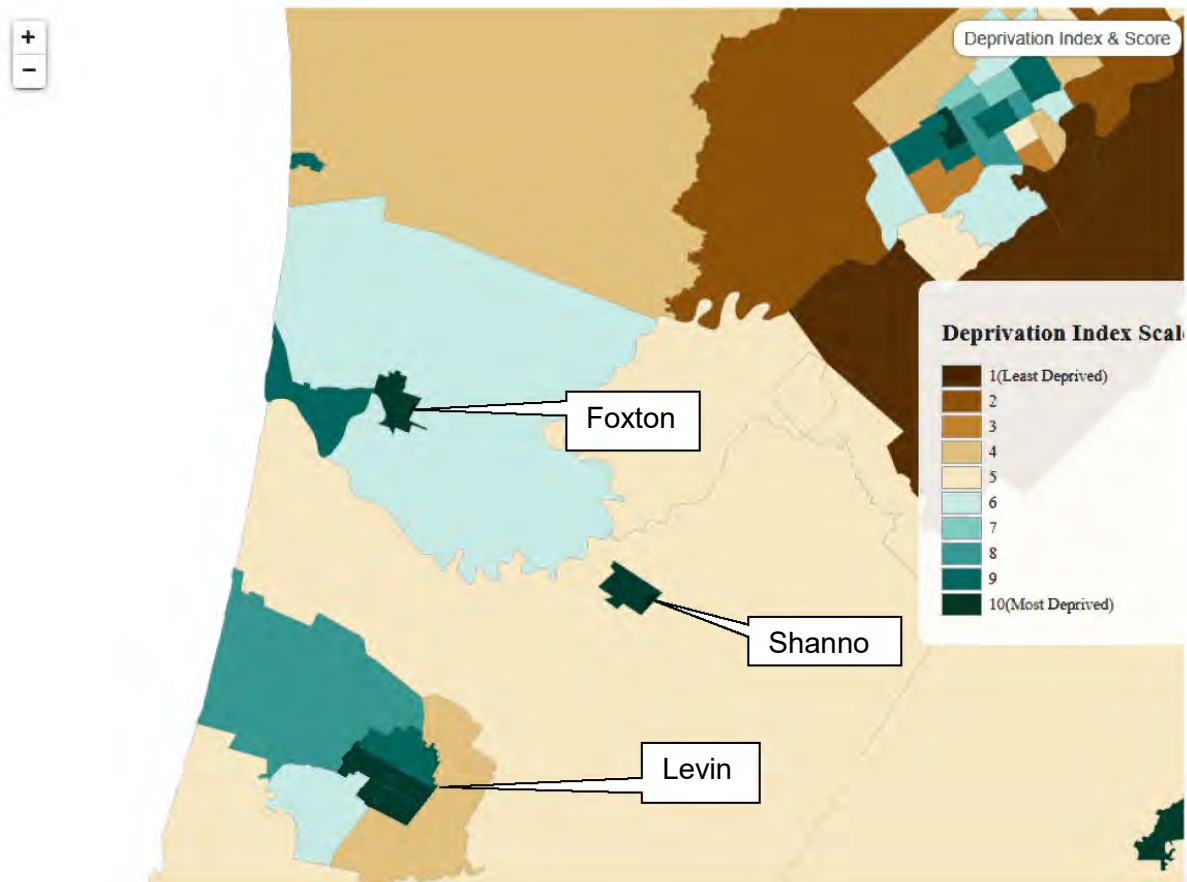
Approved by	David Clapperton Chief Executive	
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Appendix 1					Current Rates 2014/15	Status Quo Option 1			Differentiated CV Option 2			End Of Phasing		
Option 1 Status quo with rate increase					2014/15	Model Rates	Compared to 2014/15		Model Rates	Compared to Option 1		Model Rates	Compared to Option 2	
Location	Ha	Cat	LV	CV	Total		\$ Diff	% Diff	Total	\$ Diff	% Diff		\$ Diff	% Diff
Hokio Beach	0.0865	RD196C	58,000	89,000	763	839	76	10%	842	3	0%	909	67	8%
Hokio Beach	0.0827	RD196B	66,000	112,000	808	890	81	10%	913	23	3%	969	56	6%
Hokio Beach	0.0809	RD196C	45,000	71,000	689	757	67	10%	784	27	4%	811	27	3%
Hokio Beach	0.2024	RD199B	105,000	375,000	1,029	1,138	109	11%	1,743	605	53%	1,263	(480)	-28%
Waikawa Beach	0.0944	RD195B	240,000	355,000	1,794	1,993	199	11%	1,679	(314)	-16%	2,280	601	36%
Waikawa Beach	0.0842	RD196B	155,000	260,000	1,312	1,454	141	11%	1,380	(74)	-5%	1,640	260	19%
Waikawa Beach	0.0803	RD199B	94,000	210,000	967	1,068	101	10%	1,223	155	15%	1,180	(43)	-4%
Waikawa Beach	0.1651	RD198B	410,000	520,000	2,756	3,071	315	11%	2,199	(872)	-28%	3,560	1,361	62%
Ohau	0.7942	RD191B	146,000	385,000	1,577	1,787	210	13%	2,169	382	21%	1,961	(208)	-10%
Ohau	0.836	RD199B	146,000	295,000	1,577	1,787	210	13%	1,885	98	5%	1,961	76	4%
Ohau	2.1246	LI199B	305,000	455,000	2,477	2,794	317	13%	2,390	(404)	-14%	3,158	768	32%
Ohau	0.095	RD196B	65,000	165,000	1,118	1,273	155	14%	1,476	203	16%	1,351	(125)	-8%
Manakau	0.4046	RD197B	220,000	490,000	1,680	1,867	186	11%	2,105	238	13%	2,129	24	1%
Manakau	0.2023	RD199B	148,000	310,000	1,273	1,411	138	11%	1,537	126	9%	1,587	50	3%
Manakau	0.8094	RD195B	365,000	610,000	2,501	2,786	284	11%	2,483	(303)	-11%	3,221	738	30%
Manakau	0.0809	RD191C	54,000	128,000	740	814	73	10%	963	149	18%	879	(84)	-9%
Manakau	0.2638	CAPB	180,000	405,000	1,454	1,614	160	11%	1,540	(74)	-5%	1,827	287	19%
Waitarere Beach	0.0819	RD196C	114,000	180,000	1,618	1,741	123	8%	1,682	(59)	-3%	1,876	194	12%
Waitarere Beach	0.0785	RD200C	78,000	180,000	1,414	1,512	98	7%	1,682	170	11%	1,605	(77)	-5%
Waitarere Beach	0.082	RD198C	108,000	220,000	1,584	1,703	119	8%	1,809	106	6%	1,831	22	1%
Waitarere Beach	0.1012	RD197C	295,000	315,000	2,643	2,888	245	9%	2,108	(780)	-27%	3,240	1,132	54%
Waitarere Beach	0.092	RD197C	128,000	240,000	1,697	1,830	133	8%	1,871	41	2%	1,982	111	6%
Waitarere Beach	0.01908	RF195C	37,000	150,000	1,182	1,252	70	6%	1,588	336	27%	1,297	(291)	-18%
Waitarere Beach	0.1376	RD200B	355,000	660,000	2,983	3,269	286	10%	3,196	(73)	-2%	3,692	496	16%
Waitarere Beach	1.6549	OX	245,000	520,000	2,360	2,572	212	9%	2,372	(200)	-8%	2,864	492	21%
Foxton Beach	0.0809	RD196B	64,000	137,000	1,728	1,884	157	9%	1,865	(19)	-1%	1,960	95	5%
Foxton Beach	0.1366	RD195B	90,000	155,000	1,875	2,048	173	9%	1,921	(127)	-6%	2,156	235	12%
Foxton Beach	0.0651	RD198A	310,000	555,000	3,121	3,444	324	10%	3,182	(262)	-8%	3,813	631	20%
Foxton Beach	0.1623	RD198B	56,000	180,000	1,682	1,833	151	9%	2,000	167	9%	1,899	(101)	-5%
Foxton Beach	0.0389	RV	101,000	175,000	1,937	2,118	181	9%	1,984	(134)	-6%	2,239	255	13%
Foxton Beach	0.0809	RD199A	380,000	810,000	3,517	3,887	370	11%	3,987	100	3%	4,028	41	1%
Tokomaru	0.0801	RD197B	53,000	215,000	1,589	1,744	155	10%	2,188	444	25%	1,807	(381)	-17%
Tokomaru	0.1432	RD199B	70,000	240,000	1,685	1,852	167	10%	2,267	415	22%	1,935	(332)	-15%
Tokomaru	0.1535	RD197B	63,000	205,000	1,645	1,808	162	10%	2,156	348	19%	1,882	(274)	-13%
Tokomaru	0.8545	RD198B	150,000	370,000	3,426	3,707	281	8%	4,187	480	13%	3,944	(243)	-6%
Tokomaru	0.0916	CRPB	53,000	150,000	1,589	1,744	155	10%	1,873	129	7%	1,807	(66)	-4%
Rural	98.541	FI	102,000	107,000	680	733	53	8%	770	37	5%	733	(37)	-5%
Rural	28.1256	DFF	410,000	420,000	1,441	1,540	100	7%	1,399	(141)	-9%	1,540	141	10%

Appendix 1					Current Rates 2014/15	Status Quo Option 1				Differentiated CV Option 2				End Of Phasing			
Option 1 Status quo with rate increase					2014/15	Model Rates	Compared to 2014/15			Model Rates	Compared to Option 1			Model Rates	Compared to Option 2		
Rural	24.1975	DFE	960,000	1,150,000	2,799	2,984	186	7%		2,868	(116)	-4%		2,984	116	4%	
Rural	237.7632	PFC	1,930,000	2,110,000	5,193	5,530	337	6%		4,800	(730)	-13%		5,530	730	15%	
Rural	62.4439	ANB	2,280,000	2,360,000	6,057	6,448	391	6%		5,304	(1,144)	-18%		6,448	1,144	22%	
Rural	291.1338	PGD	2,798,000	2,894,000	7,336	7,807	471	6%		6,378	(1,429)	-18%		7,807	1,429	22%	
Rural	11.3271	DFE	450,000	610,000	1,855	2,036	181	10%		2,178	142	7%		2,036	(142)	-7%	
Rural	180.8478	DFB	5,850,000	6,400,000	14,871	15,817	947	6%		13,435	(2,382)	-15%		15,817	2,382	18%	
Rural	1600.9	FE	3,280,000	3,560,000	8,526	9,072	546	6%		7,719	(1,353)	-15%		9,072	1,353	18%	
Rural	2.922	HFB	250,000	700,000	1,046	1,121	76	7%		1,963	842	75%		1,121	(842)	-43%	
Rural	5.666	HGA	320,000	2,550,000	1,534	1,695	160	10%		6,081	4,386	259%		1,695	(4,386)	-72%	
Rural	0.2634	RD197B	125,000	425,000	1,384	1,183	(201)	-15%		2,116	933	79%		1,183	(933)	-44%	
Rural	17.9499	OU	780,000	30,000,000	3,208	3,447	239	7%		61,880	58,433	1695%		3,447	(58,433)	-94%	
Rural	148.9285	SDB	3,280,000	3,610,000	8,526	9,072	546	6%		7,820	(1,252)	-14%		9,072	1,252	16%	
Rural	5.3989	SHB	280,000	520,000	1,120	1,199	80	7%		1,601	402	33%		1,199	(402)	-25%	
Rural	161.1119	SSB	4,850,000	5,575,000	13,034	13,971	938	7%		12,565	(1,406)	-10%		13,971	1,406	11%	
Rural	1434.822	DFA	39,695,000	47,060,000	106,998	113,939	6,941	6%		106,348	(7,591)	-7%		113,939	7,591	7%	
Rural	1.518	LI200A	225,000	1,580,000	1,895	2,181	286	15%		5,288	3,107	142%		2,550	(2,738)	-52%	
Rural	8.8425	LI200A	415,000	800,000	2,867	3,300	433	15%		3,146	(154)	-5%		3,981	835	27%	
Rural/Ohau	0.2023	RD8B	99,000	255,000	935	1,049	114	12%		1,254	205	19%		1,210	(44)	-3%	
Levin Rural	0.9933	RD20B	150,000	350,000	1,196	1,349	154	13%		1,515	166	12%		1,594	79	5%	
Levin Rural	22.5941	HVE	1,050,000	2,000,000	5,799	6,650	852	15%		4,579	(2,071)	-31%		8,374	3,795	83%	
Foxton rural	4.652	LI3B	175,000	295,000	1,324	1,496	173	13%		1,364	(132)	-9%		1,783	419	31%	
Levin	0.025	CRSB	29,000	75,000	1,692	1,818	125	7%		1,692	(126)	-7%		1,774	82	5%	
Levin	0.0506	RF192B	57,000	160,000	1,947	2,072	125	6%		2,014	(58)	-3%		1,985	(29)	-1%	
Levin	0.0777	RD196B	79,000	180,000	2,147	2,270	123	6%		2,077	(193)	-8%		2,151	74	4%	
Levin	0.0936	RD192B	94,000	225,000	2,283	2,406	123	5%		2,220	(186)	-8%		2,264	44	2%	
Levin	0.3265	CAPB	210,000	580,000	3,337	3,456	118	4%		3,338	(118)	-3%		3,138	(200)	-6%	
Levin	0.0458	COPB	250,000	730,000	3,701	3,817	116	3%		3,276	(541)	-14%		3,439	163	5%	
Levin	0.0814	RH197B	86,000	255,000	2,210	2,334	123	6%		2,314	(20)	-1%		2,204	(110)	-5%	
Levin	1.3656	CXP	4,870,000	9,575,000	47,118	47,169	51	0%		26,172	(20,997)	-45%		39,795	13,623	52%	
Levin	7.2722	IHP	870,000	8,950,000	10,599	10,985	386	4%		24,731	13,746	125%		9,667	(15,064)	-61%	
Levin	4.377	CEPA	680,000	8,800,000	131,897	143,044	11,147	8%		154,193	11,149	8%		142,023	(12,170)	-8%	
Levin	0.019	CRPB	135,000	195,000	2,656	2,778	122	5%		1,982	(796)	-29%		2,573	591	30%	
Foxton	0.0906	RD194C	40,000	94,000	1,792	1,918	125	7%		1,807	(111)	-6%		1,858	51	3%	
Foxton	0.1148	RD196B	55,000	145,000	1,928	2,053	124	6%		1,968	(85)	-4%		1,970	2	0%	
Foxton	0.4047	RD192C	50,000	80,000	1,883	2,008	125	7%		1,762	(246)	-12%		1,932	170	10%	
Foxton	0.0992	RD194B	60,000	150,000	1,974	2,098	124	6%		1,983	(115)	-5%		2,008	25	1%	
Foxton	4.4797	IXP	180,000	250,000	2,527	2,637	111	4%		1,560	(1,077)	-41%		2,364	804	52%	
Shannon	0.0806	RD196B	33,000	100,000	1,588	1,707	118	7%		1,825	118	7%		1,656	(169)	-9%	
Shannon	0.2023	RD191B	59,000	96,000	1,825	1,942	117	6%		1,813	(129)	-7%		1,852	39	2%	
Shannon	0.1381	RD195B	48,000	149,000	1,725	1,842	117	7%		1,980	138	8%		1,769	(211)	-11%	
Shannon	0.1265	RD191C	40,000	300,000	2,940	3,177	237	8%		3,966	789	25%		3,117	(849)	-21%	
Shannon	0.0784	RD196B	23,000	160,000	1,497	1,616	118	8%		2,014	398	25%		1,581	(433)	-22%	
Shannon	2.0235	LI200A	101,000	400,000	2,206	2,322	115	5%		2,771	449	19%		2,169	(602)	-22%	
Shannon	0.4047	CLP	103,000	350,000	2,540	2,729	189	7%		2,751	22	1%		2,573	(178)	-6%	

Appendix 1					Current Rates 2014/15	Status Quo Option 1			Differentiated CV Option 2			End Of Phasing		
Option 1 Status quo with rate increase					2014/15	Model Rates	Compared to 2014/15		Model Rates	Compared to Option 1		Model Rates	Compared to Option 2	
HDC	Water	UC/64	-	33,180,000	429	465	37	9%	554	89	19%	465	(89)	-16%
HDC	Sewer	UC/65	-	52,380,000	429	465	37	9%	554	89	19%	465	(89)	-16%
HDC	S/Water	UC/65	-	30,360,000	429	465	37	9%	554	89	19%	465	(89)	-16%
Telecom		0 UT/61	-	12,470,000	429	465	37	9%	25,650	25,185	5411%	465	(25,185)	-98%
Telstraclear		0 UT/61	-	305,000	429	465	37	9%	1,168	703	151%	465	(703)	-60%
Fx Network		0 UT/61	-	150,000	429	465	37	9%	856	391	84%	465	(391)	-46%
Transpower		0 UE/62	-	11,960,000	429	465	37	9%	24,624	24,159	5191%	465	(24,159)	-98%
Electra		0 UE/62	-	41,200,000	429	465	37	9%	83,470	83,005	17835%	465	(83,005)	-99%
Powerco	Gas	UE/63	-	460,000	429	465	37	9%	1,479	1,014	218%	465	(1,014)	-69%
Powerco		0 UE/62	-	9,840,000	429	465	37	9%	20,357	19,892	4274%	465	(19,892)	-98%
Vector	Gas	UE/63	-	33,000	429	465	37	9%	620	155	33%	465	(155)	-25%
Vector		0 UE/62	-	5,840,000	429	465	37	9%	12,307	11,842	2544%	465	(11,842)	-96%
NZPO		0 UP/61	-	53,000	429	465	37	9%	661	196	42%	465	(196)	-30%
Ontrack		0 UR/60	8,000	123,000	448	486	38	8%	801	315	65%	486	(315)	-39%
Ontrack		0 UR/60	136,000	266,000	764	822	58	8%	1,089	267	32%	822	(267)	-24%
Ontrack		0 UR/60	320,000	395,000	1,219	1,305	87	7%	1,349	44	3%	1,305	(44)	-3%
					8,003	8,664	661		176,093	167,429		8,664	(167,429)	

Appendix 2



Appendix 3 Option 2

CV General rate with Business differential,

CV Rooding rate with Business differential,

CV Stormwater Rate on urban rating units only (stormwater cost have been removed from last year's Rooding Rate)

Use/ Differential	Rateable Rating Units	Total rates \$	Total Rate Last Year	Increase \$	Increase %	Avg Rate \$	L Y Avg Rate \$	Max Rate \$
Business								
Farming	1,411	4,118,770	3,931,182	187,588	4.77%	2,919	2,786	111,593
Rural Business	67	151,350	90,563	60,787	67.12%	2,259	1,352	12,053
Levin Business	487	1,927,991	2,094,463	(166,472)	-7.95%	3,959	4,301	154,193
Foxtan Business	104	236,094	228,278	7,816	3.42%	2,270	2,195	11,300
Shannon Business	55	92,112	85,133	6,979	8.20%	1,675	1,548	3,601
Township Business	22	55,521	48,202	7,319	15.18%	2,524	2,191	6,242
Utilities	47	287,063	41,370	245,693	593.89%	6,108	880	105,971
	2,193	6,868,901	6,519,191	349,710	5.36%	3,132	2,973	154,193
DW Other								
Rural Residential	3,592	5,600,863	4,380,756	1,220,107	27.85%	1,559	1,220	10,148
Levin Residential	6,787	14,459,108	14,397,133	61,975	0.43%	2,130	2,121	70,343
Foxtan Residential	1,134	2,283,356	2,238,154	45,202	2.02%	2,014	1,974	88,690
Shannon Residential	604	1,081,864	937,106	144,758	15.45%	1,791	1,552	13,060
Foxtan Beach Res	1,543	3,081,327	2,845,333	235,994	8.29%	1,997	1,844	7,546
Hokio Beach Res	197	178,325	153,231	25,094	16.38%	905	778	7,861
Manakau Residential	79	109,779	86,539	23,240	26.85%	1,390	1,095	2,956
Ohau Residential	130	250,327	185,632	64,695	34.85%	1,926	1,428	3,582
Tokomaru Res	153	302,729	233,664	69,065	29.56%	1,979	1,527	4,187
Waikawa Beach Res.	230	321,660	298,516	23,144	7.75%	1,399	1,298	2,902
Waitarere Beach Res.	845	1,594,806	1,365,693	229,113	16.78%	1,887	1,616	5,527
Not-for-profit	277	426,253	338,153	88,100	26.05%	1,539	1,337	19,080
	15,571	29,690,397	27,459,910	2,230,487	8.12%	1,907	1,766	88,690
Overall Total	17,764	36,559,298	33,979,101	2,580,197	7.59%	2,058	1,915	154,193

Appendix 4 The Grey Power scenario

Straight CV with no differential on either the General or Roding rate, no urban stormwater, (stormwater costs left in the Roding rate).

Use/ Differential	Rateable Rating Units	Total rates \$	Total Rate Last Year	Increase \$	Increase %	Avg Rate \$	L Y Avg Rate \$	Max Rate \$
Business								
Farming	1,411	4,712,229	3,931,182	781,047	19.87%	3,340	2,786	129,348
Rural Business	67	166,081	90,563	75,518	83.39%	2,479	1,352	14,143
Levin Business	487	2,037,462	2,094,463	(57,001)	-2.72%	4,184	4,301	159,016
Foxton Business	104	247,883	228,278	19,605	8.59%	2,383	2,195	12,080
Shannon Business	55	95,242	85,133	10,109	11.87%	1,732	1,548	3,730
Township Business	22	58,552	48,202	10,350	21.47%	2,661	2,191	6,678
Utilities	47	331,213	41,370	289,843	700.61%	7,047	880	103,535
	2,193	7,648,662	6,519,191	1,129,471	17.33%	3,488	2,973	428,530
DW Other								
Rural Residential	3,592	5,327,572	4,380,757	946,815	21.61%	1,483	1,220	9,328
Levin Residential	6,787	14,199,662	14,397,133	(197,471)	-1.37%	2,092	2,121	69,815
Foxton Residential	1,134	2,251,535	2,238,154	13,381	0.60%	1,985	1,974	88,097
Shannon Residential	604	1,066,076	937,106	128,970	13.76%	1,765	1,552	13,035
Foxton Beach Res	1,543	3,015,473	2,845,333	170,140	5.98%	1,954	1,844	7,112
Hokio Beach Res	197	173,339	153,231	20,108	13.12%	880	778	7,836
Manakau Residential	79	104,296	86,539	17,757	20.52%	1,320	1,095	2,769
Ohau Residential	130	240,453	185,632	54,821	29.53%	1,850	1,428	3,460
Tokomaru Res	153	296,619	233,664	62,955	26.94%	1,939	1,527	4,107
Waikawa Beach Res.	230	306,966	298,516	8,450	2.83%	1,335	1,298	2,767
Waitarere Beach Res.	845	1,542,850	1,365,693	177,157	12.97%	1,826	1,616	5,108
Not-for-profit	264	412,675	338,153	74,522	22.04%	1,563	1,337	19,080
	15,558	28,937,516	27,459,911	1,477,605	5.38%	1,860	1,766	232,514
Overall Total	17,751	36,586,178	33,979,102	2,607,076	7.67%	2,061	1,915	159,016

Appendix 5 The Grey Power Scenario					Current Rates 2014/15	Status Quo Option 1			Differentiated CV Option 2			Undifferentiated CV Grey Power option		
CV with no differentials on either General and Rooding rate, No stormwater rate, stormwater costs still in Rooding.					2014/15	Model Rates	Compared to 2014/15		Model Rates	Compared to Option 1		Model Rates	Compared to Option 2	
Location	Ha	Cat	LV	CV	Total		\$ Diff	% Diff	Total	\$ Diff	% Diff		\$ Diff	% Diff
Hokio Beach	0.0865	RD196C	58,000	89,000	763	839	76	10%	842	3	0%	823	(19)	-2%
Hokio Beach	0.0827	RD196B	66,000	112,000	808	890	81	10%	913	23	3%	889	(24)	-3%
Hokio Beach	0.0809	RD196C	45,000	71,000	689	757	67	10%	784	27	4%	771	(13)	-2%
Hokio Beach	0.2024	RD199B	105,000	375,000	1,029	1,138	109	11%	1,743	605	53%	1,652	(91)	-5%
Waikawa Beach	0.0944	RD195B	240,000	355,000	1,794	1,993	199	11%	1,679	(314)	-16%	1,595	(84)	-5%
Waikawa Beach	0.0842	RD196B	155,000	260,000	1,312	1,454	141	11%	1,380	(74)	-5%	1,319	(61)	-4%
Waikawa Beach	0.0803	RD199B	94,000	210,000	967	1,068	101	10%	1,223	155	15%	1,173	(50)	-4%
Waikawa Beach	0.1651	RD198B	410,000	520,000	2,756	3,071	315	11%	2,199	(872)	-28%	2,072	(127)	-6%
Ohau	0.7942	RD191B	146,000	385,000	1,577	1,787	210	13%	2,169	382	21%	2,078	(91)	-4%
Ohau	0.836	RD199B	146,000	295,000	1,577	1,787	210	13%	1,885	98	5%	1,818	(67)	-4%
Ohau	2.1246	LI199B	305,000	455,000	2,477	2,794	317	13%	2,390	(404)	-14%	2,281	(109)	-5%
Ohau	0.095	RD196B	65,000	165,000	1,118	1,273	155	14%	1,476	203	16%	1,441	(35)	-2%
Manakau	0.4046	RD197B	220,000	490,000	1,680	1,867	186	11%	2,105	238	13%	1,986	(119)	-6%
Manakau	0.2023	RD199B	148,000	310,000	1,273	1,411	138	11%	1,537	126	9%	1,464	(73)	-5%
Manakau	0.8094	RD195B	365,000	610,000	2,501	2,786	284	11%	2,483	(303)	-11%	2,334	(149)	-6%
Manakau	0.0809	RD191C	54,000	128,000	740	814	73	10%	963	149	18%	935	(28)	-3%
Manakau	0.2638	CAPB	180,000	405,000	1,454	1,614	160	11%	1,540	(74)	-5%	1,740	200	13%
Waitarere Beach	0.0819	RD196C	114,000	180,000	1,618	1,741	123	8%	1,682	(59)	-3%	1,642	(40)	-2%
Waitarere Beach	0.0785	RD200C	78,000	180,000	1,414	1,512	98	7%	1,682	170	11%	1,642	(40)	-2%
Waitarere Beach	0.082	RD198C	108,000	220,000	1,584	1,703	119	8%	1,809	106	6%	1,758	(51)	-3%
Waitarere Beach	0.1012	RD197C	295,000	315,000	2,643	2,888	245	9%	2,108	(780)	-27%	2,033	(75)	-4%
Waitarere Beach	0.092	RD197C	128,000	240,000	1,697	1,830	133	8%	1,871	41	2%	1,816	(55)	-3%
Waitarere Beach	0.01908	RF195C	37,000	150,000	1,182	1,252	70	6%	1,588	336	27%	1,554	(34)	-2%
Waitarere Beach	0.1376	RD200B	355,000	660,000	2,983	3,269	286	10%	3,196	(73)	-2%	3,034	(162)	-5%
Waitarere Beach	1.6549	OX	245,000	520,000	2,360	2,572	212	9%	2,372	(200)	-8%	2,627	255	11%
Foxton Beach	0.0809	RD196B	64,000	137,000	1,728	1,884	157	9%	1,865	(19)	-1%	1,837	(28)	-2%
Foxton Beach	0.1366	RD195B	90,000	155,000	1,875	2,048	173	9%	1,921	(127)	-6%	1,889	(32)	-2%
Foxton Beach	0.0651	RD198A	310,000	555,000	3,121	3,444	324	10%	3,182	(262)	-8%	3,049	(133)	-4%
Foxton Beach	0.1623	RD198B	56,000	180,000	1,682	1,833	151	9%	2,000	167	9%	1,961	(39)	-2%
Foxton Beach	0.0389	RV	101,000	175,000	1,937	2,118	181	9%	1,984	(134)	-6%	1,947	(37)	-2%
Foxton Beach	0.0809	RD199A	380,000	810,000	3,517	3,887	370	11%	3,987	100	3%	3,788	(199)	-5%
Tokomaru	0.0801	RD197B	53,000	215,000	1,589	1,744	155	10%	2,188	444	25%	2,140	(48)	-2%
Tokomaru	0.1432	RD199B	70,000	240,000	1,685	1,852	167	10%	2,267	415	22%	2,213	(54)	-2%
Tokomaru	0.1535	RD197B	63,000	205,000	1,645	1,808	162	10%	2,156	348	19%	2,111	(45)	-2%
Tokomaru	0.8545	RD198B	150,000	370,000	3,426	3,707	281	8%	4,187	480	13%	4,107	(80)	-2%
Tokomaru	0.0916	CRPB	53,000	150,000	1,589	1,744	155	10%	1,873	129	7%	1,951	78	4%
Rural	98.541	FI	102,000	107,000	680	733	53	8%	770	37	5%	825	55	7%

Appendix 5 The Grey Power Scenario					Current Rates 2014/15	Status Quo Option 1			Differentiated CV Option 2			Undifferentiated CV Grey Power option		
CV with no differentials on either General and Rooding rate, No stormwater rate, stormwater costs still in Rooding.					2014/15	Model Rates	Compared to 2014/15		Model Rates	Compared to Option 1		Model Rates	Compared to Option 2	
Rural	28.1256	DFF	410,000	420,000	1,441	1,540	100	7%	1,399	(141)	-9%	1,608	209	15%
Rural	24.1975	DFE	960,000	1,150,000	2,799	2,984	186	7%	2,868	(116)	-4%	3,433	565	20%
Rural	237.7632	PFC	1,930,000	2,110,000	5,193	5,530	337	6%	4,800	(730)	-13%	5,832	1,032	22%
Rural	62.4439	ANB	2,280,000	2,360,000	6,057	6,448	391	6%	5,304	(1,144)	-18%	6,457	1,153	22%
Rural	291.1338	PGD	2,798,000	2,894,000	7,336	7,807	471	6%	6,378	(1,429)	-18%	7,791	1,413	22%
Rural	11.3271	DFE	450,000	610,000	1,855	2,036	181	10%	2,178	142	7%	2,480	302	14%
Rural	180.8478	DFB	5,850,000	6,400,000	14,871	15,817	947	6%	13,435	(2,382)	-15%	16,554	3,119	23%
Rural	1600.9	FE	3,280,000	3,560,000	8,526	9,072	546	6%	7,719	(1,353)	-15%	9,456	1,737	23%
Rural	2.922	HFB	250,000	700,000	1,046	1,121	76	7%	1,963	842	75%	2,307	344	18%
Rural	5.666	HGA	320,000	2,550,000	1,534	1,695	160	10%	6,081	4,386	259%	7,328	1,247	21%
Rural	0.2634	RD197B	125,000	425,000	1,384	1,183	(201)	-15%	2,116	933	79%	2,017	(99)	-5%
Rural	17.9499	OU	780,000	30,000,000	3,208	3,447	239	7%	61,880	58,433	1695%	76,494	14,614	24%
Rural	148.9285	SDB	3,280,000	3,610,000	8,526	9,072	546	6%	7,820	(1,252)	-14%	9,581	1,761	23%
Rural	5.3989	SHB	280,000	520,000	1,120	1,199	80	7%	1,601	402	33%	1,857	256	16%
Rural	161.1119	SSB	4,850,000	5,575,000	13,034	13,971	938	7%	12,565	(1,406)	-10%	15,286	2,721	22%
Rural	1434.822	DFA	39,695,000	47,060,000	106,998	113,939	6,941	6%	106,348	(7,591)	-7%	129,348	23,000	22%
Rural	1.518	LI200A	225,000	1,580,000	1,895	2,181	286	15%	5,288	3,107	142%	4,905	(383)	-7%
Rural	8.8425	LI200A	415,000	800,000	2,867	3,300	433	15%	3,146	(154)	-5%	2,955	(191)	-6%
Rural/Ohau	0.2023	RD8B	99,000	255,000	935	1,049	114	12%	1,254	205	19%	1,195	(59)	-5%
Levin Rural	0.9933	RD20B	150,000	350,000	1,196	1,349	154	13%	1,515	166	12%	1,433	(82)	-5%
Levin Rural	22.5941	HVE	1,050,000	2,000,000	5,799	6,650	852	15%	4,579	(2,071)	-31%	5,557	978	21%
Foxtan rural	4.652	LI3B	175,000	295,000	1,324	1,496	173	13%	1,364	(132)	-9%	1,296	(68)	-5%
Levin	0.025	CRSB	29,000	75,000	1,692	1,818	125	7%	1,692	(126)	-7%	1,734	42	2%
Levin	0.0506	RF192B	57,000	160,000	1,947	2,072	125	6%	2,014	(58)	-3%	1,981	(33)	-2%
Levin	0.0777	RD196B	79,000	180,000	2,147	2,270	123	6%	2,077	(193)	-8%	2,039	(38)	-2%
Levin	0.0936	RD192B	94,000	225,000	2,283	2,406	123	5%	2,220	(186)	-8%	2,170	(50)	-2%
Levin	0.3265	CAPB	210,000	580,000	3,337	3,456	118	4%	3,338	(118)	-3%	3,198	(140)	-4%
Levin	0.0458	COPB	250,000	730,000	3,701	3,817	116	3%	3,276	(541)	-14%	3,635	359	11%
Levin	0.0814	RH197B	86,000	255,000	2,210	2,334	123	6%	2,314	(20)	-1%	2,256	(58)	-2%
Levin	1.3656	CXP	4,870,000	9,575,000	47,118	47,169	51	0%	26,172	(20,997)	-45%	30,803	4,631	18%
Levin	7.2722	IHP	870,000	8,950,000	10,599	10,985	386	4%	24,731	13,746	125%	29,062	4,331	18%
Levin	4.377	CEPA	680,000	8,800,000	131,897	143,044	11,147	8%	154,193	11,149	8%	159,016	4,823	3%
Levin	0.019	CRPB	135,000	195,000	2,656	2,778	122	5%	1,982	(796)	-29%	2,082	100	5%
Foxtan	0.0906	RD194C	40,000	94,000	1,792	1,918	125	7%	1,807	(111)	-6%	1,790	(17)	-1%
Foxtan	0.1148	RD196B	55,000	145,000	1,928	2,053	124	6%	1,968	(85)	-4%	1,937	(31)	-2%
Foxtan	0.4047	RD192C	50,000	80,000	1,883	2,008	125	7%	1,762	(246)	-12%	1,273	(489)	-28%
Foxtan	0.0992	RD194B	60,000	150,000	1,974	2,098	124	6%	1,983	(115)	-5%	1,951	(32)	-2%
Foxtan	4.4797	IXP	180,000	250,000	2,527	2,637	111	4%	1,560	(1,077)	-41%	1,687	127	8%
Shannon	0.0806	RD196B	33,000	100,000	1,588	1,707	118	7%	1,825	118	7%	1,807	(18)	-1%
Shannon	0.2023	RD191B	59,000	96,000	1,825	1,942	117	6%	1,813	(129)	-7%	1,795	(18)	-1%
Shannon	0.1381	RD195B	48,000	149,000	1,725	1,842	117	7%	1,980	138	8%	1,950	(30)	-2%
Shannon	0.1265	RD191C	40,000	300,000	2,940	3,177	237	8%	3,966	789	25%	3,904	(62)	-2%
Shannon	0.0784	RD196B	23,000	160,000	1,497	1,616	118	8%	2,014	398	25%	1,981	(33)	-2%

Appendix 5 The Grey Power Scenario					Current Rates 2014/15	Status Quo Option 1				Differentiated CV Option 2				Undifferentiated CV Grey Power option			
CV with no differentials on either General and Rooding rate, No stormwater rate, stormwater costs still in Rooding.					2014/15	Model Rates	Compared to 2014/15			Model Rates	Compared to Option 1			Model Rates	Compared to Option 2		
Shannon	2.0235	LI200A	101,000	400,000	2,206	2,322	115	5%		2,771	449	19%		2,676	(95)	-3%	
Shannon	0.4047	CLP	103,000	350,000	2,540	2,729	189	7%		2,751	22	1%		2,929	178	6%	
										-				-			
HDC	Water	UC/64	-	33,180,000	429	465	37	9%		554	89	19%		558	4	1%	
HDC	Sewer	UC/65	-	52,380,000	429	465	37	9%		554	89	19%		558	4	1%	
HDC	S/Water	UC/65	-	30,360,000	429	465	37	9%		554	89	19%		558	4	1%	
Telecom	0	UT/61	-	12,470,000	429	465	37	9%		25,650	25,185	5411%		31,726	6,076	24%	
Telstraclear	0	UT/61	-	305,000	429	465	37	9%		1,168	703	151%		1,320	152	13%	
Fx Network	0	UT/61	-	150,000	429	465	37	9%		856	391	84%		932	76	9%	
Transpower	0	UE/62	-	11,960,000	429	465	37	9%		24,624	24,159	5191%		30,451	5,827	24%	
Electra	0	UE/62	-	41,200,000	429	465	37	9%		83,470	83,005	17835%		103,535	20,065	24%	
Powerco	Gas	UE/63	-	460,000	429	465	37	9%		1,479	1,014	218%		1,707	228	15%	
Powerco	0	UE/62	-	9,840,000	429	465	37	9%		20,357	19,892	4274%		25,152	4,795	24%	
Vector	Gas	UE/63	-	33,000	429	465	37	9%		620	155	33%		641	21	3%	
Vector	0	UE/62	-	5,840,000	429	465	37	9%		12,307	11,842	2544%		15,154	2,847	23%	
NZPO	0	UP/61	-	53,000	429	465	37	9%		661	196	42%		690	29	4%	
Ontrack	0	UR/60	8,000	123,000	448	486	38	8%		801	315	65%		865	64	8%	
Ontrack	0	UR/60	136,000	266,000	764	822	58	8%		1,089	267	32%		1,223	134	12%	
Ontrack	0	UR/60	320,000	395,000	1,219	1,305	87	7%		1,349	44	3%		1,545	196	15%	
					8,003	8,664	661			176,093	167,429			216,620	40,527		

**Appendix 6 Option 3 = LV General Rate, CV Rooding rate with Business differential , CV
stormwater**

Use/ Differential	Rateable Rating Units	Total rates \$	Total Rate Last Year	Increase \$	Increase %	Avg Rate \$	LY Avg Rate \$	Max Rate \$
Business								
Farming	1,411	4,011,672	3,931,182	80,490	2.05%	2,843	2,786	107,610
Rural Business	67	122,243	90,563	31,680	34.98%	1,825	1,352	7,880
Levin Business	487	2,150,039	2,094,463	55,576	2.65%	4,415	4,301	147,375
Foxton Business	104	244,079	228,278	15,801	6.92%	2,347	2,195	10,756
Shannon Business	55	95,603	85,133	10,470	12.30%	1,738	1,548	3,556
Township Business	22	56,354	48,202	8,152	16.91%	2,562	2,191	6,547
Utilities	47	134,773	41,370	93,403	225.77%	2,868	880	32,155
	2,193	6,814,763	6,519,191	295,572	4.53%	3,108	2,973	147,375
DW Other								
Rural Residential	3,592	5,186,352	4,380,757	805,595	18.39%	1,444	1,220	6,480
Levin Residential	6,787	14,912,708	14,397,133	515,575	3.58%	2,197	2,121	66,162
Foxton Residential	1,134	2,326,553	2,238,154	88,399	3.95%	2,052	1,974	85,489
Shannon Residential	604	1,066,076	937,106	128,970	13.76%	1,765	1,552	13,035
Foxton Beach Res	1,543	3,055,899	2,845,333	210,566	7.40%	1,980	1,844	6,292
Hokio Beach Res	197	186,304	153,231	33,073	21.58%	946	778	7,966
Manakau Residential	79	107,390	86,539	20,851	24.09%	1,359	1,095	2,813
Ohau Residential	130	235,929	185,632	50,297	27.10%	1,815	1,428	3,092
Tokomaru Res	153	286,374	233,664	52,710	22.56%	1,872	1,527	4,099
Waikawa Beach Res.	230	348,436	298,516	49,920	16.72%	1,515	1,298	2,971
Waitarere Beach Res.	845	1,591,414	1,365,693	225,721	16.53%	1,883	1,616	4,412
Not-for-profit	253	415,193	338,153	77,040	22.78%	1,641	1,337	11,345
	15,547	29,718,628	27,459,911	2,258,717	8.23%	1,912	1,766	85,489
Overall Total	17,740	36,533,391	33,979,102	2,554,289	7.52%	2,059	1,915	147,375

Appendix 7					Current Rates 2014/15	Status Quo Option 1			Differentiated CV Option 2			General Rate LV Rooding CV = Option 3			Option 3		Option 3	
Option 3 LV General rate and CV Rooding, CV Stormwater					2014/15	Model Rates	Compared to 2014/15		Model Rates	Compared to Option 1		Model rates	Compared to Option 2		Compared to Option 1		Compared to 2014/15	
Location	Ha	Cat	LV	CV	Total		\$ Diff	% Diff	Total	\$ Diff	% Diff		\$ Diff	% Diff	\$ Diff	% Diff	\$ Diff	% Diff
Hokio Beach	0.0865	RD196C	58,000	89,000	763	839	76	10%	842	3	0%	909	67	8%	70	8%	146	19%
Hokio Beach	0.0827	RD196B	66,000	112,000	808	890	81	10%	913	23	3%	970	57	6%	80	9%	162	20%
Hokio Beach	0.0809	RD196C	45,000	71,000	689	757	67	10%	784	27	4%	833	49	6%	77	10%	144	21%
Hokio Beach	0.2024	RD199B	105,000	375,000	1,029	1,138	109	11%	1,743	605	53%	1,458	(285)	-16%	320	28%	428	42%
Waikawa Beach	0.0944	RD195B	240,000	355,000	1,794	1,993	199	11%	1,679	(314)	-16%	1,983	304	18%	(9)	0%	190	11%
Waikawa Beach	0.0842	RD196B	155,000	260,000	1,312	1,454	141	11%	1,380	(74)	-5%	1,518	138	10%	64	4%	206	16%
Waikawa Beach	0.0803	RD199B	94,000	210,000	967	1,068	101	10%	1,223	155	15%	1,207	(16)	-1%	139	13%	240	25%
Waikawa Beach	0.1651	RD198B	410,000	520,000	2,756	3,071	315	11%	2,199	(872)	-28%	2,884	685	31%	(186)	-6%	128	5%
Ohau	0.7942	RD191B	146,000	385,000	1,577	1,787	210	13%	2,169	382	21%	2,033	(136)	-6%	246	14%	456	29%
Ohau	0.836	RD199B	146,000	295,000	1,577	1,787	210	13%	1,885	98	5%	1,920	35	2%	133	7%	343	22%
Ohau	2.1246	LI199B	305,000	455,000	2,477	2,794	317	13%	2,390	(404)	-14%	2,769	379	16%	(25)	-1%	292	12%
Ohau	0.095	RD196B	65,000	165,000	1,118	1,273	155	14%	1,476	203	16%	1,427	(49)	-3%	153	12%	308	28%
Manakau	0.4046	RD197B	220,000	490,000	1,680	1,867	186	11%	2,105	238	13%	2,071	(34)	-2%	204	11%	391	23%
Manakau	0.2023	RD199B	148,000	310,000	1,273	1,411	138	11%	1,537	126	9%	1,552	15	1%	141	10%	280	22%
Manakau	0.8094	RD195B	365,000	610,000	2,501	2,786	284	11%	2,483	(303)	-11%	2,813	330	13%	27	1%	311	12%
Manakau	0.0809	RD191C	54,000	128,000	740	814	73	10%	963	149	18%	940	(23)	-2%	127	16%	200	27%
Manakau	0.2638	CAPB	180,000	405,000	1,454	1,614	160	11%	1,540	(74)	-5%	1,769	229	15%	156	10%	315	22%
Waitarere Beach	0.0819	RD196C	114,000	180,000	1,618	1,741	123	8%	1,682	(59)	-3%	1,805	123	7%	64	4%	187	12%
Waitarere Beach	0.0785	RD200C	78,000	180,000	1,414	1,512	98	7%	1,682	170	11%	1,658	(24)	-1%	146	10%	244	17%
Waitarere Beach	0.082	RD198C	108,000	220,000	1,584	1,703	119	8%	1,809	106	6%	1,831	22	1%	128	8%	247	16%
Waitarere Beach	0.1012	RD197C	295,000	315,000	2,643	2,888	245	9%	2,108	(780)	-27%	2,713	605	29%	(175)	-6%	70	3%
Waitarere Beach	0.092	RD197C	128,000	240,000	1,697	1,830	133	8%	1,871	41	2%	1,937	66	4%	107	6%	240	14%
Waitarere Beach	0.01908	RF195C	37,000	150,000	1,182	1,252	70	6%	1,588	336	27%	1,454	(134)	-8%	202	16%	272	23%
Waitarere Beach	0.1376	RD200B	355,000	660,000	2,983	3,269	286	10%	3,196	(73)	-2%	3,389	193	6%	120	4%	406	14%
Waitarere Beach	1.6549	OX	245,000	520,000	2,360	2,572	212	9%	2,372	(200)	-8%	2,725	353	15%	153	6%	365	15%
Foxton Beach	0.0809	RD196B	64,000	137,000	1,728	1,884	157	9%	1,865	(19)	-1%	1,866	1	0%	(19)	-1%	138	8%
Foxton Beach	0.1366	RD195B	90,000	155,000	1,875	2,048	173	9%	1,921	(127)	-6%	1,994	73	4%	(54)	-3%	119	6%
Foxton Beach	0.0651	RD198A	310,000	555,000	3,121	3,444	324	10%	3,182	(262)	-8%	3,392	210	7%	(52)	-2%	272	9%
Foxton Beach	0.1623	RD198B	56,000	180,000	1,682	1,833	151	9%	2,000	167	9%	1,886	(114)	-6%	53	3%	204	12%
Foxton Beach	0.0389	RV	101,000	175,000	1,937	2,118	181	9%	1,984	(134)	-6%	2,064	80	4%	(54)	-3%	127	7%
Foxton Beach	0.0809	RD199A	380,000	810,000	3,517	3,887	370	11%	3,987	100	3%	3,997	10	0%	109	3%	480	14%
Tokomaru	0.0801	RD197B	53,000	215,000	1,589	1,744	155	10%	2,188	444	25%	1,996	(192)	-9%	252	14%	407	26%
Tokomaru	0.1432	RD199B	70,000	240,000	1,685	1,852	167	10%	2,267	415	22%	2,097	(170)	-8%	245	13%	412	24%
Tokomaru	0.1535	RD197B	63,000	205,000	1,645	1,808	162	10%	2,156	348	19%	2,023	(133)	-6%	216	12%	378	23%
Tokomaru	0.8545	RD198B	150,000	370,000	3,426	3,707	281	8%	4,187	480	13%	4,096	(91)	-2%	389	10%	670	20%
Tokomaru	0.0916	CRPB	53,000	150,000	1,589	1,744	155	10%	1,873	129	7%	1,902	29	2%	159	9%	314	20%
Rural	98.541	FI	102,000	107,000	680	733	53	8%	770	37	5%	790	20	3%	57	8%	110	16%

Appendix 7					Current Rates 2014/15	Status Quo Option 1			Differentiated CV Option 2			General Rate LV Rooding CV = Option 3			Option 3		Option 3	
Option 3 LV General rate and CV Rooding, CV Stormwater					2014/15	Model Rates	Compared to 2014/15		Model Rates	Compared to Option 1		Model rates	Compared to Option 2		Compared to Option 1		Compared to 2014/15	
Rural	28.1256	DFE	410,000	420,000	1,441	1,540	100	7%	1,399	(141)	-9%	1,494	95	7%	(46)	-3%	53	4%
Rural	24.1975	DFE	960,000	1,150,000	2,799	2,984	186	7%	2,868	(116)	-4%	2,883	15	1%	(101)	-3%	85	3%
Rural	237.7632	PFC	1,930,000	2,110,000	5,193	5,530	337	6%	4,800	(730)	-13%	5,081	281	6%	(449)	-8%	(112)	-2%
Rural	62.4439	ANB	2,280,000	2,360,000	6,057	6,448	391	6%	5,304	(1,144)	-18%	5,800	496	9%	(648)	-10%	(257)	-4%
Rural	291.1338	PGD	2,798,000	2,894,000	7,336	7,807	471	6%	6,378	(1,429)	-18%	6,990	612	10%	(817)	-10%	(346)	-5%
Rural	11.3271	DFE	450,000	610,000	1,855	2,036	181	10%	2,178	142	7%	2,095	(83)	-4%	60	3%	240	13%
Rural	180.8478	DFB	5,850,000	6,400,000	14,871	15,817	947	6%	13,435	(2,382)	-15%	14,278	843	6%	(1,539)	-10%	(593)	-4%
Rural	1600.9	FE	3,280,000	3,560,000	8,526	9,072	546	6%	7,719	(1,353)	-15%	8,227	508	7%	(845)	-9%	(299)	-4%
Rural	2.922	HFB	250,000	700,000	1,046	1,121	76	7%	1,963	842	75%	1,468	(495)	-25%	347	31%	422	40%
Rural	5.666	HGA	320,000	2,550,000	1,534	1,695	160	10%	6,081	4,386	259%	3,387	(2,694)	-44%	1,693	100%	1,853	121%
Rural	0.2634	RD197B	125,000	425,000	1,384	1,183	(201)	-15%	2,116	933	79%	1,496	(620)	-29%	314	27%	113	8%
Rural	17.9499	OU	780,000	30,000,000	3,208	3,447	239	7%	61,880	58,433	1695%	25,687	(36,193)	-58%	22,240	645%	22,479	701%
Rural	148.9285	SDB	3,280,000	3,610,000	8,526	9,072	546	6%	7,820	(1,252)	-14%	8,266	446	6%	(806)	-9%	(260)	-3%
Rural	5.3989	SHB	280,000	520,000	1,120	1,199	80	7%	1,601	402	33%	1,375	(226)	-14%	176	15%	255	23%
Rural	161.1119	SSB	4,850,000	5,575,000	13,034	13,971	938	7%	12,565	(1,406)	-10%	12,930	365	3%	(1,042)	-7%	(104)	-1%
Rural	1434.822	DFA	39,695,000	47,060,000	106,998	113,939	6,941	6%	106,348	(7,591)	-7%	107,551	1,203	1%	(6,388)	-6%	553	1%
Rural	1.518	LI200A	225,000	1,580,000	1,895	2,181	286	15%	5,288	3,107	142%	3,139	(2,149)	-41%	959	44%	1,244	66%
Rural	8.8425	LI200A	415,000	800,000	2,867	3,300	433	15%	3,146	(154)	-5%	3,201	55	2%	(98)	-3%	335	12%
Rural/Ohau	0.2023	RD8B	99,000	255,000	935	1,049	114	12%	1,254	205	19%	1,146	(108)	-9%	97	9%	211	23%
Levin Rural	0.9933	RD20B	150,000	350,000	1,196	1,349	154	13%	1,515	166	12%	1,420	(95)	-6%	71	5%	224	19%
Levin Rural	22.5941	HVE	1,050,000	2,000,000	5,799	6,650	852	15%	4,579	(2,071)	-31%	6,075	1,496	33%	(575)	-9%	277	5%
Foxton rural	4.652	LI3B	175,000	295,000	1,324	1,496	173	13%	1,364	(132)	-9%	1,468	104	8%	(28)	-2%	145	11%
Levin	0.025	CRSB	29,000	75,000	1,692	1,818	125	7%	1,692	(126)	-7%	1,767	75	4%	(51)	-3%	75	4%
Levin	0.0506	RF192B	57,000	160,000	1,947	2,072	125	6%	2,014	(58)	-3%	2,040	26	1%	(31)	-2%	94	5%
Levin	0.0777	RD196B	79,000	180,000	2,147	2,270	123	6%	2,077	(193)	-8%	2,192	115	6%	(77)	-3%	46	2%
Levin	0.0936	RD192B	94,000	225,000	2,283	2,406	123	5%	2,220	(186)	-8%	2,336	116	5%	(70)	-3%	53	2%
Levin	0.3265	CAPB	210,000	580,000	3,337	3,456	118	4%	3,338	(118)	-3%	3,451	113	3%	(5)	0%	113	3%
Levin	0.0458	COPB	250,000	730,000	3,701	3,817	116	3%	3,276	(541)	-14%	3,813	537	16%	(3)	0%	113	3%
Levin	0.0814	RH197B	86,000	255,000	2,210	2,334	123	6%	2,314	(20)	-1%	2,328	14	1%	(6)	0%	118	5%
Levin	1.3656	CXP	4,870,000	9,575,000	47,118	47,169	51	0%	26,172	(20,997)	-45%	42,424	16,252	62%	(4,745)	-10%	(4,694)	-10%
Levin	7.2722	IHP	870,000	8,950,000	10,599	10,985	386	4%	24,731	13,746	125%	18,617	(6,114)	-25%	7,633	69%	8,018	76%
Levin	4.377	CEPA	680,000	8,800,000	131,897	143,044	11,147	8%	154,193	11,149	8%	147,166	(7,027)	-5%	4,122	3%	15,269	12%
Levin	0.019	CRPB	135,000	195,000	2,656	2,778	122	5%	1,982	(796)	-29%	2,520	538	27%	(257)	-9%	(135)	-5%
Foxton	0.0906	RD194C	40,000	94,000	1,792	1,918	125	7%	1,807	(111)	-6%	1,859	52	3%	(59)	-3%	66	4%
Foxton	0.1148	RD196B	55,000	145,000	1,928	2,053	124	6%	1,968	(85)	-4%	2,010	42	2%	(42)	-2%	82	4%
Foxton	0.4047	RD192C	50,000	80,000	1,883	2,008	125	7%	1,762	(246)	-12%	1,900	138	8%	(108)	-5%	17	1%
Foxton	0.0992	RD194B	60,000	150,000	1,974	2,098	124	6%	1,983	(115)	-5%	2,045	62	3%	(52)	-2%	71	4%
Foxton	4.4797	IXP	180,000	250,000	2,527	2,637	111	4%	1,560	(1,077)	-41%	2,291	731	47%	(346)	-13%	(235)	-9%
Shannon	0.0806	RD196B	33,000	100,000	1,588	1,707	118	7%	1,825	118	7%	1,827	2	0%	120	7%	239	15%
Shannon	0.2023	RD191B	59,000	96,000	1,825	1,942	117	6%	1,813	(129)	-7%	1,971	158	9%	30	2%	147	8%
Shannon	0.1381	RD195B	48,000	149,000	1,725	1,842	117	7%	1,980	138	8%	1,975	(5)	0%	133	7%	250	15%
Shannon	0.1265	RD191C	40,000	300,000	2,940	3,177	237	8%	3,966	789	25%	3,627	(339)	-9%	450	14%	687	23%
Shannon	0.0784	RD196B	23,000	160,000	1,497	1,616	118	8%	2,014	398	25%	1,843	(171)	-8%	228	14%	346	23%

Appendix 7					Current Rates 2014/15	Status Quo Option 1			Differentiated CV Option 2			General Rate LV Rooding CV = Option 3			Option 3		Option 3	
Option 3 LV General rate and CV Rooding, CV Stormwater					2014/15	Model Rates	Compared to 2014/15		Model Rates	Compared to Option 1		Model rates	Compared to Option 2		Compared to Option 1		Compared to 2014/15	
Shannon	2.0235	LI200A	101,000	400,000	2,206	2,322	115	5%	2,771	449	19%	2,595	(176)	-6%	273	12%	388	18%
Shannon	0.4047	CLP	103,000	350,000	2,540	2,729	189	7%	2,751	22	1%	2,911	160	6%	182	7%	371	15%
HDC	Water	UC/64	-	33,180,000	429	465	37	9%	554	89	19%	554	0	0%	89	19%	126	29%
HDC	Sewer	UC/65	-	52,380,000	429	465	37	9%	554	89	19%	554	0	0%	89	19%	126	29%
HDC	S/Water	UC/65	-	30,360,000	429	465	37	9%	554	89	19%	554	0	0%	89	19%	126	29%
Telecom	0	UT/61	-	12,470,000	429	465	37	9%	25,650	25,185	5411%	10,118	(15,532)	-61%	9,653	2074%	9,690	2261%
Telstraclear	0	UT/61	-	305,000	429	465	37	9%	1,168	703	151%	788	(380)	-33%	323	69%	360	84%
Fx Network	0	UT/61	-	150,000	429	465	37	9%	856	391	84%	669	(187)	-22%	204	44%	241	56%
Transpower	0	UE/62	-	11,960,000	429	465	37	9%	24,624	24,159	5191%	9,726	(14,898)	-61%	9,261	1990%	9,298	2169%
Electra	0	UE/62	-	41,200,000	429	465	37	9%	83,470	83,005	17835%	32,152	(51,318)	-61%	31,687	6809%	31,724	7402%
Powerco	Gas	UE/63	-	460,000	429	465	37	9%	1,479	1,014	218%	907	(572)	-39%	442	95%	479	112%
Powerco	0	UE/62	-	9,840,000	429	465	37	9%	20,357	19,892	4274%	8,101	(12,256)	-60%	7,636	1641%	7,673	1790%
Vector	Gas	UE/63	-	33,000	429	465	37	9%	620	155	33%	579	(41)	-7%	114	24%	151	35%
Vector	0	UE/62	-	5,840,000	429	465	37	9%	12,307	11,842	2544%	5,033	(7,274)	-59%	4,568	981%	4,605	1074%
NZPO	0	UP/61	-	53,000	429	465	37	9%	661	196	42%	595	(66)	-10%	130	28%	167	39%
Ontrack	0	UR/60	8,000	123,000	448	486	38	8%	801	315	65%	660	(141)	-18%	174	36%	212	47%
Ontrack	0	UR/60	136,000	266,000	764	822	58	8%	1,089	267	32%	963	(126)	-12%	141	17%	199	26%
Ontrack	0	UR/60	320,000	395,000	1,219	1,305	87	7%	1,349	44	3%	1,339	(10)	-1%	34	3%	121	10%
					8,003	8,664	661		176,093	167,429		73,295	(102,798)		64,631		65,292	

File No.: 15/239

Draft Long Term Plan 2015/2025 - Rates Remissions Policy

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the Council's Rates Remissions Policy.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Rates Remissions Policy be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That the proposed amendments to rates remission policy as outlined in the draft LTP and consultation document be adopted.

3. Topics for Consideration

Topic 1	Rates Remissions Policy
Topic 2	Federated Farmers ask for rewording of some of the proposed amendments

Topic 1: Rates Remissions Policy

Submissions

Submission No. 46 Tokomaru Village and Community Association, 141 Neville Gimblett, 151 Stephen & Karen Prouse, 185 Horowhenua Farmers Ratepayer's Group, 203 Brian & Anne Thomas, 230 Federated Farmers, 239 Gaylyn & Ross Bennett, 264 Retirement Villages Association.

Summary of Submissions

Analysis of submissions

Support	5
Against	1
Asking for modification	3

1. That a new remission be created for;
 - (a) Registered Retirement homes to compensate for resident ineligibility for the rates rebate scheme.
 - (b) For businesses remitting Library and Aquatic centre Fixed charge rates
 - (c) Remission on rates for land protected by District Plan provisions for Outstanding Natural Features and Landscapes.
2. Federated Farmers ask for rewording of some of the proposed amendments

Analysis

1. (a) *It is true that at the moment, licence-to-occupy type units are not eligible for a rates rebate currently. Some councils have put in place remissions policies (Kapiti DC is*

one) to effectively grant the rebate, at council's cost. The issue, of course, is will the owner of the rating unit pass on the rebate/remission to the occupiers of the units if there is no explicit term in the licence agreement for them to do so. It is accepted that an agreement between Council and the operators will ensure that the rebate is passed on to the person in the retirement village.

This remission could be adopted but was not signalled as a possibility in the Consultation document. If Council decides to provide such a remission the process would be the same as the rezoned land remission policy from last year. i.e. it would need to go through the special consultative procedure.

The submission is not supported as such a remission would increase council's costs. Furthermore, the rates rebate scheme should be extended to cover all low income household regardless of ownership tenure. The issues relating to tenanted properties may preclude such an expanded scheme.

- (b) Neville Gimblett submission 141, has questioned whether a remission should be put in place for businesses. The remission would be for the Library and Aquatic centres fixed charge targeted rate. His reasoning is that as these rates were designed to target individuals in households that use the service they should not be charged to businesses as the owners of the business not the business itself are the users of these facilities. The argument has some merit. Such a remission would be possible, although a better method would be to not charge the rate at all to urban businesses. Rural businesses usually have a house attached as do some (small number of urban businesses).

The effect of such a remission would be to increase the rate for everyone else and so increase the minimum rate which will have a direct effect on low valued properties.

The submission is not supported on the basis that it is not widely supported with the view of considering at some future date should the council so wish.

- (c) Rates Remission policy for Voluntary protected land; Federated Farmers submits "That Rates Remission Policy Part 2 which provides remissions of rates on voluntarily protected land is extended to include land that is protected by District Plan provisions for Outstanding Natural Features and Landscapes".

This is possible but the cost to council has not been estimated as each piece of land would need to be separated and valued separately. While the exact extent has not been calculated, it is quite extensive. Normally the remission covers areas of native bush that are fenced and retired from being used, the protected land described is still able to be used by the landowner but is subject to additional planning provisions.

Topic 2: Federated Farmers ask for rewording of some of the proposed amendments

Rates Remission policy for Bare land; Federated Farmers submits "That the following clause be added;

Rating units must be owned by the same ratepayer (as recorded on the certificate of title and recorded in the Rating Information Database) or be leased, from other owners, for a term of not less than (5) years, to the same ratepayer who uses the rating units jointly as a single farm. The owners of each of the individual rating units must confirm in writing that their unit/s is being jointly used as a single farming operation.

Analysis:

The additional wording would widen the scope of the original intent of the remission policy. The original intent was for where an individual owner owned several bare land parcels. The additional wording would allow farmers to gain a remission on land they do not own. In addition, a leasee does not become the ratepayer of a property unless the lease is for more than 10 years (or is

Maori Freehold land). Therefore, the request would enable a rates remission to a farmer who doesn't even pay the rates on the property leased. For this reason the request should not be supported.

Issue:

Rates Remission policy for any Rate set using a Fixed (Uniform) Charge on Contiguous Properties; Federated Farmers submits *"That the following clause be added;
That the following clause be added to the Remission of any Rate set using a Fixed (Uniform) Charge on Contiguous Properties Part 14;
In the case of the farm, be run as one business unit.*

Analysis:

The additional wording is unnecessary. This is what is stated in the objectives of the policy and is also a legal requirement under s20 of the Local government (Rating) Act.

The request is not supported.

Recommendation

THAT the proposed amendments to rates remission policy as outlined in the draft LTP and consultation document be adopted.



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Doug Law Group Manager - Finance	
Approved by	David Clapperton Chief Executive	

Draft Long Term Plan 2015/2025 - Land Transport

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to Land Transport.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Land Transport be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That the programme of works for roading as identified in the infrastructure Strategy be implemented subject to the following amendment, the Council further increase the footpath capital budget from \$50,000 to \$100,000 per annum.
- 2.4 That the programme of works for roading as identified in the Infrastructure Strategy be implemented.
- 2.5 That the programme of works for roading as identified in the Infrastructure Strategy be implemented and Council carry out work in Foxton Main Street as planned.
- 2.6 That the programme of works for roading as identified in the Infrastructure Strategy be implemented.
- 2.7 That officers carry out investigation and action options in 2015/2016 financial year to improve pedestrian and vehicle safety at the intersection of service lanes and Bath St, as planned.
- 2.8 That the Grey Street and East Street planned investigation and construction work continues.
- 2.9 That alternative treatment options surrounding the Tokomaru underpass fence will be investigated and actions from the investigation programmed into the 2015/2016 financial year.
- 2.10 That feasibility studies of the proposed work in relation to Foxton/ Foxton beach including, Bond Street, Signal St, Roundabout at Park St/Ladys Mile/Robinson Rd Intersection, Seabury/Linklater Intersection and widening of Andresen St are completed for consideration by the Foxton Community Board into the 2015/2016 financial year.
- 2.11 That the programme of works for roading as identified in the infrastructure Strategy be implemented and that that Council bring forward the programme of works for Kent/Gloucester Road upgrade planned for 2018 to 2015/2016.
- 2.12 That the programme of works for roading as identified in the Infrastructure Strategy be implemented including a specific business case benefit-cost assessment of maintenance for Makahika Road in unsealed condition vs. sealed road maintenance within the 2015/2016 financial year and that the outcome of the assessment be communicated to the submitters.
- 2.13 That the programme of works for roading as identified in the Infrastructure Strategy be implemented and that officers continue to work closely with NZTA on the RONS project to ensure the best outcome for the Horowhenua community.
- 2.14 That the programme of works for roading as identified in the infrastructure Strategy be implemented and that officers advise the submitters of Council's policies regarding sealing of

private entrance ways and the reason why the Shannon Kohanga Reo car park was sealed.

- 2.15 That the programme of works for roading as identified in the Infrastructure Strategy be implemented and Council continue to investigate any arising issues to ensure compliance with LOS and remedy as required.
- 2.16 That the programme of works for roading as identified in the Infrastructure Strategy be implemented and the amendments made to the Long Term Plan 2015-2025 Activity Statement for Land Transport be accepted.
- 2.17 That Council Officers assess the resource required to deliver an active transport (cycleway and walkway) strategy within, and across the Horowhenua District.
- 2.18 That Council Officers assess the opportunity to partner with other statutory, voluntary, and private stakeholder organisations in delivering an integrated cycleway and walkway strategy.
- 2.19 That the programme of works for roading as identified in the Infrastructure Strategy be implemented and that officers continue to monitor car parking in the area of the Levin Railway Station to ensure that adequate car parking continues to be available to the community.

3. Topics for Consideration

Topic 1	Footpaths
Topic 2	Lighting
Topic 3	Foxton Main Street Upgrade
Topic 4	Safety Concerns
Topic 5	Vehicle Entranceways
Topic 6	NZTA Funding
Topic 7	Flooding
Topic 8	Street Cleaning
Topic 9	Makahika Road
Topic 10	Regional Land Transport Plan
Topic 11	Levin Bypass
Topic 12	Mangahao Walkway
Topic 13	Parking Concerns

Topic 1: Footpaths

Submissions

Submission No. 2 (Loraine Tietjens), No. 30 (Maureen Lee), No. 31 (Gordon & Elizabeth Burr), No. 46 (Tokomaru Village and Community Association), No.80 (Sylvia Van Nistelrooy), No.87, No.107 (Waitarere Beach Progressive & Rate Payers Association Inc), No.119 (Robert Hoskins), and No.170 (Public Health Services)

Summary of Submissions

The submitters are concerned about the guidelines, safety, condition and lack of footpaths.

Analysis

Council utilises NZTA guidelines. Condition assessments of all council footpaths are undertaken on regular basis and hazards are remedied as required. Footpath condition data is also used for long term programming of renewals to ensure best value for money within allocated budgets. The

footpath maintenance budget has been significantly increased in this Long term plan. Maintenance on existing footpaths will continue to be programmed and carried out in accordance with district wide priorities. Any reported health and safety footpath hazards are attended with urgency.

The footpath (including pram ramps) maintenance budget is utilised to repair areas of most need throughout the District.

Council is working with members of the public including representatives from the Horowhenua's Disability Leadership Group and representatives from the Mobility Scooter Group to identify the priority routes for improvements to pram ramps.

Council recognised the need for footpath capital additions and as a result of this it is recommended that a footpath capital addition of \$50,000 be included in the Long Term Plan budget.

Recommendation

THAT the programme of works for roading as identified in the infrastructure Strategy be implemented subject to the following amendment, the Council further increase the footpath capital budget from \$50,000 to \$100,000 per annum.

Topic 2: Lighting

Submissions

Submission No. 30 (Maureen Lee), No. 87 (Waitarere Beach Progressive & Rate Payers Association Inc)

Summary of Submissions

The submitters are concerned about the amount of Street Lighting at Waitarere Beach.

Analysis

A review of street lighting district wide is being undertaken as part of a staged roll out of LED lighting, a report will be provided by the end of 2015/2016 with requirements of any additional funding.

Recommendation

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and that the Chief Executive Officer liaise with the Waitarere Beach Ratepayers and Residents Association to consult on the lighting requirement for Waitarere Beach.

Topic 3: Foxton Main Street Upgrade

Submissions

Submission No. 7 (Nigel Crockett), No.35 (Fiona Bell)

Summary of Submissions

The submitters have concerns relating to the Foxton Main Street Upgrade, including a request for enforceable time limits on Parking.

Analysis

Consultation has been carried out with Foxton Community Board to ensure the desires of the community have been reflected in the Main Street Upgrade Project. Including specific investigation into parking requirements and consideration being given to the need for enforceable time limits.

Recommendation

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and Council carry out work in Foxton Main Street as planned.

Topic 4: Safety Concerns

Submissions

Submission No.44 (Marilyn Cranson), No.46 (Tokomaru Village and Community Association), No.97 (Charles Davies), No.178 (Gladstone Road Concerns), Submitter No.183 and No.229 (Foxton Community Board)

Summary of Submissions

The submitters have specific safety concerns regarding:

The intersection between Grey St and East Rd, Shannon relating to the location of give way signs.

The site distances limited by the Tokomaru underpass fence.

Levin service lane entrances and exits.

The negative impact on Gladstone Road caused by logging operation including safety to road users, speed limit, and detritus on road.

The speed limit on Seabury Ave.

Specific road safety improvement enquires relating to Foxton/ Foxton beach including, Bond Street, Signal St, Roundabout at Park St/Ladys Mile/Robinson Rd Intersection, Seabury/Linklater Intersection and widening of Andresen St.

Analysis

These have been analysed in the order above:

In line with letter sent to Marilyn Cranson on 14th October 2014 - The intersection between Grey St and East Rd, Shannon has been identified for safety improvement work and application made to NZTA for funding under Minor Improvements budget. Work has subsequently been programmed in order of priority with design options currently being investigated and construction programmed for 2015/2016. The suggested relocation of intersection give way sign does not fit with safety design standards for layout and visibility with insufficient road width available as stated in letter 14th October 2014.

Alternative treatment options surrounding the Tokomaru underpass fence will be investigated and actions from the investigation programmed into the 2015/2016 financial year.

With regards to the service lanes to the East of Oxford St, investigation and actions are planned to be undertaken in the 2015/2016 financial year.

All logging operations on surrounding Gladstone Road and within the district are required to comply with Council policy and on an ongoing basis council continue to liaise with logging companies in order to ensure that the impact from their activity is kept to a minimum and that other road users safety is not compromised.

Council is governed by a document called Speed Limits New Zealand when it comes to setting speed limits. Roads need to meet certain criteria, and from this criterion an average rating is derived, before their limit can be considered for lowering. This is to ensure a national consistency across the country. At this point in time this criterion is not met for Seabury Ave and Gladstone road. Should these circumstances change a review will be undertaken.

In line with the annual plan 2014/2015 recommendations Officers will carry out a feasibility study of the proposed work in relation to Foxton/ Foxton beach including, Bond Street, Signal St, Roundabout at Park St/Ladys Mile/Robinson Rd Intersection, Seabury/Linklater Intersection and widening of Andresen St for consideration by the Foxton Community Board.

Recommendation

THAT the programme of works for roading as identified in the infrastructure Strategy be implemented.

That Officers carry out investigation and action options in 2015/2016 financial year to improve pedestrian and vehicle safety at the intersection of service lanes and Bath St, as planned.

THAT the Grey Street and East Street planned investigation and construction work continues.

THAT alternative treatment options surrounding the Tokomaru underpass fence will be investigated and actions from the investigation programmed into the 2015/2016 financial year.

THAT feasibility studies of the proposed work in relation to Foxton/ Foxton beach including, Bond Street, Signal St, Roundabout at Park St/Ladys Mile/Robinson Rd Intersection, Seabury/Linklater Intersection and widening of Andresen St are completed for consideration by the Foxton Community Board into the 2015/2016 financial year.

Topic 5: Vehicle Entranceways

Submissions

Submission No. 44 (Marilyn Cranson), No. 120 (Graham Dawson),

Summary of Submissions

The submitters are concerned with vehicle entrance way renewal/maintenance responsibility enquiry specifically around Shannon Kohanga Reo car park

Analysis

All private vehicle entrance ways are dealt with in line with Council policy outlined in the HDC District Plan - Appendix 4 Vehicle Entrance Way Standards.

The Shannon Kohanga Reo car park was sealed following recommendations from Council officers in line with a Council annual plan recommendation.

Recommendation

THAT the programme of works for roading as identified in the infrastructure Strategy be implemented and that officers advise the submitters of Council's policies regarding sealing of private entrance ways and the reason why the Shannon Kohanga Reo car park was sealed.

Topic 6: NZTA Funding

Submissions

Submission No. 51 (Craig Dewhurst), No.230 (Federated Farmers)

Summary of Submissions

The submitters request Council Lobby for NZTA funding and Acknowledgement of FAR Rate

Analysis

Council receives funding from the NZ Transport Agency as part of the National Land Transport Programme (NLTP). Programmes that form part of the NLTP need to demonstrate that they have been developed and optimised as part of a whole-of transport system, one network approach. This includes applying the principles of the business case approach to demonstrate a clear strategic case for investment; and making sure through testing and optimisation, programmes identify optimal activities, timing, price, and are aligned to the right level of service and standards to invest in. Council has recently been through this comprehensive process for the 2015-2018 tranche of funding. This has resulted in a significant increase in the amount of funding that will be provided by NZTA.

When a land transport activity undertaken by a council or other approved organisation qualifies for funding from the National Land Transport Fund (NLTF) the funding assistance rate (FAR)

determines the proportion of the approved costs of that activity that will be paid from the Fund. Council FAR will increase from 47% to 57% over the next 6 years.

Recommendation

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented

Topic 7: Flooding

Submissions

Submission No. 68 (John Dockery)

Summary of Submissions

The submitter is concerned with specific flooding issues outside 158 Park Avenue, Waitarere Beach.

Analysis

The preliminary intention of this work is to upgrade Park Avenue from the subdivision area of Kent Street back into, and including, Gloucester Street. This work will likely include installing kerb and channel and pipes to control the stormwater.

Funding for this work was put into the LTP for 2017/18 with the design/planning work to be carried out the year before.

Following investigation officers recommend design and planning to be undertaken in the first half of the 2015/2016 financial year with construction in the second half of the financial year. This change to the LTP will need to be approved by Council.

Recommendation

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and that that Council bring forward the programme of works for Kent/Gloucester Road upgrade planned for 2018 to 2015/2016.

Topic 8: Street Cleaning

Submissions

Submission No. 80 (Sylvia Van Nistelrooy)

Summary of Submissions

The submitter is concerned with Street Cleaning.

Analysis

Street cleaning is undertaken in line with our Council level of service (LOS). Any reported cleansing issues are investigated to ensure compliance with LOS and remedied as required.

Recommendation

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and Council continue to investigate any arising issues to ensure compliance with LOS and remedy as required.

Topic 9: Makahika Road

Submissions

Submission No. 81 (Debbie & Gerry Friel), No. 82, (Grant Robertson), No. 101 (Edward & Melody Mulholland), No. 102 (Judith Tate), No. 103 (Peter Radcliffe) and No. 104 (Joan & Norman Leckie).

Summary of Submissions

Makahika Road request for seal.

Analysis

The increase in use and frequency of logging trucks on Makahika Road resulted in the need to ensure road drainage features, unsealed surface and sightlines were improved to ensure safety of road users and minimise maintenance costs during the period of increased use.

HDC and co-investment partner NZTA's current policy is to not fund seal extensions unless it can be proven to provide costs savings over unsealed road maintenance costs. Officers are of the view that Makahika Road will not qualify for seal extensions when assessed against the current requirements.

Recommendation

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented including a specific business case benefit-cost assessment of maintenance for Makahika Road in unsealed condition vs. sealed road maintenance within the 2015/2016 financial year and that the outcome of the assessment be communicated to the submitters.

Topic 10: Regional Land Transport Plan

Submissions

Submission No. 135 (Horizons Regional Council)

Summary of Submissions

In the list of what the Land Transport Group of Activities provides, the second bullet point references the Regional Land Transport Programme. This document has been replaced by the new Regional Land Transport Plan, as required by amendments to the Land Transport Management Act 2003. The Plan was adopted on 24 March 2015 and Horizons requests that the bullet point be updated to reflect this change.

Horizons supports the Council's substantial commitment to roading maintenance and renewals in the proposed Long Term Plan.

Analysis

Correction has been made to reflect the name change from Regional Land Transport Programme to Regional Land Transport Plan.

Recommendation

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and the amendments made to the Long Term Plan 2015-2025 Activity Statement for Land Transport be accepted.

Topic 11: Levin Bypass

Submissions

Submission No. 240 (Deborah Burns)

Summary of Submissions

The submitter is in support of Levin Bypass

Analysis

Officers agree that the existing SH1 route does produce some issues and concerns. As part of the NZTA RONS project, a full study is currently being undertaken to confirm the long-term feasibility of bypass options or improvements on the existing route.

Recommendation

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and that officers continue to work closely with NZTA on the RONS project to ensure the best outcome for the Horowhenua community.

Topic 12: Mangahao Walkway

Submissions

Submission No. 138 (Maurice Manihera - Te Runanga o Raukawa)

Summary of Submissions

This submission is a request for a footpath to be built from Shannon to Mangaore Village & to be included into the 'Long Term Plan' of the Horowhenua District Council for the track to Eketahuna.

Analysis

A Walking and Cycling Strategy needs to be developed which will look at the entire district to ensure that an integrated walking and cycling network is developed. Such a strategy would identify where these footpaths/walkways or cycleway would be located and a programme of works developed taking into consideration the submitters request.

A preliminary feasibility assessment has been carried out for the proposed walkway, giving an indicative estimated total cost of \$190,000. This excludes allowance for ongoing maintenance costs. For these reasons it is recommended that this be considered as part of a district wide active transport strategy rather than as a one-off route.

Recommendation

THAT Council Officers assess the resource required to deliver an active transport (cycleway and walkway) strategy within, and across the Horowhenua District.

THAT Council Officers assess the opportunity to partner with other statutory, voluntary, and private stakeholder organisations in delivering an integrated cycleway and walkway strategy.

Topic 13: Parking Concerns

Submissions

Submission No. 240 (Deborah Burns)

Summary of Submissions

The submitter is concerned with urgent parking such as providing spaces near/opposite the railway station where commuters can park '6am-8pm'.

Analysis

Transit New Zealand altered the alignment of State Highway 1 between Mako Mako Road and Hokio Beach Road in approximately 2007. Included in this project was the installation of a cycle lane on the western side of Oxford Street and the painting of a flush median down the centre of the road. This caused the removal of parking on the eastern side of Oxford Street and a "No Parking" restriction to the entire length of the eastern side.

Following this realignment concerns were raised by nearby businesses over rail users parking outside their businesses all day. Council undertook consultation on the issue (approximately 200 information packs were distributed in late February 2008, by direct delivery, to possible affected parties) and submissions called for by the end of March 2008. Following the consultation the matter came before a hearing committee on 24th April 2008 who resolved "THAT a P60 parking restriction be installed on the eastern side of Oxford Street between Mako Mako Road and Hokio Beach Road." This parking restriction was then included in an amendment to the Traffic and Parking Bylaw 2007 and was subsequently passed by Council.

The majority of businesses in the vicinity at the time of consultation are still in operation today and the requirement for the P60 parking hasn't changed.

Since this time further investigation has been undertaken including an official information request response in September 2014. This concluded that due to the car parks on the Eastern side of Oxford Street being removed Council upgraded the parking facilities in Rina Street by installing angle parks for use by the rail users.

Following midweek assessments of multiple nearby locations on several occasions; adequate parking was found to be available, including Keepa Street, Seddon Street, Ward Street.

Further information from this assessment can be obtained if required.

Recommendation

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and that officers continue to monitor car parking in the area of the Levin Railway Station to ensure that adequate car parking continues to be available to the community.

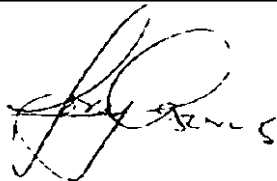

Confirmation of statutory compliance



In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Tony Parsons Solid Waste Engineer	
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Approved by	Gallo Saidy Group Manager - Infrastructure Services	
	David Clapperton Chief Executive	

Draft Long Term Plan 2015/2025 - Miscellaneous Matters

1. Purpose

The purpose of this report is to present to Council for deliberation the submissions received to the Draft Long Term Plan 2015/2025 in relation to miscellaneous matters that go across multiple activities.

2. Recommendation

- 2.1 That Report 15/226 Draft Long Term Plan 2015/2025 - Miscellaneous Matters be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That Council adopts the proposed Community Outcomes as identified in the LTP 2015-2025 Consultation Document.
- 2.4 That Council supports the Levin Waitarere Surf Life Saving Club's project to build a new clubroom at a new location at Waitarere Beach.
- 2.5 That Council does not include a \$400,000 grant to the Levin Waitarere Surf Life Saving Club in the Long Term Plan 2015-2025.
- 2.6 That Council continue to provide officer support to the Levin Waitarere Surf Life Saving Club in the preparation of the Notice of Requirement for a new designation, project establishment and funding applications.
- 2.7 That Council requests a joint Business Case from the Levin Waitarere Surf Life Saving Club and Council officers to allow Council to consider options for supporting fundraising efforts for the new clubroom.

3. Topics for Consideration

Topic 1	Community Outcomes
Topic 2	Levin Waitarere Surf Life Saving Club
Topic 3	HDC Civic Building
Topic 4	Maori Capacity to Decision Making

Topic 1: Community Outcomes

Submissions

Submissions Nos. 46 Tokomaru Village and Community Association, 67 Bernard Casey, 135 Horizons Regional Council, 167 Cancer Society of NZ Manawatu Centre Inc., 230 Federated Farmers, 235 Jacqueline Kerins and 241 Levin Swimming Club – Jill Augiers.

Summary of Submissions

The submitters generally support the proposed Community Outcomes without further amendments. Comment is also made by submitters of the need for Council to focus on community outcomes rather than simply cost cutting in relation to the Council's review of Aquatic services.

Analysis

The Draft Long Term Plan 2015-2025 proposed new Community Outcomes. It was recognised that the current Community Outcomes that formed part of the Long Term Plan 2012-2022 needed to be reviewed due to the legislative changes within the Local Government Act 2002 in particular the change to how Community Outcomes were defined.

The proposed Community Outcomes were developed from a series of Council briefings and were unanimously adopted by Council on 17 December 2014 for the purpose of consultation as part of the draft Long Term Plan.

The Long Term Plan 2015-2025 Consultation Document included and notified for public consultation the following proposed Community Outcomes:

A healthy local economy and a District that is growing

- We are a welcoming, enabling and business friendly district that encourages economic development
- We have a shared respect for both economic development and environmental protection
- We provide opportunities for people of all ages and at all phases of life to enjoy a standard of living within our District that is economically sustainable and affordable
- We recognise the importance of population growth and actively promote the District as a destination
- Our facilities and infrastructure services are planned and developed to meet future demand.

A sustainable environment

- We are proud of our natural environment
- We sustainably manage our environment so it can be enjoyed by future generations
- Waste reduction, recycling, energy conservation and efficiency are promoted as part of how we all live
- We recognise the importance and value of our district's natural resources
- We actively support improving the health of our District's rivers, lakes and waterways.

A community of knowledge, culture and diversity where people are proud to live

- We are proud of the heritage and diversity of our district and our people.
- We respect each other and what we each contribute to the District through our traditions and culture.
- We acknowledge the special role that Tangata Whenua has in our district.
- We invest in the knowledge and skills of our people so they can fully participate in society.
- We are advocates for the provision of quality social, education, health and training services.
- Our communities have a 'sense of place' that makes people proud to live here.

Safe, resilient and healthy communities

- We have reliable, efficient and well planned infrastructure and services.
- We advocate for personal safety and security within our District.
- We are organised and prepared to deal with natural hazards.
- Our young people live in a safe and supportive environment and are empowered to make positive and healthy lifestyle choices.
- Our community has access to health, social and recreation facilities to enjoy long and healthy lives.

- Our older people have access to opportunities that enable them to live a satisfying and healthy lifestyle.

Positive leadership and effective partnerships

- Our leaders consult with, and understand their communities and work for the good of all.
- We provide strong leadership in planning for the District's future.
- All our people and communities have the opportunity to participate in local decision making.
- We keep our District well-informed and ensure information is easily accessible for all.
- We work together with Iwi and Hapū in mutually beneficial partnerships.
- All sectors of the community are encouraged to work effectively together to achieve the best for the District.

(Note the Community Outcomes and associated bullet points are not intended to be read as a hierarchal list, ordered by importance)

The submissions received generally support the proposed Community Outcomes, with some submitters identifying specific Community Outcomes they particularly supported.

Concern was expressed by Bernard Casey that currently the image that Levin presents to the travelling public may not be consistent with the proposed Community Outcome of "We are a welcoming, enabling and business friendly district that encourages economic development". This concern is noted. The Community Outcomes are intended to provide guidance and direction for future decisions concerning the district.

The comments by submitters seeking Council to focus on community outcomes rather than simply cost cutting are noted.

None of the submissions received sought any changes to the wording of the proposed Community Outcomes. Council acknowledges the submissions received in relation to the Community Outcomes. Given the support from the submissions received, the absence of any suggested changes it is recommended that Council adopt the proposed Community Outcomes to replace the existing Community Outcomes contained in the Long Term Plan 2012-2022.

Recommendation

THAT Council adopts the proposed Community Outcomes as identified in the LTP 2015-2025 Consultation Document.

Topic 2: Waitarere Beach Surf Club

Submissions

Submission No. 195 Levin Waitarere Surf Life Saving Club

Summary of Submissions

The Levin Waitarere Surf Life Saving Club has requested a commitment from HDC of \$400,000 for the year 2015/16 to help contribute to the \$1.3 million overall project cost for the design and build of a new surf club and community facility. This amount is not currently included within the Draft Long Term Plan 2015-2025.

Analysis

The Levin-Waitarere Surf Life Saving Club (here after referred to as 'the Surf Club') propose to build new clubrooms to replace the existing Surf Club facilities. Having explored all the options,

the Surf Club has identified replacing the existing building as the most practical and sensible option.

The Surf Club has been progressing this proposal to build a new building closer to the sea than the existing building. The submission refers to several community groups and stakeholders confirming their support for a new mixed use facility to be developed as a replacement for existing buildings.

Members of the Surf Club have been working with Council officers (particularly over the last 12 months) on preparing a notice of requirement to designate land through the District Plan for the site of the new surf club facility. This approach has been taken to help confirm a site which would then give the Surf Club some certainty to commit to proceeding with the design phase of the project. The designation process (at the time of writing) has proceeded through the public notification phase with the submission period closing 18 February 2015. Submissions were received both in support and opposition to the proposal. It is anticipated that the hearing for submissions will be held in the next two months. Regardless of the outcome of the designation process the Surf Club have indicated in their submission that they plan to build new club rooms, either it will be in the existing location if unsuccessful in having the designation approved or further forward on the sand dunes (closer to the sea).

Officers acknowledge the benefits that the Surf Life Saving Club brings to the community and wider district. The Council wants to acknowledge the great work of the Surf Club members particularly the hours spent patrolling the beach, rescues performed and education and training programmes the Club runs.

Council officers have supported the principle of building the surf club building further forward of the existing building and have assisted in the preparation of the notice of requirement for the new designation.

The Surf Club has estimated based on the feasibility study undertaken, that the project costs would be between \$1.2m-\$1.3m. The Surf Club has put aside nearly \$80,000 so far and remains committed to raising another \$20,000 through fund raising. Council acknowledges the positive fundraising efforts of the club so far. Council has also supported the Surf Club utilising the expertise of Council's External Funding Manager to provide the Surf Club with advice about preparing funding applications, for up to \$900,000 from grants and community funding sources.

Throughout the designation process, Council officers have indicated to the Surf Club that Council has not resolved to own a new Surf Club building. Council has indicated its support for the Surf Club advancing its proposal to develop a new Surf Club building on Council land through the previous funding support provided by Council towards the costs of establishing a trust and assisting with front end project establishment costs.

Council is committed to undertaking a community facilities review, part of which will consider the role that Council will play in owning or managing community facilities such as the Surf Club and how this fits with the wider community needs. This work is anticipated to be undertaken in 2015/2016. While the timing of this work is outside the control of the Surf Club, it becomes a relevant consideration for Council as it will provide an overall context for the Council to make its decision rather than making it in a vacuum.

In weighing up this request for \$400,000 in 2015/16, Council is faced with the challenge of considering this request in the face of uncertainty regarding the project. The uncertainty at this point extends to not only the opposition to the project through submissions to the notice of requirement for the designation, but also the accretion land claim, and the timing and cost of the project. It is unclear whether the other funding sources would be available to enable the construction of the Surf Club in this timeframe. Typically for a contribution on this amount, Council would have some requirements for a specified level of external funding to be achieved before the Council funds are released.

It is noted that for the Surf Club to be successful in obtaining external funding, a Council commitment is seen as a prerequisite. Council must be recognised as a cornerstone partner to the community project. The exact form of this support and commitment from Council is unclear.

Typically there would be an expectation around financial support, however it is noted the officer support that is currently being provided to the Surf Club and consequently avoiding the professional services fees that might otherwise have been incurred by the project. Although not acknowledged in the original submission, the submitters did identify in their presentation to Council the proposed spending of \$103,000 (2015/16) on sand dune work at Waitarere in front of the Surf Club. There is an overlap between this work and the work that would be necessary for the Surf Club project if the new building is sited on the dunes in front of the existing Surf Club. There may be a variety of alternative ways in which Council could demonstrate support for this project both financially and non-financially.

The amount requested by the Surf Club of \$400,000 is a significant amount and would equate to an additional 1.33% average rate increase (if it were included and no other changes were made to the LTP). If Council were in favour of supporting the request for \$400,000, it would therefore be appropriate for Council to consult the community using the special consultative procedure. The timing of which would be outside this current LTP.

It is acknowledged that the Alpha Building report referred to by the submitters at the hearing identified the cost of repairing the existing building to be \$250,000. The point made by the submitters was that as the Council currently own the Surf Club building and would be responsible for the necessary maintenance and repair to keep it safe for use, the Surf Club are providing an alternative opportunity for Council. Rather than invest this amount into the current building, the same amount (\$250,000) could be used as seed funding towards the new building.

On balance, there is considered to be too much uncertainty surrounding the project to justify Council committing \$400,000 of funding towards this project at this point in time.

There is no doubt having a Surf Club at Waitarere provides positive benefits for the community and district, not just the local Waitarere residents. For the reasons outlined above it is recommended that the Surf Club work with Council officers to present a business case to Council for consideration to allow the Council the opportunity to consider the different options of how Council may support the fundraising efforts of the Surf Club.

Recommendation

THAT Council supports the Levin Waitarere Surf Life Saving Club's project to build a new clubroom at a new location at Waitarere Beach.

THAT Council does not include a \$400,000 grant to the Levin Waitarere Surf Life Saving Club in the Long Term Plan 2015-2025.

THAT Council continue to provide officer support to the Levin Waitarere Surf Life Saving Club in the preparation of the Notice of Requirement for a new designation, project establishment and funding applications.

THAT Council requests a joint Business Case from the Levin Waitarere Surf Life Saving Club and Council officers to allow Council to consider options for supporting fundraising efforts for the new clubroom.

Topic 3: HDC Civic Building

Submissions

Submission No. 266 Anne Hunt

Summary of Submissions

1. The submitter has raised concerns with regard to the integrity of the Horowhenua District Council Building.

Analysis

Council has had an independent seismic assessment on the basement of the Council Civic Building. This took place on 2 July 2014 and the result was 85% NBS. This means the building is not earthquake prone in accordance with the Building Act 2004. The assessment took into account all aspects of the site. The explanation for the cracks in the concrete is that during construction, control joints are installed at a set grid of 1:1 or 1:2 max 6m in any direction, these cuts are 25% of the slab depth, i.e. 25mm for 100mm slab. There still may be cracking outside these joints called 're-entrant cracks' which radiate out from corners a point in the slab i.e. around column bases, these could create four re-entrant points. Because concrete cannot shrink around corners, the stress will cause cracking from the corner points. Although these cracks may look unsightly, they pose no structural weakness to the floor as the reinforcing within the slab will retain the integrity of the slab.

Officers can assure the public that the building is safe, and there is no reason to suggest that the integrity of this building is compromised.

Recommendation

THAT Council acknowledges the submission from Anne Hunt and further her comments are noted, no changes are recommended to the Long Term Plan 2015/2025 as a result of this submission.

Topic 4: Maori Capacity to Decision Making

Submissions

Submission No. 266 Anne Hunt

Summary of Submissions

The submitter made comments in her submission with regard to the development of Maori capacity to contribute to decision making in relation to the Draft Long Term Plan 2015-2025.

Analysis

As a Council, we recognise the importance and special position of tangata whenua within the region, and the role iwi play within our community engagement processes.

Memorandums of Partnerships are becoming increasingly important as Council seeks closer and meaningful working relationships with the Māori community, to achieve effective consultation on a wide range of issues affecting our respective areas of governance.

Māori see people and the environment as closely inter-related and share with us a strong interest in maintaining and protecting the environment as well as developing the economic future of the area.

Through its decision-making processes, Council recognises the principles of the Treaty of Waitangi and kaitiakitanga, providing for the relationship of Maori and their traditions with their ancestral lands, water sites, waahi tapu and other taonga.

Council is committed to the continuing process of consultation with Māori in the District. In the 2015/16 financial year, Council will be exploring a collaborative district wide approach that creates a framework for improved Council/Iwi engagement.

Recommendation

THAT Council acknowledges the submission from Anne Hunt and further her comments are noted.

Topic 5: Proportionality of Elderly Citizens

Submissions

Submission No. 266 Anne Hunt

Summary of Submissions

The submitter has highlighted the large elderly population within the district. She is concerned that nothing is occurring to ensure that we are not relying upon ratepayers upon a fixed income.

Analysis

Council is very aware of the demographics within the district, and are working with the older persons sector to enhance the wellbeing through a coordinated approach to service delivery.

These ageing population projects continue to influence Council in their strategic planning.

Council have a rates rebate scheme available to those low-income homeowners. Council will continue to encourage the use of this scheme to its community.

Recommendation

THAT Council acknowledges the submission from Anne Hunt and further her comments are noted.




Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	David McCorkindale Senior Manager - Strategic Planning	
	Monique Davidson Group Manager - Customer and Community Services	
Approved by	David Clapperton Chief Executive	

Draft Long Term Plan 2015/2025 - Community Services

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to Community Services.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Community Services be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That Council adopt the draft Horowhenua Smokefree Environment Policy with an amendment to include the addition of: all Early Childhood Centres, Primary and Secondary schools, including all associated public outdoor areas and the footpath directly in front of the property boundary. And all Health Centres, including all associated public outdoor areas.
- 2.4 That Council recommends a working party be set up by the Community Wellbeing Executive, to monitor the effectiveness of this Policy, and make alterations and/or extensions in six months after implementation as required.
- 2.5 That Council recommends a Council Officer be appointed to liaising with Early Childhood Centres, Primary and Secondary Schools to monitor the effectiveness of this Policy, and deliver any suggestions to the Community Wellbeing Executive Smokefree working party.
- 2.6 That Council considers the Smokefree Environment Policy during the drafting and consultation of the upcoming Public Places Bylaw Review 2015.
- 2.7 That Council acknowledges the submission from Surf Life Saving New Zealand and recommends that \$42,000 be granted to them for the 2015/2016 season through a Service Level Agreement.
- 2.8 That Council works with Surf Life Saving New Zealand to ensure appropriate signage is in place on both Surf Life Saving Clubrooms, at Council's cost.
- 2.9 That Council retains budget in the Long Term Plan each year for the installation and replacement costs of Christmas lighting across the District.
- 2.10 That Officers work with the Shannon Progressive Association and the Foxton Tourism and Development Association in regards to the Christmas Lights prior to the lights being erected in 2015.
- 2.11 That the Manawatu Volunteer Resource Centre is granted \$15,000 in 2015/2016 for the purposes of delivering a Volunteer Resource Centre in Horowhenua through a Service Level Agreement.
- 2.12 That current work programmes that enable children and young people to participate in sport and recreational activities are continued and strengthened
- 2.13 That Officers work the Foxton Community Board during planning for Te Awahou-Nieuwe Stroom to discuss opportunities for marketing and promoting the Foxton and Foxton Beach area.
- 2.14 That Officers review the 2001 SunSmart Policy within the next 12 months, including consideration of its relevance, impact and financial implications on the delivery of Council services. Following the review, that a report be presented to the Community Wellbeing

Executive for consideration.

- 2.15 That the proposed fees for swim schools using Council's facilities be implemented from 1 July 2015.
- 2.16 That the proposed Community Services Review and current Recreation and Aquatics Needs and Opportunities Analysis considers the overall operation of the Aquatic Centres, including alternative revenue streams for Aquatic Centres and opportunities for reduced operating costs.
- 2.17 That Council continues with signing Memorandums of Understanding with all users of Horowhenua Aquatic Centres and that users groups (including the Levin Swimming Club) are engaged with through the proposed Community Services Review and current Recreation and Aquatics Needs and Opportunities Analysis.
- 2.18 That the Council acknowledges the submission from the Foxton Community Board and recommends that Officers carry out further research into the Foxton Aquatic Centre, in conjunction with the current ventilation project, with any recommendations for Capital Expenditure to be reviewed for the 2016/2017 Annual Plan.
- 2.19 That the proposed Community Services Review goes ahead and includes engaging with relevant user groups of these respective facilities.
- 2.20 That Council does not pursue the Safer Communities accreditation programme at this time.
- 2.21 That Officers continue with coordinating funding arrangements for Te Awahou-Nieuwe Stroom, and proceeding with design work to report back to Council once the outcome of funding applications is known.
- 2.22 That Council allocates a further \$25,000.00 to the Te Horowhenua Trust operational grant to allow for increased hours at Foxton Library and Shannon Library
OR
That Council does not allocate a further \$25,000.00 to the Te Horowhenua Trust operational grant and awaits the completion of the Community Services Review.

3. Topics for Consideration

Topic 1	Smokefree Environment Policy
Topic 2	Grants & Funding - Surf Life Saving
Topic 3	Grants & Funding – Christmas Lights
Topic 4	Grants & Funding – Volunteer Resource Centre
Topic 5	Grants & Funding – Sports for Children
Topic 6	Promotions Person for Foxton/Foxton Beach
Topic 7	Sun Protection Policy & Procedures
Topic 8	Swim School Fees & Charges
Topic 9	Revenue and Expenditure of Aquatics Centres
Topic 10	Levin Swimming Club
Topic 11	Foxton Aquatic Centre
Topic 12	Libraries and Community Centre
Topic 13	Safer Communities Accreditation
Topic 14	Te Awahou-Nieuwe Stroom
Topic 15	Opening Hours at Foxton Library and Shannon Library

Topic 1: Smokefree Environment Policy

Submissions

Submission No. 1 John Murphy; 4 Debbie Munro; 5 Margaret Williams; 8 Rodney and Jeanette Jamieson; 9 Graeme Ambler; 11 Ben Hartle; 12 Gerd Ruschhaupt; 13 William and Wendy Tunley; 16 Mike Fletcher; 17 Sara Bryer; 18 Robyn and Geoff Fallaize; 20 Horowhenua GreyPower (Lynne McKenzie); 25 Anthony Strawbridge; 28 Melanie Obers; 35 Fiona Bell; 40 Janet and Raymond Rzepecky; 44 Marilyn Cranson; 46 Tokomaru Village and Community Association; 49 Alexia and Earl Woodmass; 50 Horowhenua Integrated Family Health Centre; 52 Paul Smith; 53 Janice Smith; Submitter No.55; 58 Don and Jude Marshall; 62 Robert and Helen Harrison; 64 Murray Staples; 68 John Dockery; 69 Raymond Bishop; 71 Bruce Garratt; 72 Joan Bishop; 73 Bernice Singleton; 75 Jill Brown; 76 David Bowker; 79 Diane and Stephen Mead; 86 Kenna McKay; 88 and 138 Te Runanga o Raukawa (Maurice Manihera); 93 Attwell Valuers Ltd; 99 Catherine Madison; 107 Judy Brain; 109 Horowhenua Breathe Easy Support Group; 110 Kevin Metge; 115 Vivienne Hudson; 116 Maurice and Sophie Campbell; 120 Graham Dawson; 123 Maurice Beach; 124 John Haverkamp; 127 Allan Mitchell; 132 Fern O'Hagan; 133 Sport Manawatu; 136 Russell Newton and Others; 137 Cancer Society (Marilyn Stevens); 141 Neville Gimblett; 147 Heart Foundation; 148 Cancer Society (Colleen Francis); 154 Charles Rudd; 156 John and Robyn Saulbrey; 159 Horowhenua GreyPower (Mike Coupe); 162 Graham Smellie; 167 Cancer Society (Kerry Hocquard); 169 David Green; 170 Public Health Services; 171 Les and Yvonne Symonds; 172 D. and V. Mercer; 173 Rosemary Pitt; 176 Youth Voice Horowhenua; 177 Christina Paton; Submitter No. 183; 192 Noaro Farms Ltd; 194 Rebecca Noaro - IDLE; 199 Suzanne Havill; 201 Julie Beckett; 202 Pamela Good; 208 Brian Good; 212 Simon Kuiti; 213 University of Otago, Wellington; 216 Bryan May; 217 Kris Burberry; 223 Sarah Elliot; 228 Hokio Progressive Association; 233 Deborah Gimblett; 243 Christopher Pauiter; 250 Linda Rawlings; 259 Hamish McDonald and 263 John Heskett.

Summary of Submissions

Through the draft LTP consultation process, a total of 84 submissions were received addressing this proposal. Of these, 62 submitted in support of the draft policy (52 supported the policy as written [including those that marked the 'hot topic' box but provided no additional comment] and 10 requested additions to the policy). Fifteen submitters did not support the draft policy, and seven submitters commented on the policy but with no clear view identified as to their support or otherwise.

Analysis

The Draft Horowhenua Smokefree Environment Policy was written to work toward achieving two main objectives. Firstly, to improve the health and wellbeing of Horowhenua's communities by reducing the prevalence of the smoking and de-normalising smoking behaviour and secondly, to protect Horowhenua's environment by decreasing risk of fire from cigarette butt litter and by reducing the amount of cigarette packet and butt litter that enters the environment.

The 2013 Census reported that Horowhenua's smoking rate is 18.8% (4072 people) compared with 15% for New Zealand as a whole.

During hearings, a number of submitters identified the opportunity to extend the Smokefree areas to incorporate Health Centres, Early Childhood Centres, Primary and Secondary Schools. This extension would further recognize that smoking is not something we want our children and young people exposed to. For this extension to work, Council Officers would be looking to the Principals and Managers of these facilities to endorse and support the Smokefree Environment Policy, and work with us to enforce and educate the value and reasons for the Policy.

Recommendation

THAT Council adopt the draft Horowhenua Smokefree Environment Policy with an amendment to include the addition of: all Early Childhood Centres, Primary and Secondary schools, including all associated public outdoor areas and the footpath directly in front of the property boundary. And all Health Centres, including all associated public outdoor areas.

THAT Council recommends a working party be set up by the Community Wellbeing Executive, to monitor the effectiveness of this Policy, and make alterations and/or extensions in six months after implementation as required.

THAT Council recommends a Council Officer be appointed to liaising with Early Childhood Centres, Primary and Secondary Schools to monitor the effectiveness of this Policy, and deliver any suggestions to the Community Wellbeing Executive Smokefree working party.

THAT Council considers the Smokefree Environment Policy during the drafting and consultation of the upcoming Public Places Bylaw Review 2015.

Topic 2: Grants & Funding – Surf Life Saving

Submissions

Submission No. 85 Surf Life Saving New Zealand

Summary of Submission

Surf Life Saving New Zealand submits with their thanks for ongoing support from Council for their services and requesting ongoing funding for future seasons.

Analysis:

Council has supported the provision of a paid summer life saving service at Foxton and Waitarere Beaches for a number of years. This service is managed by Surf Life Saving New Zealand, and has always been provided in a professional manner, with a positive relationship between the two organisations maintained.

For the 2013/2014 and 2014/2015 season, Horowhenua District Council granted Surf Life Saving New Zealand \$40,000 towards the costs of paid patrols at Waitarere and Foxton Beaches. The financial support that Horowhenua District Council grants to Surf Life Saving New Zealand each year is significant in relation to what other similar Council's grant.

During the hearings, a challenge was provided to the submitter for Council's support to Surf Life Saving New Zealand to be better publicly acknowledged.

Recommendation:

THAT Council acknowledges the submission from Surf Life Saving New Zealand and recommends that \$42,000 be granted to them for the 2015/2016 season through a Service Level Agreement.

THAT Council works with Surf Life Saving New Zealand to ensure appropriate signage is in place on both Surf Life Saving Clubrooms, at Council's cost.

Topic 3: Grants & Funding – Christmas Lights

Submissions

Submission No. 121 Shannon Progressive Association and 139 Foxton Tourism and Development Association

Summary of Submission

Both the Shannon Progressive Association and the Foxton Tourism and Development Association submit in support of ongoing investment in Christmas Lights across the District.

Analysis

Council coordinates the installation of Horowhenua's Christmas lights across Levin, Foxton and Shannon each year, in compliance with the relevant Health and Safety legislation and Electra requirements.

Council is committed to ensuring that both residents and visitors to the District are able to enjoy the festive season throughout Horowhenua. Officers have included in the draft Long Term Plan budgets costs for both the installation of Christmas lights across the District each year, and the purchase of both new and replacement lights (as the current lights depreciate and cease working). All new lights are LED lights, which have a longer lifetime and lower operating costs.

\$7,000 has been budgeted each year for new and replacement lights, an increase from the \$2,000 that was budgeted and spent in the 2014/2015 year.

Recommendation

THAT Council retains budget in the Long Term Plan each year for the installation and replacement costs of Christmas lighting across the District.

THAT Officers work with the Shannon Progressive Association and the Foxton Tourism and Development Association in regards to the Christmas Lights prior to the lights being erected in 2015.

Topic 4: Grants & Funding – Volunteer Resource Centre

Submissions

Submission No. 143 Manawatu Volunteer Resource Centre

Summary of Submission

The Manawatu Volunteer Resource Centre submits with their thanks for Council's support during the establishment of a Outreach branch in Horowhenua and with their support for the ongoing relationship between Council and the Volunteer Resource Centre.

Analysis

Through Council's Community Wellbeing Structure, there has been a regular request for more support for groups to find volunteers to run their organisation. Through a collaborative partnership with Council, the Manawatu Volunteer Resource Centre has been able to establish an Outreach Branch in Horowhenua, operating from Te Takere. The Centre offers memberships to local organisations, and then matches them with registered volunteers to ensure skills and requirements are being appropriately utilised.

To provide ongoing support for the Volunteer Resource Centre, Officers have included a grant in the draft Long Term Plan budgets for \$15,000 annually, to be managed through a service level agreement between Council and the Manawatu Volunteer Resource Centre.

Recommendation

THAT the Manawatu Volunteer Resource Centre is granted \$15,000 in 2015/2016 for the purposes of delivering a Volunteer Resource Centre in Horowhenua through a Service Level Agreement.

Topic 5: Grants & Funding – Sports for Children

Submissions

Submission No. 196 Sam Ferguson

Summary of Submission

Sam Ferguson submits requesting that Council subsidise the cost of children participating in sport in the District, with a suggested grant value of up to \$100 per child annually.

Analysis

Council work strategically with the sport community to ensure clubs are offering products that are affordable for the community.

Currently Council works on local event committees to help these groups offer professionally run events such as Go Active Kids Triathlon series, Great Forest Events, Secondary Schools Cycling and the Foxton Beach Fun Run. Council assist the event in attracting funding to ensure the events are affordable for the community to take part in, and sustainable financially so they can happen every year.

Council also works proactively with Sport Manawatu to insure our sport community is aware of funding opportunities with Kiwi Sport Funding made available by Sport New Zealand, this is fund is open to all clubs. Council Officers also assists clubs with funding application to trust funds where needed.

Council also offers reduced rates for the hire of Council owned sport grounds and facilities for local clubs who meet the relevant criteria. Council have also recently set up a new fund through the Levin Aquatic Centre, the 'Go Active Fund'. This is open for applications for free-swimming lessons for children for one term where there is a financial need in the family/whānau. Council also supports the Social Sector Trial of the 'Activating Youth Fund', which is available for children and young people to apply for costs associated with their participation in a sport or recreation activity where cost is a barrier.

Recommendation

THAT current work programmes that enable children and young people to participate in sport and recreational activities are continued and strengthened

Topic 6: Promotions Person for Foxton/Foxton Beach

Submissions

Submission No. 229 Foxton Community Board

Summary of Submissions

The have requested that Council resources a dedicated promotions staff member to market the Foxton area.

Analysis

Council currently employs a Community Events and Facilities Coordinator, whose role incorporates the marketing of events throughout the wider Horowhenua District. At this stage, there are no plans to employ a staff member to focus specifically on the marketing of the Foxton area. Currently, Council does fund the delivery of Visitor Information Services in Foxton through De Molen Trust.

However, as the Community Board are aware, the planning of the Te Awahou-Nieuwe Stroom project is underway, with the intention that the facility would incorporate visitor information. If this project receives the required funding and approval from Council to go ahead, then this would be

the appropriate time to discuss the staffing requirements for the facility, including the area of marking and promotion of Foxton and Foxton Beach and Te Awahou-Nieuwe Stroom.

Recommendation

THAT Officers work the Foxton Community Board during planning for Te Awahou-Nieuwe Stroom to discuss opportunities for marketing and promoting the Foxton and Foxton Beach area.

Topic 7: Sun Protection Policy & Procedures

Submissions

Submission No. 227 Cancer Society (Kerry Hocquard)

Summary of Submissions

Cancer Society of New Zealand Manawatu Centre Inc has provided a wide-ranging submission in relation to protection from UV that cuts across a wide spectrum of Council services from Policy to Operations

Analysis

The Cancer Society requests Council recommit to a Sun Protection Policy indicated in its submission that was adopted by Council in 2001. The society advises that the policy has been used as a model for other authorities. On further investigation it would appear the policy was never actually adopted by Council but was adopted by the then Health and Safety Committee of HDC.

The submission makes a number of recommendations drawn directly from a report compiled by former Council Parks Manager (Peter Shore). Considering the Cancer Society wish HDC to adopt the proposed policy and the majority of its recommendations are drawn directly from the report, the objectives outlined in the report are identified below.

- To ensure that the provision of shade is an integral part of Council's planning processes.
- To seek to increase the provision of shade at Council owned parks, playgrounds and facilities.
- To seek to increase the provision of shade at sporting and recreation facilities.
- To seek to increase the provision of shade by private developers.
- To seek to increase the provision of shade by private homeowners through education and promotion of shade concepts.

The Policy seeks to achieve this by identifying four delivery mechanisms.

(1) Management of Parks, Gardens and Recreation Facilities

	Council Goals
Education	<ul style="list-style-type: none">❖ Erect sign reminding people about the importance of sun protection.❖ Ensure contractors and employees are role models for users of parks and gardens.❖ Facilitate sun protection information sessions for employees.❖ Give information on "Planning a SunSmart Event" to organisations which book outdoor recreation facilities
Beaches	<ul style="list-style-type: none">❖ Encourage development of shade areas near beaches.❖ Ensure lifeguards are SunSmart role models.
Shade	<p>Short Term</p> <ul style="list-style-type: none">❖ Conduct a shade inventory of Horowhenua District Council facilities.❖ Investigate provision of portable shade for outdoor events.❖ Ensure sufficient shade is planned for new recreational facilities. <p>Long Term</p>

	<ul style="list-style-type: none"> ❖ Improve shade at all activity stations (for example, playgrounds, skate ramps, picnic areas, along footpaths, bike paths, lookouts). ❖ Look for opportunities, at beaches or rivers within local government boundaries, to plant trees or build shade structures over specific use areas in adjacent reserves.
Policy Guidelines	<ul style="list-style-type: none"> ❖ Ensure shade audits of Council-owned facilities are updated every two years. ❖ Encourage the scheduling of outdoor community events outside the hours 11 am – 4 pm (summertime) to avoid the times of greatest UVR danger.

(2) Consent Authorities

All new developments need to show evidence of having undertaken a shade audit.

Developers need to demonstrate that shade has been considered in places where people congregate outside (e.g. housing developments, sidewalk cafes, lunch areas for factory workers).

	Council Goals
Shade	<ul style="list-style-type: none"> ❖ Encourage owners of outdoor eating venues to provide shade (such as umbrellas, canopies and awnings) for patrons ❖ Encourage owners to investigate opportunities to have natural shade surrounding their outdoor area. ❖ Seek to increase protective shade at public transport stops. ❖ Seek to increase protective shade to pedestrian thoroughfares linking schools to transport and pick up points. ❖ Seek to increase protective shade to streets that receive significant levels of use by pedestrian traffic on a regular basis.
Policy Guidelines	<ul style="list-style-type: none"> ❖ Incorporate shade in any future building and development plans for streets and public transport stops. ❖ Maintain a street tree policy to ensure appropriate selection, planting and maintenance of street trees. ❖ Incorporate shade provisions in permits for new cafes and restaurants (or permit renewals for existing facilities) with outdoor eating areas.

(3) Employers of Outdoor Workers and Contractors

Local governments employ many staff (directly or indirectly) that work some or all of the day in an outdoor environment. Outdoor employees can include parks and gardens staff, road maintenance workers, engineers, parking officers, environmental health officers and others.

Sun protection is an important workplace health and safety issue and there is a responsibility for employers to provide a safe environment for its employees.

Contractors are, in essence, still employees of the local government. Occupational Health and Safety responsibility cannot be contracted out. Sun protection practices of contractors should be the same level as those of the local government employees.

	Council Goals
Education	<ul style="list-style-type: none"> ❖ Provide a training module on skin cancer for outdoor workers; include this in the induction process of any new employees. ❖ Ensure planners and design professionals have access to information on the best shade practices.
Clothing	<ul style="list-style-type: none"> ❖ Encourage employees to wear broad-brimmed hats, sunglasses and

	long-sleeved shirts outside..
Sunscreen	<ul style="list-style-type: none"> ❖ Provide employees with SPF 30+, broad-spectrum sunscreen ❖ Encourage volunteers to use SPF 30+, broad-spectrum sunscreen or have it available on site.
Shade	<ul style="list-style-type: none"> ❖ Install cabin covers and canopies on plant and equipment where practicable.
Schedules	<ul style="list-style-type: none"> ❖ Design work schedules where practicable to avoid exposure to the sun for long periods, especially between 11 am and 3pm DST. ❖ Inform workers participating in skin cancer education training of the need to schedule work activities to limit the amount of time exposed to the sun. ❖ Show workers effective ways of scheduling work activities.
Policy Guidelines	<ul style="list-style-type: none"> ❖ Require contractors to observe local government policy and standards for outdoor work.

(4) Community Educators

	Council Goals
Education	<ul style="list-style-type: none"> ❖ Post information about solar protection on Council's website. ❖ Erect warning signs at selected outdoor venues alerting people to the dangers of over-exposure to the sun; make regular announcements over the public address system at swimming pools during relevant months. ❖ Make community grants conditional on certain SunSmart practices being adopted by the recipients. ❖ Provide information for new landowners to encourage planning for shade in building and garden design. ❖ Provide brochures on the importance of sun protection at the Customer Services and Visitor Information Centres.

Whilst a number of the report's recommendations are being undertaken on an ad-hoc basis, i.e. resolution of sun-protection issues as they arise, or are notified by users; Contractors exhibiting unsafe work practices relating to sun protection as part of overall H&S management; development of a street tree policy that takes into account shade as one factor of many; evaluation of shade and sun protection as part of any new development rather than a priority, those measures do not meet the structured approach requested by the Cancer Society as outlined in the proposed Policy.

The wide range of measures outlined by the proposed Policy; changes in how Council delivers its services; restrictions on developers and organizations wishing to lease council buildings and land; and the consequential impact of those measures on Council business, it is recommended that the request be considered separately by Council outside the LTP submission process.

Council is committed to developing a healthy and well community, as well as looking after the health and safety of our own employees and contractors. Council has a number of comprehensive Health and Safety policies in place, and also expects its contractors to meet all legislation requirements under relevant Health and Safety law. Currently, Council is considering the development and adoption of a Smokefree Environment Policy. This is an example of an area where Council believes is currently a higher priority compared to the area of sun protection.

Recommendation

THAT Council Officers review the 2001 SunSmart Policy within the next 12 months, including consideration of its relevance, impact and financial implications on the delivery of Council services. Following the review, that a report be presented to the Community Wellbeing Executive for consideration.

Topic 8: Swim School Fees & Charges

Submissions

Submission No. 12 Gerd Ruschhaupt; 17 Sara Bryers; 23 Chris Thompson; 25 Anthony Strawbridge; 35 Fiona Bell; 40 Janet and Raymond Rzepecky; 52 Paul Smith; 53 Janice Smith; Submitter No.55; 69 Raymond Bishop; 71; Bruce Garratt; 73 Bernice Singleton; 80 Sylvia Van Nistelrooy; 92 Roma Trust; 110 Kevin Metge; 133 Sport Manawatu; 153 Troy Taylor and Paulianne Theuma; 154 Charles Rudd; 176 Youth Voice Horowhenua; 202 Pamela Good; 212 Simon Kuiti; 223 Sarah Elliot; 235 Jacqueline Kerins; 241 Levin Swimming Club; 245 Rosalie Huzziff; 250 Linda Rawlings; 259 Hamish McDonald and 263 John Heskett.

Summary of Submissions

The submitters have highlighted a variety of views in regards to both the Aquatics Swim School proposed fees and charges and the wider operations of Aquatics Horowhenua. Of the 28 submissions received on the 'Swim School Fees and Charges' Hot Topic, 11 were in support of the proposed changes, one submitter was in opposition to the proposed changes and six submitters stated they thought the Aquatics fees (either for swim school specifically or general admission) were too high. The remaining ten submitters made a variety of non-specific comments (for example, that parents should teach their own children how to swim, that Aquatic Centres should be 100% user pays or that Central Government should subsidise swimming lessons for children).

Analysis

Council decided to consult on new fees for swim schools using public pool facilities, whether as a for profit business or under a not for profit scheme. The reason behind implementing these new fees are to protect ratepayers from unfairly subsidising for profit businesses. Simultaneously, Council wished to acknowledge and encourage a number of organisations offering free or low cost swimming lessons under a not for profit programme. Council does not want to discourage this, so is proposing to have two rates – for profit and not for profit.

At the same time, Council is proposing that any organisation (whether for profit or not for profit) running structured swimming lessons will need to be an accredited Quality Swim School. This is to ensure that all children are being taught best practice and their safety can be ensured. This policy will not include parents and/or guardians teaching their own children/wards to swim, or schools during classroom lessons.

Recommendation

THAT the proposed fees for swim schools using Council's facilities be implemented from 1 July 2015.

Topic 9: Revenue and Expenditure of Aquatics Centres

Submissions

Submission No. 46 Tokomaru Village and Community Association; 185 Horowhenua Farmers' Ratepayer Group; 230 Federated Farmers of New Zealand and 263 John Heskett.

Summary of Submissions

The submitters, either through their written submissions or their spoken hearings, queried the overall operational of Horowhenua's Aquatic Centres, including the cost of operation, the increases over the past number of years and whether or not it could be fully or more self sufficient (100% private good).

Analysis

Under Council's Revenue and Finance Policy, Aquatics Centres are required to source 30-35% of the necessary operating costs from fees and charges, with the remaining 65-70% of costs being sourced from rates (as per below table). Currently, the private revenue struggles to meet the 30-35% target. In regards to the submitters that stated either that fees are generally too high, or that the Aquatics Centres should be fully self funded (100% private), if either of these scenarios were to be implemented the below funding split would need to be drastically changed. This would either be to increase the rates proportion (to enable lower fees and charges) or to decrease the rates proportion fees and charges would need to be drastically increased, which would likely result in less visitors to the Aquatics Centres as it would become unaffordable to a number of people. The current split is considered a fair balance.

Community Outcomes	The "safe, resilient and healthy communities" Community Outcome is enhanced by this activity.
Who Benefits	The public who use the facility, although people are prepared to pay for the option of using the service, while others are prepared to pay to ensure the pool's continued existence. Every resident is able to use the facilities.
Period of Benefit	Benefits accrue in the year the costs are incurred. Capital expenditure will benefit future periods in line with resultant asset lives. The capital costs will be evenly allocated to operating expenditure over the life of the asset by use of loan interest and repayments costs and straight-line depreciation costs.
Whose acts create a need	None identified, apart from those who use the pool, swimming clubs, and learn to swim classroom that are charged a fee for usage.
Separate funding	A Targeted rate would aid in the transparency and accountability to residents of the District. Through a Targeted rate using a fixed charge to every used or inhabited part of any rating unit across the District. Capital expenditure will be funded by loan with interest payments funded through the fixed charge rate.
Funding Source	Public Good - Targeted Rate: 65% - 70% Private Benefit - Fees and Charges: 30% - 35%
Rationale	Providing swimming pools are regarded as core business of Council. They are not self-funding. To charge the full cost of the facility to the users would dramatically impact on use and participation and deny accessibility by the public.

Below is a table detailing the revenue and expenditure for years 2009/2010 – 2013/2014 and the budgeted values for the current year (2014/2015) and next year (2015/2016). Also in the table is the percentage value of the private (user fees and charges) cost recovery. Please note that the budgeted revenue for the 2015/2016 year does not include any revenue from Development Contributions (as per Council's preferred option that budgeted were based on) and is also based on a 46 week year, as this incorporates an expected 6-week closure in relationship to facility development works.

Year	Revenue	Expenditure	Percentage
2009/2010	\$388,000	\$1,952,000	19.9%
2010/2011	\$427,000	\$2,134,000	20.0%
2011/2012	\$401,000	\$2,145,000	18.7%
2012/2013	\$538,000	\$2,338,000	23.0%

2013/2014	\$512,000	\$2,609,000	19.6%
2014/2015 (budgeted)	\$501,000	\$2,663,000	18.8%
2015/2016 (budgeted)	\$458,000 (46 week year)	\$2,633,000	17.4%

The above table shows that currently the Aquatic Centres are not meeting their private/public split target. Through the upcoming Community Services review, a number of options will be considered for both alternative revenue streams and operational cost efficiencies. If income can be increased outside of increasing admission fees and operational costs can be decreased then this will be beneficial for both the general ratepayers and for users of the Aquatic Centres. These investigations will be working towards achieving the current private/public split in the Revenue and Finance Policy of 30-35% to 65-70%.

Recommendation

THAT the proposed Community Services Review and current Recreation and Aquatics Needs and Opportunities Analysis considers the overall operation of the Aquatic Centres, including alternative revenue streams for Aquatic Centres and opportunities for reduced operating costs.

Topic 10: Levin Swimming Club

Submissions

Submission No. 235 Jacqui Kerrins and 241 Levin Swimming Club

Summary of Submissions

The submitted have made a number of comments in regards to the proposed Community Services review, the proposed Aquatics Swim School fees and Charges (addressed in separate topic) and the ongoing relationship between Aquatics Horowhenua and the Levin Swimming Club.

Analysis

Swim schools are defined as when an organisation is offering structure classroom to individuals or groups who are unable to comfortably swim 100m. In regards to the Levin Swimming Club, this organisation would not be considered a swim school, as all members are required to be able to swim 100m competently before entering the coaching programme, as per the MOU signed between the Levin Swimming Club and Council.

As part of the recommended Community Services Review, it is expected that the independent reviewer will hold a number of focus groups and/or interviews with users and other relevant individuals and groups. The Levin Swimming Club would be invited to contribute to this review through this stream.

The Levin Swimming Club offers through their submission to continue to work collaboratively with Aquatics Horowhenua to ensure more young people are able to learn to swim. Officers are appreciative of this offer and look forward to continuing the positive partnership between the two organisations.

Recommendations

THAT Council continues with signing Memorandums of Understanding with all users of Horowhenua Aquatic Centres and that users groups (including the Levin Swimming Club) are engaged with through the proposed Community Services Review and current Recreation and Aquatics Needs and Opportunities Analysis.

Topic 11: Foxton Aquatic Centre

Submissions

Submission No. 229 Foxton Community Board

Summary of Submissions

The Foxton Community Board have submitted requesting that the front area of the Foxton Aquatic Centre is fenced in, to allow secure space for events and hire.

Analysis

Discussion in regards to fencing at Foxton Aquatic Centre has been going on for a number of years, particularly since the outdoor pool was closed. Currently, work is being undertaken in regards to the Foxton Aquatic Centre building, and potential requirements in regards to maintenance of the building, including ventilation and cooling. Ventilation and HVAC systems may need to be considered in the future since the indoor pool is now heating.

Since this work is still ongoing (monitoring is due to be carried out over the 2015 winter), it is recommended that any fencing is considered at the same time as the ventilation work is complete. This could provide cost savings if any required work is completed at the same time. Any required budget for either fencing or building work would need to be included as capital budget in a future Annual Plan or Long Term Plan.

Recommendation

The Council acknowledges the submission from the Foxton Community Board and recommends that Officers carry out further research into the Foxton Aquatic Centre, in conjunction with the current ventilation project, with any recommendations for Capital Expenditure to be reviewed for the 2016/2017 Annual Plan.

Topic 12: Libraries and Community Centres

Submissions

Submission No. 46 Tokomaru Village and Community Association and 52 Paul Smith

Summary of Submissions

The submitters Tokomaru Village and Community Association (no change until after review) and Paul Smith (user pays), request that the rating system and operating model of Libraries and Community Centres are reviewed.

Analysis

The proposed Community Services Review will consider the operating model of Libraries and Community Centres, including a number of items that the Tokomaru Village and Community Association suggest. The review will not be considering the rating model. This issue is addressed under a separate topic under the Finance Report.

Under Council's Revenue and Finance Policy (extract in below table), Libraries and Community Centres are currently set to be funded at a split of 75-85% Public (through a targeted rate) and 15-25% Private (through fees and charges).

Community Outcomes	The following Community Outcome is enhanced with the provision of Libraries and Community Centres, "A community of knowledge, culture and diversity where people are proud to live".
Who Benefits	Only library card users are able to use the Library. Books can only be borrowed and used by one library card holder at a time. Often people are willing to pay for a library to ensure they have access even if they are not current users. Libraries are seen as core business and an essential service that needs to be preserved for the main urban centres of the Horowhenua District. Educational costs to other institutions such as universities and schools are lowered due to the resources held in the library.

Period of Benefit	Benefits accrue in the year the costs are incurred. Capital expenditure will benefit future periods in line with resultant asset lives. The capital costs will be evenly allocated to operating expenditure over the life of the asset by use of loan interest and repayments costs and straight line depreciation costs.
Whose acts create a need	Borrowers who retain items issued from the libraries beyond the loan period are exacerbators, since they are limiting access to other potential readers. Renewal and overdue fees are charged as well as the cost of lost books.
Separate funding	A Targeted rate would aid in the transparency and accountability to residents of the District. Through a Targeted rate using a fixed charge to every used or inhabited part of any rating unit across the District. Capital expenditure for the new facilities will be funded by loan with interest payments funded through the fixed charge rate. Book renewals, asset renewals, and loan capital repayments will be funded from the Targeted rate overtime.
Funding Source	Public good- Targeted rate: 75-85% Private Benefit - Fees and Charges: 15-25% However the private benefit is retained by the Te Horowhenua Trust to offset the cost Council's grant to the Trust. Council will therefore fund the Library grant and asset/debt costs 100% from a Targeted rate.

Recommendation

THAT the proposed Community Services Review goes ahead and includes engaging with relevant user groups of these respective facilities.

Topic 13: Safer Communities Accreditation

Submissions

Submission No. 170 Public Health Services

Summary of Submissions

The submitter requests that Council reconsider working towards becoming an accredited Safer Communities, in conjunction with the Social Sector Trial.

Analysis

During the Annual Plan process of 2014/2015, Council resolved to investigate becoming an accredited Safe Community. The Safer Communities Model is a World Health Organisation (WHO) concept that delivered in New Zealand by the Safe Communities Foundation NZ (SCFNZ). The purpose of Safer Communities framework is to create safer environments and increase the adoption of safer behaviours by building the capacity of communities to address and reduce risk factors associated with causes of injuries and crime and promote safer environments and a positive safety culture. Applications for accreditation incur a \$2000.00 fee in the case of national accreditation, and approximately \$11,000.00 in the case of international accreditation. Accreditation requires renewal every 5 years.

The Community Wellbeing Executive considered this matter (alongside a number of other accreditation programmes) at their 21 April 2015 meeting. At this meeting the Executive passed the following resolution.

THAT because of the resource involved in accreditation programmes and the variety of programmes available, the Community Wellbeing Executive recommends discontinuing pursuit of any community accreditation programmes at this time.

Recommendation

THAT Council does not pursue the Safer Communities accreditation programme at this time.

Topic 14: Te Awahou-Nieuwe Stroom

Submissions

Submission no 23, 25, 44, 46, 59, 120, 179-182, 184-187, 190, 191, 193, 200, 202, 203, 206, 210, 211, 219, 229, 239, 246, 250, 251, 261 and 266. - Chris Thompson, Anthony Strawbridge, Marilyn Cranson, Tokomaru Village and Community Association C/- Rachael Ward, Warwick Meyer, Graham Dawson, Lisbeth Koomen, George Dubrau, Anna van der Dussen, Jannie Groeneweg, Anne-Marie Knibbeler, - Horowhenua Farmers Ratepayers Group c/- Ann Thomas, Allan Lee, Grant Hewison, Susanne Knibbeler, NZ Netherlands Society Wellington c/- Jeltsje Keizer, InStudio Ltd, C/- Johan van Westen, Renee van de Wetering, Pamela Good, Brian & Ann Thomas, Yolande van de Wetering, Ineke Zegwaard, NZ Netherlands Society Waikato, c/- Kees Zegwaard, Tane van der Boon, , Foxton Community Board, Gaylyn & Ross Bennett, Kiri Hayes, Linda Rawlings, Michael Nash, Michelle Ingela Kempthorne and Anne Hunt.

Summary of Submissions

The submitters have highlighted a variety of views in regards to the development of Te Awahou-Nieuwe Stroom. Of the 32 submissions received on the Te Awahou-Nieuwe Stroom 19 were in support of the proposed development commenting that Foxton and the community had waited sometime for this development. The remaining 13 submitters want the Council to concentrate on core infrastructure and not the 'nice to haves'. These submitters were also concerned about the on-going operational costs, a number of them commenting that Foxton needed a new library.

Analysis

Discussions and collaborative working relationships have been developed over the year as work continues on the establishment of a National Dutch Museum, a Maori Arts and Cultural Centre and a new library facility for Foxton has been underway for a number of years. Design work is currently underway for the proposed re-development and is contingent upon receiving funding from Lotteries Community Facilities, Lotteries Significant Projects and other funding sources.

The Te Awahou-Nieuwe Stroom project is currently on-going and subject to a report back to Council (and Council decision) once the outcome of the funding applications is known.

Recommendation

THAT Officers continue with coordinating funding arrangements for Te Awahou-Nieuwe Stroom, and proceeding with design work to report back to Council once the outcome of funding applications is known.

Topic 15: Opening Hours at Foxton Library and Shannon Library

Submissions

Submission No. 73 Bernice Singleton; 141 Neville Gimblett and Te Horowhenua Trust draft Statement of Intent 2015/2016.

Summary of Submissions

Submitters requested that the opening hours of District Libraries (Shannon and Foxton) be reviewed. Te Horowhenua Trust in its draft Statement of Intent 2015/2016 provided an opportunity for Council during the Long Term Plan 2015-2025 process to consider whether Council would wish to increase the 2015/2016 operational grant to Te Horowhenua Trust to cater for longer opening hours in Foxton and Shannon.

Analysis

Horowhenua District Council contracts Te Horowhenua Trust to deliver Library and Community Services on its behalf. The Te Horowhenua Trust (THT) is a Council Controlled Organisation

(CCO) as defined in the Local Government Act 2002 (the Act). The Act establishes a number of accountability requirements in respect of CCOs, including the need for the organisation to prepare a Statement of Intent (SOI) each year. THT met its statutory obligation to deliver its draft Statement of Intent before 1 March 2015.

The Draft Statement of Intent indicated a budget that aligned with what Council had budgeted in its Draft Long Term Plan 2015-2025.

The Draft SOI however, provided Council an opportunity to consider whether Council would wish to increase the 2015/2016 operational grant to Te Horowhenua Trust to cater for longer opening hours in Foxton and Shannon. This is currently unfunded, and to enable full day opening hours at both Foxton and Shannon, a further \$25,000.00 would be required to the Te Horowhenua Trust operational grant.

During the LTP process, some submissions raised concerns at the increased costs in the Library and Community Services activity. To increase the operational grant by a further \$25,000.00 would increase this further. Equally, some submissions requested that Council consider extending the opening hours of both Foxton and Shannon Libraries. In addition it is important to note that Council has also received anecdotal feedback, and some formal written correspondence outside of the Long Term Plan process requesting that Council increase the hours at Foxton and Shannon.

Council is completing a review of its Community Services during Year 1 of the Long Term Plan. Council may choose to not increase the operational grant until such time that this review is completed.

Recommendation

THAT Council allocates a further \$25,000.00 to the Te Horowhenua Trust operational grant to allow for increased hours at Foxton Library and Shannon Library

OR

THAT Council does not allocate a further \$25,000.00 to the Te Horowhenua Trust operational grant and awaits the completion of the Community Services Review.

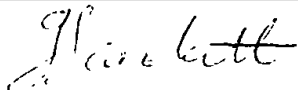

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Gina Scandrett Community Engagement Manager	
Approved by	Monique Davidson Group Manager - Customer and Community Services	

Draft Long Term Plan 2015/2025 - Foxton Beach Freeholding Account

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the Foxton Beach Freeholding Account.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Foxton Beach Freeholding Account be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That Council allocate \$1,000,000 (\$100,000 per annum) from the Foxton Beach Freeholding Account towards parks and reserves in Foxton Beach over 2015-2025.
- 2.4 That the Council allocates \$83,000 from the Foxton Beach Freeholding Account for the purposes of replacing the culvert and associated catchment works at Whitebait Creek.
- 2.5 That Council allocates \$500,000 from the Foxton Beach Freeholding Account towards Te Awahou-Nieuwe Stroom.

3. Topics for Consideration

Topic 1	Parks & Reserves
Topic 2	Whitebait Creek
Topic 3	Te Awahou-Nieuwe Stroom

Topic 1: Parks & Reserves

Submissions

Submission No. 7 (Nigel Crockett), 48 (Geoffrey McBrydie), 58 (Don & Jude Marshall), 74 (Janice Goodburn), 79 (Diane & Stephen Mead), 107 (Judy Brain), 108 (Ian & Jo Hopkirk), 119 (Robert Hoskins), 141 (Neville Gimblett), 159 (Greypower), 164 (Carol & Lyall Bilerbeck), 174 (Ewen Robertson), 177 (Christina Paton), 229 (Foxton Community Board), 233 (Deborah Gimblett), 243 (Christopher Pauiter), 244 (Aubery Lane), 250 (Linda Rawlings), 262 (Ellen Vertongen).

Summary of Submissions

Council is required to consider whether they grant \$1,000,000 from the Foxton Beach Freeholding Account to be allocated towards parks and reserves in Foxton Beach over 2015-2025 based on the current information available. Through the draft LTP consultation process 18 submissions were received from Foxton Beach residents on this matter, eight of which were in support of using \$1,000,000 for parks and reserves in Foxton Beach from the Freeholding Account. Five submissions were not in support of this proposal, and an additional five submissions were not clear as to whether they supported the proposal or not.

Analysis

During 2014, the Foxton Community Board discussed their priorities for the Foxton and Foxton Beach areas over the next ten years. One of these priorities was in regards to parks and reserves, in particular, those in the Foxton Beach area. The Community Board requested to include in the draft LTP 2015-2025 consultation process a question for Foxton Beach residents, as to whether or not they would support \$100,000 from the Foxton Beach Freeholding Account being used for parks and reserves in Foxton Beach each year for the next ten years (a total of \$1,000,000 between 2015 and 2025).

Through the draft LTP consultation process 18 submissions were received from Foxton Beach residents on this matter, eight of which were in support of using \$1,000,000 for parks and reserves in Foxton Beach from the Freeholding Account. Five submissions were not in support of this proposal, and an additional five submissions were not clear as to whether they supported the proposal or not.

The goal of the Freeholding Account is to enhance the wellbeing of inhabitants of Foxton Beach. The Account shall be managed in such a way as to assist the inhabitants of Foxton Beach in accessing or benefiting from services and amenities in the present, and to maintain the ability to continue to do so in the future.

Section 13(14) of the Reserves and Other Lands Disposal Act 1968 provides that –

“The Council shall from time to time spend the net proceeds from the sale or lease of any of the endowment land on the provision of services and public amenities for the benefit of the inhabitants of Foxton Beach Township”

Prior to the enactment of this provision the use of proceeds was governed by section 21(5) (b) of the Reserves and Other Lands Disposal Act 1956 which provided that –

“The Corporation shall expand the net revenue received from the endowment area, firstly, in payment by instalments of the amount determined as aforesaid to the Crown, and therefore exclusively for the improvement and maintenance of roads and other amenities within the boundary of the Foxton Beach Township”

The wording of the 1968 provision gives significantly more discretion than the wording of the 1956 provision. While the 1956 provision restricts expenditure to amenities within the Foxton Beach Township, the 1968 provision permits the use of proceeds for the benefit of the inhabitants of the Foxton Beach Township.

The use of funding from the Foxton Beach Freeholding Account towards parks and reserves in the Foxton Beach area meets the criteria of this provision. It is expected that if this funding was granted, a thorough community engagement process would be led alongside the development of Reserve Management Plans to determine how this funding would be spent.

Council now needs to consider the further information provided at hearings from the submitters, and decided on one of the three following options:

- To allocate \$1,000,000 from the Foxton Beach Freeholding Account towards parks and reserves in Foxton Beach over 2015-2025
- To allocate an alternative amount from the Foxton Beach Freeholding Account towards parks and reserves in Foxton Beach over 2015-2025
- Not to allocate \$1,000,000 from the Foxton Beach Freeholding Account towards parks and reserves in Foxton Beach over 2015-2025

Officers recommendation is that Council allocates \$1,000,000 from the Foxton Beach Freeholding Account towards parks and reserves in Foxton Beach over 2015-2025.

Recommendation

THAT Council allocate \$1,000,000 (\$100,000 per annum) from the Foxton Beach Freeholding Account towards parks and reserves in Foxton Beach over 2015-2025.

Topic 2: Whitebait Creek

Submissions

Submission No. 48 (Geoffrey McBrydie), 58 (Don & Jude Marshall), 74 (Janice Goodburn), 79 (Diane & Stephen Mead), 107 (Judy Brain), 108 (Ian & Jo Hopkirk), 119 (Robert Hoskins), 141 (Neville Gimblett), 142 (R.H. Hoskins), 159 (Greypower), 164 (Carol & Lyall Bilerbeck), 174 (Ewen Robertson), 177 (Christina Paton), 229 (Foxton Community Board), 243 (Christopher Pauiter), 244 (Aubery Lane), 250 (Linda Rawlings).

Summary of Submissions

Council is required to consider whether they grant \$83,000 from the Foxton Beach Freeholding Account to the Whitebait Creek project. Through the draft LTP consultation process 17 submissions were received from Foxton Beach residents on Whitebait Creek, ten of which were in support of using \$83,000 from the Foxton Beach Freeholding Account for replacing the culvert and catchment works. Three submissions were not in support of this proposal, and an additional four submissions were not clear as to whether they supported the proposal or not.

Analysis

On 17 November 2014 the Foxton Community Board resolved to consult with the Foxton Beach community through the draft LTP 2015-2025 on whether to use \$83,000 from the Foxton Beach Freeholding Account to replace the Whitebait Creek culvert and catchment works.

This was further supported by Council when adopting the Draft Long Term Plan 2015-2025.

The goal of the Freeholding Account is to enhance the wellbeing of inhabitants of Foxton Beach. The Account shall be managed in such a way as to assist the inhabitants of Foxton Beach in accessing or benefiting from services and amenities in the present, and to maintain the ability to continue to do so in the future.

Section 13(14) of the Reserves and Other lands Disposal Act 1968 provides that –

“The Council shall from time to time spend the net proceeds from the sale or lease of any of the endowment land on the provision of services and public amenities for the benefit of the inhabitants of Foxton Beach Township”

Prior to the enactment of this provision the use of proceeds was governed by section 21(5) (b) of the Reserves and Other Lands Disposal Act 1956 which provided that –

“The Corporation shall expend the net revenue received from the endowment area, firstly, in payment by instalments of the amount determined as aforesaid to the Crown, and therefore exclusively for the improvement and maintenance of roads and other amenities within the boundary of the Foxton Beach Township”

The wording of the 1968 provision gives significantly more discretion than the wording of the 1956 provision. While the 1956 provision restricts expenditure to amenities within the Foxton Beach Township, the 1968 provision permits the use of proceeds for the benefit of the inhabitants of the Foxton Beach Township.

The use of funding from the Foxton Beach Freeholding Account for the purpose of replacing the culvert and associated catchment works at Whitebait Creek is deemed to fit the criteria of the provision.

Council now needs to consider the further information provided at hearings from the submitters, and decided on one of the three following options:

- To allocate \$83,000 from the Foxton Beach Freeholding Account for the purposes of replacing the culvert and associated catchment works at Whitebait Creek.
- To allocate an alternative amount from the Foxton Beach Freeholding Account for the purposes of replacing the culvert and associated catchment works at Whitebait Creek.
- Not to allocate \$83,000 from the Foxton Beach Freeholding Account for the purposes of replacing the culvert and associated catchment works at Whitebait Creek.

The Officer's recommendation is that Council allocates \$83,000.00 from the Foxton Beach Freeholding Account for the purposes of replacing the culvert and associated catchment works at Whitebait Creek.

Recommendation

THAT the Council allocates \$83,000 from the Foxton Beach Freeholding Account for the purposes of replacing the culvert and associated catchment works at Whitebait Creek.

Topic 3: Te Awahou-Nieuwe Stroom

Submissions

Submission No. 7 (Nigel Crockett), 48 (Geoffrey McBrydie), 58 (Don & Jude Marshall), 74 (Janice Goodburn), 79 Diane & Stephen Mead, 90 (Save our River Trust (SoRT)), 107 (Judy Brain), 119 (Robert Hoskins), 122 (Chrissy & Charlie Pedersen), 141 (Neville Gimblett), 159 (Greypower), 164 (Carol & Lyall Bilerbeck), 174 (Ewen Robertson), 177 (Christina Paton), 229 Foxton Community Board, 233 (Deborah Gimblett), 243 (Christopher Pauiter), 244 (Aubery Lane), 250 (Linda Rawlings), 266 (Anne Hunt).

Summary of Submissions

Council are required to consider whether they grant \$500,000.00 from Foxton Beach Freeholding Account to the Te Awahou-Nieuwe Stroom project. Through the draft LTP consultation process 18 submissions were received from Foxton Beach residents on this matter, seven of which were in support of using \$500,000 from the Foxton Beach Freeholding Account to go towards Te Awahou-Nieuwe Stroom. Seven submissions were not in support of this proposal, and an additional four submissions were not clear as to whether they supported the proposal or not.

Analysis

On 4 February 2015, Horowhenua District Council resolved to consult with the Foxton Beach community through the draft LTP 2015-2025 on whether to allocate \$500,000 from the Foxton Beach Freeholding Account towards the Te Awahou-Nieuwe Stroom project in Foxton.

This decision followed a unanimous resolution from the Foxton Community Board, who requested to Council that this issue be consulted on.

The goal of the Freeholding Account is to enhance the wellbeing of inhabitants of Foxton Beach. The Account shall be managed in such a way as to assist the inhabitants of Foxton Beach in accessing or benefiting from services and amenities in the present, and to maintain the ability to continue to do so in the future.

Section 13(14) of the Reserves and Other lands Disposal Act 1968 provides that –

“The Council shall from time to time spend the net proceeds from the sale or lease of any of the endowment land on the provision of services and public amenities for the benefit of the inhabitants of Foxton Beach Township”

Prior to the enactment of this provision the use of proceeds was governed by section 21(5) (b) of the Reserves and Other Lands Disposal Act 1956 which provided that –

“The Corporation shall expand the net revenue received from the endowment area, firstly, in payment by instalments of the amount determined as aforesaid to the Crown, and therefore exclusively for the improvement and maintenance of roads and other amenities within the boundary of the Foxton Beach Township”

The wording of the 1968 provision gives significantly more discretion than the wording of the 1956 provision. While the 1956 provision restricts expenditure to amenities within the Foxton Beach Township, the 1968 provision permits the use of proceeds for the benefit of the inhabitants of the Foxton Beach Township.

The use of funding from the Foxton Beach Freeholding Account towards Te Awahou-Nieuwe Stroom is deemed to fit the criteria of the provision.

It is a reasonable expectation that inhabitants of Foxton Beach Township would use and benefit from the community facility “Te Awahou-Nieuwe Stroom”

Council has previously received legal advice in regards to use of the Foxton Beach Freeholding Account and can confirm that Council would be acting within the provisions of the act if they were to allocate \$500,000 from the Foxton Beach Freeholding Account to the Te Awahou Nieuwe Stroom project. Council have previously granted money to the *Te Waiora*, *Foxton and Foxton Beach’s Community Health Centre and Foxton Aquatic Centre*.

This legal advice is protected under legal privilege, and should not be made available under the Local Government Official Information and Meetings Act without further legal advice. Council has also received advice from the Department of Internal Affairs who have confirmed the position above in relation to the use of the funds.

Council now needs to consider the further information provided at hearings from the submitters, and decided on one of the three following options:

- To allocate \$500,000 from the Foxton Beach Freeholding Account towards Te Awahou-Nieuwe Stroom
- To allocate an alternative amount from the Foxton Beach Freeholding Account towards Te Awahou-Nieuwe Stroom
- Not to allocate \$500,000 from the Foxton Beach Freeholding Account towards Te Awahou-Nieuwe Stroom

Officer’s recommendation is that Council allocates \$500,000 from the Foxton Beach Freeholding Account towards Te Awahou Nieuwe Stroom.

Recommendation

THAT Council allocates \$500,000 from the Foxton Beach Freeholding Account towards Te Awahou-Nieuwe Stroom.



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Monique Davidson Group Manager - Customer and Community Services	
Approved by	David Clapperton Chief Executive	

Draft Long Term Plan 2015/2025 - Parks and Reserves

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to Council's Parks & Reserves Activities.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Parks and Reserves be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That Council acknowledges, with thanks, the submission from Tokomaru Village and Residents Association and confirms that officers will be undertaking a district wide review of sports field provision during the 2015/2016 financial year.
- 2.4 That Council acknowledges the submission from Rebbecca Nancy-anne Noaro but will maintain the site as a car-park as this is the best use of the site currently.
- 2.5 That Council Officers assess the resource required to deliver an active transport (cycleway and walkway) strategy within, and across the Horowhenua District.
- 2.6 That Council Officers assess the opportunity to partner with other statutory, voluntary, and private stakeholder organisations in delivering an integrated cycleway and walkway strategy.
- 2.7 That Council acknowledges the submission from Mr Orpin and will further investigate the options to establish a disc golf facility at Kowhai Park or some other appropriate location subject to consultation with users.
- 2.8 That Council acknowledges the submission from Judy Christine Bain but recommends any picnic/seating facilities are provided in the immediate vicinity of the surfaced car-park and formal access to the beach.
- 2.9 That Council at this juncture continues to maintain reserves in the local vicinity as reserve.
- 2.10 That Council acknowledge the submission from Pamela Good and hopes to continue a productive dialogue with Levin Adventure Park stakeholders to achieve a positive outcome for the community and visitors moving forwards.
- 2.11 That Council acknowledges the submission from Kelvin Lane and confirms a draft management plan is in place, and regular meetings of the Manawatu Estuary Management team will continue.
- 2.12 That Council Officers undertake to upgrade the Hokio Beach playground to be installed during winter of 2015, and further to this that Officers assist the Progressive Association in endeavouring to get longer-term access to the site on a formal basis.
- 2.13 That Council Officers undertake some felling of the trees opposite the junction of Hokio Beach Road and Proctor Street and pruning and felling of selected trees on the left hand side of Hokio Beach Road as you exit from Procter street to be completed within existing budgets.
- 2.14 That Council officers review the existing Reserve Management Plan for Waitarere Beach foreshore reserve as a priority with a view to identifying a current and integrated approach to management of the area.

- 2.15 That Council acknowledges the submission from Mr Hine, and updates its Reserve Management Plans for Waitarere Domain and Beach foreshore, and prepare one for the Wairarawa stream reserve
- 2.16 That Council Officers undertake a review of the play equipment at the Waitarere Domain to determine its current condition and evaluate the demand for additional playground equipment for older children.
- 2.17 That Council Officers will look at options for resealing discrete areas of tarmac close to the BBQ area in the Waitarere Domain.
- 2.18 That Council Officers will review existing toilet provision to determine whether it meets demand at the Waitarere Domain.
- 2.19 That Council acknowledges, with thanks, the submission from Mr & Mrs Thomas and will undertake a review of sportsfield provision in 2015/2016. Successive reviews of reserves may follow thereafter.
- 2.20 That Council does not consider the sale of Tokomaru Domain at this time but works with the group to define their leisure and recreation requirements including whether the establishment of a new domain closer to the village is achievable and sustainable.
- 2.21 That Council agree in principle to looking at options to establish a stop-over site in Foxton for self-contained vehicles and that Officers will investigate options on the basis that any such site not be in an area zoned for commercial or industrial development unless on a temporary basis.
- 2.22 That Council does not commit to expenditure of \$100,000 but that Council Officers continue to work with the Community Board to establish the cost of lighting the water tower and Seaview Gardens as part of an overall improvement package for reserve.
- 2.23 That any proposals to improve Seaview Gardens are in the context of developing the site further as part of other local initiatives.
- 2.24 That Council will continue to manage coastal dunes at Foxton Beach on an annual basis according to priority.
- 2.25 That Council Officers prioritise an updated Reserve Management Plan for Foxton Beach foreshore.
- 2.26 That Council Officers consider further beautification works at Target Reserve in the context of other Community and Council driven initiatives, and an overall Reserve Management Plan for the site.
- 2.27 That Council will continue to evaluate options for the velodrome/cycle-track at the Levin Domain.
- 2.28 That Council Officers assess the need for a toilet at Foxton Cemetery and whether there is sufficient room at the site to establish one without negatively impacting on the Cemetery.
- 2.29 That Council acknowledges, with thanks, the submission from Mr Murdoch on behalf of both SoRT and Foxton Wildlife Trust but does not recommend the allocation of the funds requested at this juncture.
- 2.30 That Council Officers continue to liaise with SoRT, Foxton Wildlife Trust, and other stakeholders in relation to local improvements set against the relevant strategic documents.

3. Topics for Consideration

Topic 1	Parks and Reserves
Topic 2	Use of Shannon Station Carpark as a caravan site

Topic 3	Cycling and Walking Strategy
Topic 4	Disc Golf at Kowhai Park
Topic 5	Marine Parade facilities
Topic 6	Shops on reserve
Topic 7	Levin Adventure Park
Topic 8	Manawatu Estuary
Topic 9	Hokio Road Playground
Topic 10	Tree works
Topic 11	Waitarere Beach dunes
Topic 12	Walkways and forest access
Topic 13	Strategic Plan Development
Topic 14	Expenditure
Topic 15	Tokomaru Domain
Topic 16	Waitarere Domain
Topic 17	Camper-van park Foxton
Topic 18	Lighting
Topic 19	Foxton Beach car-park
Topic 20	Target Reserve
Topic 21	Levin Domain Cycle Track
Topic 22	Cemetery Toilets
Topic 23	Save our River Trust

Topic 1: Parks and Reserves

Submissions

Submission 46, Tokomaru Village and Community Association (TVACA)

Summary of Submissions

The Tokomaru Village and Community Association considers contributions to parks; reserves; and sports grounds to be high and have requested a review of current provision.

Analysis

Council maintains a significant amount of open space on behalf of the wider community and has recently tendered its grounds maintenance service. The tender process has resulted in a similar price to that previously which indicates maintenance costs reflect the market price.

Council officers will be undertaking a district wide review of sports grounds in 2015/2016 which will identify need; income from sports versus expenditure; and future demand. No review is currently anticipated for other parks and reserves though a subsequent review of those areas may follow.

Recommendation

THAT Council acknowledges, with thanks, the submission from Tokomaru Village and Residents Association and confirms that officers will be undertaking a district wide review of sports field provision during the 2015/2016 financial year.

Topic 2: Use of Shannon Station Car-park for Motor-home Site

Submissions

Submission No. 194 Rebecca Noaro - IDLE

Summary of Submissions

Ms Noaro has suggested that the proposed cancellation of the Capital Connection train means that the car-park will become under-utilised and suggests conversion to a camper van overnight stay to increase tourism in the Shannon area.

Analysis

Horizons who are responsible for the train service have not confirmed the service will cease. Should the service be cancelled at some point in the future a range of options will be considered in the context of any service that might replace it and best overall use of the site.

Recommendation

THAT Council acknowledges the submission from Rebecca Nancy-anne Noaro but will maintain the site as a car-park as this is the best use of the site currently.

Topic 3: Cycling and Walking Strategy

Submissions

Submission 46, Tokomaru Village and Community Association; submission 229 Foxton Community Board; submission 87 Waitarere Beach Progressive and Ratepayers Association, submission 29 Lone and Jens Jorgensen, submission 240 Deborah Burns, submission 133 Sport Manawatu, submission 151 Stephen & Karen Prouse, submission 170 Robert Holdaway, submission 176 Youth Voice.

Summary of Submissions

All submitters are in favour of improving walking and cycling opportunities within and across the district. The submission by Stephen and Karen Prouse indicates such a network should be developed principally on public rather than private land (aspects of this are also addressed under the Regulatory Report: District Plan - Structure Plan).

Analysis

Access to cycling and walking opportunities are important to existing residents, visitors, and are similarly important to those deciding where to live. The Active NZ Survey of 2007/2008 indicated that 64.1% of NZ adults had engaged in walking activities at least once during the preceding 12 month period. A further 22.7% were involved in cycling activities (SPARC, 2007/2008). The five submissions received by HDC in relation to establishing a network of walking and cycling tracks within and across the borough are reflected by a further four requesting that local access to walking and cycling be improved. The proposed establishment of the Horowhenua Cycle and Walkway Development Project Trust is an example of the heightened interest in walking and cycling opportunities. A cursory search of the internet will indicate the importance local authorities apply to walking and cycling.

It's been said that "bicycling and walking are good for public health, good for the environment, good for local economies, and help create vibrant communities" (Alliance for Bicycling and Walking, 2012.) Cycling and walking provide significant environmental, transportation, health and

economic benefits and whilst such benefits are obviously enjoyed at an individual level there are various benefit streams that flow to society from active forms of transportation including:

- reduced health costs (e.g., reduced risks of chronic diseases and ill-health);
- reduced costs related to air pollution and greenhouse gas emissions;
- reduced traffic congestion and increased vehicle operating costs savings;
- increased productivity and reduction of sick days in the workplace; and
- increased demand for recreational/leisure goods and services.

(Resource Systems Group Inc., 2012)

However walkways and cycleways do not only deliver health and recreational benefits. A number of studies have been undertaken that suggest there are significant economic benefits too.

The New York City Department of Transportation includes indicators of economic vitality (sales tax receipts, commercial vacancies, number of visitors) when evaluating street redesigns that add walking, cycling and public transit facilities, change traffic speeds or change vehicle parking conditions (NYCDOT 2013). In several examples, walking, cycling and public transit improvements have improved economic performance:

- Establishing bike paths on 8th and 9th Avenues in Manhattan increased local business retail sales up to 49% compared with 3% borough-wide.
- Expanding walking facilities in Union Square North (Manhattan) reduced commercial vacancies 49%, compared to a 5% increase borough-wide.
- Converting an underused parking lot into a public park on Pearl Street (Brooklyn) increased nearby retail sales volumes by 172%, compared to 18% borough-wide.

(Litman, 2014)

And a number of benefits have been estimated on other economic indicators –

- The effect of walkability on the value of home sales was evaluated on 18,500 home sales in Vermont. The conclusion being that houses located in a walkable neighbourhood were valued at \$6,500 more than those in a car dependent one. This suggests a state-wide increase of approximately \$350 million to home values.
- Visitor expenditures were obtained for over 40 major running and bicycling events taking place across Vermont in 2009. These 40 major events attracted over 16,000 participants which resulted in a \$6 million dollar spend in the local communities taking part

(Resource Systems Group Inc, 2012).

Clearly then access to walking and cycling opportunities have a significant impact on both liveability and economic indices. Taking into account the submissions received in relation to walking and cycling it would suggest there is a groundswell of opinion to improve such opportunities in Horowhenua and that in so doing there is likely to be social; health; and economic gains.

Recommendation

THAT Council Officers assess the resource required to deliver an active transport (cycleway and walkway) strategy within, and across the Horowhenua District.

THAT Council Officers assess the opportunity to partner with other statutory, voluntary, and private stakeholder organisations in delivering an integrated cycleway and walkway strategy.

Topic 4: Disc Golf at Kowhai Park

Submissions

Submission No. 41 Jarved Orpin

Summary of Submissions

Mr Orpin would like to see Council establish a Disc Golf course at Kowhai Park.

Analysis

There is currently no disc golf course in the Horowhenua district, the site suggested (Kowhai Park) is a popular site and is subject to a range of competing demands. It is well-used by dog walkers. There are some large areas at Kowhai Park currently underutilised that might be used for such a pursuit. These are leased as grazing land until 2016. Council officers are happy to further discuss the opportunity to establish a Disc Golf course at a favourable site. However any investment in such a facility will be dependent on the relevant organisation/user group showing there is a demand for the facility, and that such a facility will provide for community outcomes.

Recommendation

THAT Council acknowledges the submission from Mr Orpin and will further investigate the options to establish a disc golf facility at Kowhai Park or some other appropriate location subject to consultation with users.

Topic 5: Marine Parade facilities

Submissions

Submission 107 Judy Christine Brain

Summary of Submissions

Ms Brain would like to see the recreational amenity of Marine Parade improved by the installation of BBQs; pagodas; and seating.

Analysis

Foxton Beach is an extensive beach and sand dune area that requires careful management and a planned approach to any improvements. The natural aesthetics and ecology of the site needs to be preserved and as a consequence any urbanisation with street furniture would need to be considered as an integrated part of a wider plan. Installation of utilities including the installation of power to electric BBQs are unlikely to meet the management criterion of the reserve; are likely to be expensive; require consent; and be prone to vandalism and increased maintenance costs. Improvements of this nature would be more cost effective if installed within the immediate vicinity of the car-park area. Any such facilities that may be installed at a future date outside the immediate car-park area are installed in consideration of the natural aesthetic of the site. The BBQ that has been highlighted for repair is not a Council asset and belongs to the Manawatu Boat Club which is upon DoC land.

Recommendation

THAT Council acknowledges the submission from Judy Christine Bain but recommends any picnic/seating facilities are provided in the immediate vicinity of the surfaced car-park and formal access to the beach.

Topic 6: Shops on reserve

Submissions

Submission 107 Judy Christine Brain

Summary of Submissions

Ms Brain has suggested reserve land be leased to commercial shop owners within the vicinity of Foxton Beach.

Analysis

The Reserves Act does not generally allow for the establishment of commercial outlets on reserves. It is therefore unlikely a retail shop would be in line with the requirements of the Act.

It is worth noting that Council is part way through (submissions have closed) a formal review of the Reserve Management Plan General Policy Document. The General Policy Document (both current and proposed) address commercial activity on reserves. The focus of the objectives and policies are on allowing one-off and temporary commercial activities on reserves where it is compatible with the reserve users. The submitter implies commercial activities of a more permanent nature which would not fit with the one-off and temporary opportunities generally provided for. Through the District Plan review additional land on Signal Street was rezoned Commercial to provide for the opportunities that the submitter seeks. These sites are located close to Holben Reserve and the beach. For these reasons no changes are recommended or considered necessary to Long Term Plan. Existing reserves in the vicinity of Foxton Beach should continue to be maintain for use as reserves.

Recommendation

THAT Council at this juncture continues to maintain reserves in the local vicinity as reserve.

Topic 7: Levin Adventure Park

Submissions

Submission 202 Pamela Good

Summary of Submissions

Mrs Pamela Good would like to thank HDC for its ongoing support for Levin Adventure Park

Analysis

Levin Adventure Park is a local playground destination maintained by HDC. Local residents groups and businesses are active in refurbishment of the equipment

Recommendation

THAT Council acknowledge the submission from Pamela Good and hopes to continue a productive dialogue with Levin Adventure Park stakeholders to achieve a positive outcome for the community and visitors moving forwards.

Topic 8: Manawatu Estuary

Submissions

Submission 163 Kelvin Lane

Summary of Submissions

Mr Lane has concerns about the perceived improper use of the Manawatu Estuary and the associated RAMSAR site for recreation. He would like to see a management plan established for the site.

Analysis:

Manawatu Estuary became a listed Ramsar site in 2005. It has been identified that it is the largest estuary and feeding grounds for wading birds in the lower half of the North Island (Ravine 2007). The Ornithological Society has advised approximately 93 bird species use the site.

In 2007 the Manawatu Estuary Management Team was initiated. This team is made up of local Council representatives; DoC representatives; and various trusts. The Manawatu Estuary Team has updated the management plan for the site and had a meeting on 11th May to discuss the implementation of the plan. Key organisations will continue to meet to best manage this important local site.

Recommendation:

THAT Council acknowledges the submission from Kelvin Lane and confirms a draft management plan is in place, and regular meetings of the Manawatu Estuary Management team will continue.

Topic 9: Hokio Road Playground

Submissions

Submission 228 Hokio Progressive Association

Summary of Submissions

Hokio Progressive Association has requested an upgrade of Hokio Beach playground equipment

Analysis

The standard and diversity of play equipment at Hokio Beach is basic. The play equipment is on privately owned land. Prior to installing any additional play equipment it would be beneficial to ensure longer term access is available via a formal agreement. The Progressive Association has offered to assist in discussions with the landowner in ensuring longer-term access. Prior to any potential improvement works there is a need to evaluate the best materials for the environment.

Recommendation

THAT Council Officers undertake to upgrade the Hokio Beach playground to be installed during winter of 2015, and further to this that Officers assist the Progressive Association in endeavouring to get longer-term access to the site on a formal basis.

Topic 10: Tree works

Submissions

Submission 228 Hokio Progressive Association

Summary of Submissions

Hokio Progressive Association has raised concerns about potentially dangerous trees at the junction of Hokio Beach Road and Proctor Street.

Analysis

The trees are sited on two separate sections of land one is Council land the other is on untitled land. The Council owned land at the junction of Hokio Beach Road and Proctor Street, is unused road reserve, known as a paper road. The trees are very closely planted and the close proximity has restricted natural growth of the stand. As such the trees have little amenity or commercial value.

Although the Hokio Progressive Association has raised concerns about the safety of these trees, no immediately dangerous trees have been identified by Officers. Officers are in the process of evaluating the ongoing safety of the trees to determine the necessary action required. Such works may include the total or partial removal of the trees and will take into account the effect such work may have on those trees on the adjacent property. Officers are seeking prices for a partial and clear fell of the trees separately with the cost of such works to be offset by the sale of timber.

In addition Officers have requested prices for pruning/felling trees overhanging the carriageway on the left hand side of Hokio Beach Road as you exit from Procter Street.

Recommendation

THAT Council Officers undertake some felling of the trees opposite the junction of Hokio Beach Road and Procter Street and pruning and felling of selected trees on the left hand side of Hokio Beach Road as you exit from Procter street to be completed within existing budgets.

Topic 11: Waitarere Beach Dunes

Submissions

Submission 87 Waitarere Beach Progressive and Ratepayers Association

Summary of Submissions

Waitarere Beach has an accreting coastline, unlike most of the West Coast beaches in the lower North Island, which are being eroded by wind and sea. Accretion occurs when waves break over longshore bars at sea and sand is moved onshore. The WBPRRA has raised a number of queries in relation to the dunes including:

- Ongoing operational expenditure allocated to dune management;
- Clarification on which Council is responsible for various elements of management of the foreshore; and

Completion of a strategic overview of the dunes and Wairarawa stream ecology.

Analysis

The dunes at Waitarere Beach are constantly accreting and such a dynamic coastline will require ongoing annual management. A Reserve Management Plan for the area was completed in 2000. There is a need to review and update the existing Plan to better facilitate ongoing maintenance of the site.

In respect of Council functions, in general terms the land is currently designated by the Horowhenua District Council (HDC) as Foreshore Reserve. HDC has responsibility to manage these coastal reserves and is also responsible for issuing consents for activities above the mean high water springs under the District Plan.

Under the Resource Management Act 1991 (RMA), Regional Councils are responsible for developing the Regional Coastal Plan for the management of use, development and protection of the Coastal Marine Area. This Plan must be consistent with the purpose and objectives of the New Zealand Coastal Policy Statement, which is prepared by the Minister of Conservation under the RMA. Horizons Regional Council is required to grant or refuse coastal permits for any of the following activities in the Coastal Marine Area:

- building or altering a structure;
- disturbing the foreshore or seabed;
- introducing plants;
- taking gravel or sand from the beach;
- reclaiming or draining the foreshore or seabed;
- discharging waste into coastal water;
- depositing material on the foreshore or seabed; and
- taking or using heat or energy from open coastal water.

Recommendation:

THAT Council Officers review the existing Reserve Management Plan for Waitarere Beach foreshore reserve as a priority with a view to identifying a current and integrated approach to management of the area.

Topic 13: Strategic Plan Development

Submissions

Submission 66 Mr Larry Hine

Summary of Submissions

Mr Hine has indicated that important recreational facilities should be subject to strategic plans to ensure they are in a position to meet user needs and attract visitors.

Analysis

Mr Hine has identified Waitarere Beach, Waitarere Domain, and the Wairarawa Stream walkway as such facilities. The majority of significant reserves are subject to Reserve Management Plans. Reserve Management Plans are the documents used to provide strategic direction at reserve level. There are existing Reserve Management Plans for Waitarere Beach foreshore and Waitarere Domain however these need updating. There is no Reserve Management Plan for Wairarawa Stream reserve.

Recommendation

THAT Council acknowledges the submission from Mr Hine, and updates its Reserve Management Plans for Waitarere Domain and Beach foreshore, and prepare one for the Wairarawa Stream reserve.

Topic 14: Waitarere Domain

Submissions

Submission 87 Waitarere Beach Progressive and Rate Payers Association

Summary of Submissions

The WBPRA has raised a number of sub-issues relating to Waitarere Beach Domain which include

- Improvements to play equipment for older children including the skateboard ramp and basic cycling challenges;
- Chip sealing around park and BBQ areas. WBPRA advises that a degree of resealing is required around the BBQ area; and
- Upgrading of toilet block. The toilet block consists of a single basic unit and there is a need to determine whether the existing provision meets current demand.

Analysis

The play equipment currently at Waitarere Domain is targeted at younger children and the skateboard ramp is a wooden structure that is in poor condition. There is a reasonably large area of unsealed chip adjacent to the BBQ and there is a single toilet unit at the Domain.

Recommendation

THAT Council officers undertake a review of the play equipment at the Waitarere Domain to determine its current condition and evaluate the demand for additional playground equipment for older children.

THAT Council officers will look at options for resealing discrete areas of tarmac close to the BBQ area in the Waitarere Domain.

THAT Council officers will review existing toilet provision to determine whether it meets demand at the Waitarere Domain.

Topic 15: Expenditure

Submissions

Submission 203 Brian and Ann Thomas

Summary of Submissions

Mr & Mrs Thomas are concerned that the cost of maintaining parks and reserves is high and reductions should be achieved where possible by the sale of non-essential land.

Analysis

Council maintains a significant amount of open space on behalf of the wider community and has recently tendered its grounds maintenance service. The tender process has resulted in a similar price to that previously which indicates maintenance costs reflect the market price. Council Officers will be undertaking a district wide review of sports grounds in 2015/2016 which will identify need; income from sports versus expenditure; and future demand. No review is currently anticipated for other parks and reserves though a subsequent review of those areas may follow

Recommendation

THAT Council acknowledges, with thanks, the submission from Mr & Mrs Thomas and will undertake a review of sportsfield provision in 2015/2016. Successive reviews of reserves may follow thereafter.

Topic 16: Tokomaru Domain

Submissions

Submission 46 Tokomaru Village and Community Association

Summary of Submissions

The Village and Community Association would like to see the Tokomaru Domain moved closer to Tokomaru and establish a working party to evaluate its feasibility.

Analysis

The land was Gazetted under the Reserves in 1985 (p1958), as a Recreation Reserve. As such any change of purpose, or revocation of status needs an application to the Minister and to be publicly notified. The Domain is an integral part of Council's green space provision as such it is not anticipated a revocation of its current status is in the interest of the wider Tokomaru community. The organisation has requested the establishment of a new domain closer to the village to be evaluated by a working party. A new domain would likely increase capital and operational expenditure in the area significantly.

Recommendation

THAT Council does not consider the sale of Tokomaru Domain at this time but works with the group to define their leisure and recreation requirements including whether the establishment of a new domain closer to the village is achievable and sustainable.

Topic 17: Camper-van Park Foxton

Submissions

Submission 229 Foxton Community Board

Summary of Submissions

Foxton Community Board has requested the establishment of an overnight site for self-contained motor-homes adjacent to the central precinct.

Analysis

There are a number of initiatives being undertaken locally at Foxton including the development of Te Awahou - Nieuwe Stroom; work to improve flow into the Foxton River Loop; and potential reconfiguration of Main Street. The projects have the intention of regenerating the area and making it a popular destination for tourism and potential residents. The Foxton Community Board has provided anecdotal evidence to suggest there are a number of visitors to Foxton who would like a stopover point that would allow them to visit existing and proposed facilities at Foxton.

There is significant work being done by Foxton Beach Holiday Camp to achieve Top Ten status. The camp is reporting year on year increases in visitor nights and is investing in the facility. However Foxton Community Board are targeting a different market that being overnight visitors passing through Foxton rather than those visiting for an extended stay (three nights or more).

Council have resolved to become a 'motor-home friendly' destination and the provision of such a site locally would tend to support that aspiration. However should the activity to regenerate Foxton be successful there would be a requirement to identify retail and commercial sections locally to support that regeneration. As such it is not proposed that any stop-over site be established in an area zoned for commercial or industrial use unless on a temporary basis.

Recommendation

THAT Council agree in principle to looking at options to establish a stop-over site in Foxton for self-contained vehicles and that Officers will investigate options on the basis that any such site not be in an area zoned for commercial or industrial development unless on a temporary basis.

Topic 18: Lighting

Submissions

Submission 229 Foxton Community Board

Summary of Submissions

The Foxton Community Board has asked Council for a contribution of \$50,000 to light the tower and a further \$50,000 to light Seaview Gardens.

Analysis

The water tower is considered by the local community as a landmark feature in Foxton. It is currently being utilised by several mobile telecommunication providers. Council Officers are investigating the cost of installation of lights. There are other requirements that the various licence holders (telecommunication companies) be notified of, and agree any proposals that may have an implication for their use of the tower/site.

Seaview Gardens is a relatively undeveloped reserve adjoining the carriageway into Foxton. There is little in the way of planting or existing features aside from the water tower. The site has the potential to be developed as a high-quality reserve. The location provides an excellent viewing point over the township and river loop.

Recommendation

THAT Council does not commit to expenditure of \$100,000 but that Council Officers continue to work with the Community Board to establish the cost of lighting the water tower and Seaview Gardens as part of an overall improvement package for reserve.

THAT any proposals to improve Seaview Gardens are in the context of developing the site further as part of other local initiatives.

Topic 19: Foxton Beach car-park

Submissions

Submission 229 Foxton Community Board

Summary of Submissions

The Foxton Community Board wish to ensure that money allocated for dune restoration works at Foxton Beach car-park is spent in restoring the dunes.

Analysis

Foxton Beach has a dynamic coastline and Council Officers have been undertaking planting works to improve the durability of the dunes. Management and restoration of the dunes at Foxton Beach is an ongoing process and a budget is allocated on an annual basis for coastal dune management.

The Reserve Management Plan (RMP) for the Foxton Beach Foreshore guides the management and development of the reserve including the car park area. As the current RMP was prepared in 2009 and it is due to be reviewed and updated. The process of updating the RMP will ensure that it continues to provide appropriate and well informed future direction on the management of this reserve.

Recommendation

THAT Council will continue to manage coastal dunes at Foxton Beach on an annual basis according to priority.

THAT Council Officers prioritise an updated Reserve Management Plan for Foxton Beach foreshore.

Topic 20: Target Reserve

Submissions

Submission 229 Foxton Community Board

Summary of Submissions

The Foxton Community Board has requested ongoing beautification works be undertaken on SH1 as part of local regeneration initiatives within Foxton.

Analysis

A number of beautification works along the border of SH1 and Target Reserve were undertaken in 2012-2013. This included the planting of natives. Any further beautification of the state highway corridor would need to be in the context of local initiatives, and an updated reserve management plan. Any works would need to meet the relevant roading criteria in terms of safety and best practice.

Recommendation

THAT Council Officers consider further beautification works at Target Reserve in the context of other Community and Council driven initiatives, and an overall Reserve Management Plan for the site.

Topic 21: Levin Domain Velodrome

Submissions

Submission 133 Sport Manawatu and submission 228 Hokio Progressive Association.

Summary of Submissions

Sport Manawatu has offered its vocal support to the Levin Cycling Club to repair/rebuild the Velodrome. Hokio Progressive Association does not support repair or replacement of the surface of the Velodrome.

Analysis

An inspection of the Velodrome has been carried out. The existing asphaltic concrete does not provide a suitable ride/surface for its intended purpose and will continue to deteriorate. The surface has failed in multiple areas. Council Officers are investigating the underlying issues and cost of repair/replacement.

Recommendation

THAT Council will continue to evaluate options for the velodrome/cycle-track at the Levin Domain.

Topic 22: Cemetery Toilets

Submissions

Submission 229 Foxton Community Board

Summary of Submissions

Foxton Community Board has requested the establishment of a new toilet block at Foxton Cemetery.

Analysis

There are currently no public toilets at Foxton cemetery and as a result no water or waste-water connections. There is little information available in relation to visitor use or length of visitor stay and no obvious sites at the cemetery where a toilet block could be established. It is consequently necessary to undertake further investigation work to determine whether such a facility would be of benefit, whether there is an appropriate site for it, and if so the level of provision required.

Recommendation

THAT Council Officers assess the need for a toilet at Foxton Cemetery and whether there is sufficient room at the site to establish one without negatively impacting on the Cemetery

Topic 23: Save our River Trust

Submissions

Submission No. 225 Tony Murdoch

Summary of Submissions

Mr Murdoch is seeking \$32,500 on behalf of Save our River Trust (SoRT) to remove weed and silt from Te Awahou stream entrance and stockpile it for 3-6 months on an as yet un-nominated site. As part of the request for \$32,500 Mr Murdoch is seeking funding for ongoing maintenance of recent plantings undertaken by SoRT along the existing river front.

Mr Murdoch is seeking \$38,200 on behalf of Foxton Wildlife Trust to redistribute silt into a raised walkway and planting at the river loop.

Analysis

Council values the relationship with both SoRT and Wildlife Foxton Trust. Council has a Memorandum of Understanding in place with SoRT and is currently in the process of developing a MoU with Wildlife Foxton Trust.

Council remains committed to supporting SoRT in their aspirations, and illustrative of this is through the work they are carry out on Te Awahou Nieuwe Stroom and the Foxton River Loop Project.

De-silting the waterway and stockpiling on land adjacent or close by the area concerned is likely to need resource consents from both Horizons Regional Council and Horowhenua District Council. It is not apparent that such consents have been sought or granted at this point.

The request made by the submitter, requires further discussion and planning. Officers are not in a position to recommend the granting of funding for the request at this stage. It is suggested that further dialogue is required.

Officers will continue to engage in discussion with relation to the Foxton River Loop, with the intention of ensuring all projects related to Foxton are coordinated. It is suggested that discussions related to the submitter's ideas are put forward to the Foxton River Loop via the SoRT working party for discussion.

Recommendation

THAT Council acknowledges, with thanks, the submission from Mr Murdoch on behalf of both SoRT and Foxton Wildlife Trust but does not recommend the allocation of the funds requested at this juncture.

THAT Council Officers continue to liaise with SoRT, Foxton Wildlife Trust, and other stakeholders in relation to local improvements set against the relevant strategic documents.



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Arthur Nelson Property and Parks Manager	
Approved by	Monique Davidson Group Manager - Customer and Community Services	

Draft Long Term Plan 2015/2025 - Property

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to Council's Property Activity.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Property be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That Council acknowledges the submission from Sarah Elliot and makes this suggestion to Te Horowhenua Trust that the Atrium in Te Takere should be rented out for events.
- 2.4 That Council Officers will continue to work on a local Community Facilities Strategy in consultation with local communities.
- 2.5 That Council supports Sport Manawatu in developing a regional sports facility plan.
- 2.6 That Council Officers discuss wider community access to the proposed new surf club facility at Waitarere Beach as part of the lease negotiations with the Surf Club.
- 2.7 That Council Officers continue to develop a Property Strategy taking into account the various factors previously outlined.
- 2.8 That Council confirms Officers have arranged for the installation of a wind screen at the Bath Street bus stop location to mitigate exposure to inclement weather.
- 2.9 That Council Officers complete the Property Strategy by way of informing decisions relating to maintenance/repair of earthquake-prone buildings including the Coronation and Memorial Halls.

3. Topics for Consideration

Topic 1	Renting out of Atrium in Te Takere
Topic 2	Community Facilities Strategy
Topic 3	Community Buildings
Topic 4	Disposal/sale of surplus assets
Topic 5	Relocation of bus stop
Topic 6	Coronation & Memorial Halls (Foxton)

Topic 1: Renting out of Atrium in Te Takere

Submissions

Submission 223 from Sarah Elliot

Summary of Submissions

Sarah Elliot is of the opinion that the Atrium in Te Takere should be rented out for events to assist in maintenance costs.

Analysis

Te Takere is managed by the Te Horowhenua Trust and all spaces within it are managed by that organisation and Income is retained by the organisation.

This suggestion will be passed onto Te Horowhenua Trust, but may also be considered as part of the Community Services Review to be undertaken in 2015/2016.

Recommendation

THAT Council acknowledges the submission from Sarah Elliot and makes this suggestion to Te Horowhenua Trust that the Atrium in Te Takere should be rented out for events.

Topic 2: Community Facilities Strategy

Submissions

Submission 133 (Manawatu Sports Trust)

Summary of Submissions

Sport Manawatu wish to take the lead in writing a regional sports facility plan and is seeking support from Council to do so.

Analysis

Council services are multi-faceted having recreational; economic; cultural; social; and environmental impacts. They similarly cut across a wide range of site-specific communities. Whilst communities have a number of similar requirements each set of requirements will vary in emphasis and the priority apportioned to it/them. It is unlikely a centralised approach will effectively meet the need of a specific community and constituent parts of that wider community.

However regional organisations can add benefit in the context of interpreting trends and producing needs analyses. These may assist in describing regional need as part of an overall nationally integrated service. In addition such organisations can often leverage additional investment.

Recommendation

THAT Council Officers will continue to work on a local Community Facilities Strategy in consultation with local communities.

THAT Council supports Sport Manawatu in developing a regional sports facility plan.

Topic 3: Community Buildings

Submissions

Submission 87 Waitarere Beach Progressive Rate Payers Association

Summary of Submissions

The Waitarere Beach Progressive Rate Payers Association wish to see the proposed new life saving club be available for community use.

Analysis

The Surf Life Saving Club is funding the capital improvement with a ground lease being granted by Council for occupation of the land. The primary function of the new building would be for the

operation of the Surf Life Saving Club; however, during lease negotiations community access outside of core Club hours can be discussed.

Recommendation

THAT Council officers discuss wider community access to the proposed new surf club facility at Waitarere Beach as part of the lease negotiations with the Surf Club.

Topic 4: Disposal/sale of surplus assets

Submissions

Submission 87 Waitarere Beach Progressive Rate Payers Association

Summary of Submissions

The Waitarere Beach Progressive Rate Payers Association wish to be consulted prior to disposal of community assets within Waitarere Beach

Analysis

There are a number of assets within the Waitarere Beach area owned by Council requiring various works. All will be subject to a Property Strategy which will be informed by a Community Facilities Strategy. Recommendations for disposal will take into account regulatory requirements such as earthquake strengthening, developmental opportunities, local need, and community benefit.

Recommendation

THAT Council Officers continue to develop a Property Strategy and will liaise with the Waitarere Beach Progressive Rate Payers Association on this matter.

Topic 5: Relocation of bus stop

Submissions

Submission 112 Andrew Hyslop

Summary of Submissions

Mr Hyslop has queried the relocation of the bus stop from the Mall car park to Bath Street and has indicated that the new location for the bus stop on Bath Street is cold and exposed to weather

Analysis

The bus stop was relocated from the Mall car-park outside Farmer's because the road surface did not have the weight bearing capacity to handle buses. This resulted in significant damage to the site and the requirement for ongoing repairs of the surface. In addition there were Health & Safety concerns (trips etc), and potential conflict between larger vehicles and high foot traffic.

The bus stop was subsequently moved to Bath Street and a number of queries/complaints were received about the site being exposed to inclement weather.

Recommendation

THAT Council confirms Officers have arranged for the installation of a wind screen by the end of May 2015 at the Bath Street bus stop location to mitigate exposure to inclement weather.

Topic 6: Coronation & Memorial Halls (Foxton)

Submissions

Submission 229 Foxton Community Board

Summary of Submissions

The Foxton Community Board has requested that Council contribute 50% to roof repairs at Coronation Hall and undertake seismic strengthening works at Foxton Memorial Hall in order to achieve ongoing use of the facilities.

Analysis

Coronation Hall is currently utilised by MavTec as an interactive museum covering a range of niche interests from photography to recreational music. The building is rated at less than 34% of the new building standard (NBS) and has issues relating to weather tightness. The Memorial Hall is rated at less than 34% of new building standard. The venue requires significant investment to bring it up to 40% of NBS.

There are a number of buildings within Foxton requiring various works and consequently there is a need to undertake a cost/benefit analysis of existing assets given the ongoing developments within the Foxton area including the Te Awahou - Nieuwe Stroom facility.

Should Te Awahou - Nieuwe Stroom and other projects effect local regeneration as envisaged, there is likely to be a corresponding demand for commercial sections. Consequently Council's approach to its asset base needs to reflect existing condition; need; use; and future demand.

Council Officers are in the process of producing a Property Strategy which will in turn be informed by a Community Facilities Strategy. The Community Facilities Strategy will in itself be influenced by recent and proposed projects within the Foxton area.

Recommendation

THAT Council Officers complete the Property Strategy by way of informing decisions relating to maintenance/repair of earthquake prone buildings including the Coronation and Memorial halls

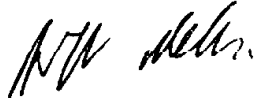

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Arthur Nelson Property and Parks Manager	
Approved by	Monique Davidson Group Manager - Customer and Community Services	

Draft Long Term Plan 2015/2025 - Regulatory Services

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to Regulatory Services.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Regulatory Services be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That the proposal to install a paid parking system in the Levin Mall Car Park is not proceeded with.
- 2.4 That Council conduct a 3 month trial period where the time related parking restrictions in the Levin Mall Car Park are lifted and that a further report come back to Council at the conclusion of the trial addressing the impact on parking availability in the Mall Car Park and a recommended course of action.
- 2.5 That the submission on Liquor Licensing Fees and Charges is noted and that the private/public split be further considered when Council's funding policy is reviewed.
- 2.6 That the submissions on Animal Control Fees and Charges are noted and no further action be taken on these matters.
- 2.7 That the submitter be thanked for their continued interest in this matter and be advised that they will be notified and invited to participate in the development of a LAP for the Horowhenua District when that process commences.
- 2.8 That the submission is noted and at the appropriate time a monitoring programme be undertaken on the use of vehicle parking needs.
- 2.9 That Officers will continue to work with key stakeholders to understand the most effective way forward and the extent of any changes that may be considered necessary to the District Plan. It is possible that a future plan change to the District Plan may be justified following further investigations and allowing time for the implementation of the new rules to be monitored.
- 2.10 That the submission from Stephen and Karen Prouse is noted and they are provided with a copy of the decision on Proposed Plan Variation 1 when the decision is approved by Council.
- 2.11 That the Planning Fees and Charges for 2015/2016 be adopted as per the Long Term Plan Consultation Document 2015/2025.

3. Topics for Consideration

Topic 1	Paid Parking in the Levin Mall Car Park
Topic 2	Animal Control Fees and Charges
Topic 3	Liquor Licensing Fees and Charges
Topic 4	Spending on Parking

Topic 5	Local Alcohol Policy
Topic 6	Eco Design Advisor
Topic 7	Time Limit Parking for Main Street, Foxton
Topic 8	Building Control Fees
Topic 9	District Plan - Rules
Topic 10	District Plan – Structure Plan
Topic 11	Planning Fees and Charges

Topic 1: Paid Parking in the Levin Mall Car Park

Submissions

Submission No. - 4 (Debbie Munro), 6 (Michael Christensen), 8 (Rodney & Jeanette Jamieson), 9 (Graeme Ambler), 11 (Ben Hartle), 12 (Gerd Ruschhaupt), 14 (Mr & Mrs Menzies), 16 (Mike Fletcher), 17 (Sara Bryers), 18 (Robyn & Geoff Fallaize), 19 (Graham Conner), 22 (Alan Prentice), 23 (Chris Thompson), 25 (Tony Strawbridge), 26 (Peter Price), 27 (P. Thompson),; 29 (Lone & Jens Jorgensen), 31 (Gordon & Elizabeth Burr), 32 (Ray & Sandra Hudson), 34 (Bruce & Moira Parsons), 35 (Fiona Bell), 38 (Dorothy Cooper), 40 (Janet & Raymond Rzepecky), 42 (Barry Rollinson), 43 (Raquel de Malmanche), 44 (Marilyn Cranson), 46 (Tokomaru Village and Community Association), 49 (Alexia & Earl Woodmass), 51 (Craig Dewhurst), 52 (Paul Smith), 53 (Janice Smith), Submitter No.55, 56 (Sharon Freebairn), 58 (Don & Jude Marshall), 61 (Kelvin Sherman), 62 (Robert & Helen Harrison), 64 (Murray Staples), 65 (Fred Foothead), 68 (John Dockery), 69 (Raymond Bishop), 71 (Bruce Garratt), 73 (Bernice Singleton), 74 (Janice Goodburn), 75 (Jill Brown), 76 (David Bowker), 77 (Graeme & Patricia Lucinsky), 80 (Sylvia Van Nistelrooy), 84 (Raewyn Tate), 87 (Waitarere Beach Progressive and Rate Payers Association Inc), 92 (Megan Cushnahan), 93 (Steve Atwell), 97 (Charles Davies), 99 (Catherine Madison), 110 (Kevin Metge), 111 (Esther Burns), 112 (Andrew Hyslop), 113 (Arthur & Glenys Woollard), 116 (Maurice & Sophie Campbell), 119 (Robert Hoskins), 120 (Graham Dawson), 123 (Maurice Beach), 126 (Sharyn & Carl Williamson), 127 (Allan Mitchell), 145 (Ross Nicholson), 149 (John Hailwood), 152 (Lorna Thornton), 154 (Charles Rudd), 155 (Robert de Malmanche), 159 (Horowhenua Grey Power Association Ins), 160 (Matthew Poupow), 162 (Graham Smellie), 169 (David Green), 171 (Les & Yvonne Symonds), 172 (Mr D & Mrs V Mercer), 173 (Rosemary Pitt), 176 (Horowhenua Youth Voice 2015), 177 (Christina Paton), 189 (Per Gnatt), 198 (Peter Hamilton & Margaret Hill), 199 (Suzanne Havill), 202 (Pamela Good), 209 (Diana McGill), 212 (Simon Kuiti), 222 (Davey Hughes), 223 (Sarah Elliot), 228 (Hokio Progressive Association), 243 (Christopher Painter) 236 (Jeremy Manks), 238 (Horowhenua Economic Development Board), 239 (Gaylyn & Ross Bennett), 240 (Deborah Burns), 245 (Rosalie Huzziff), 250 (Linda Rawlings), 254 (David Clark), 258 (Warren Harris), 259 (Hamish McDonald), 260 (Justin Wilton), 262 (Ellen Vertongen), 263 (Pat Heskett).

Summary of Submissions

The submitters generally do not support the proposal. Of the 99 submitters, 80 (roughly 80%) were clearly against the proposal and of those that did show support the majority of those suggested that other things should also be considered, such as increasing the length of the initial period of the proposed 'free' parking period from 1 hour up to 4 hours. Many submitters also suggested that a better solution would be to remove the current time restrictions of 2 and 3 hours totally.

Analysis

The options available are to –

- a. Proceed with the proposal to install paid parking in the Levin Mall Car Park as consulted on, i.e. first 1 hour free and then 50 cents per hour thereafter. This option would meet the needs of all possible users of the car park from movie goers, visitors, workers, attendees at activities that

exceed the current time limitations that apply (meetings and conferences) and those whose need is less than one hour. This proposal was not about meters but a coupon type system taken at the point of entry to the car park, and a payment area for people followed by presenting their coupon at a barrier arm exit point. The potential income from this source is envisaged to be approximately \$60,000.00 per year from fees, however given the clear message by submitters this option is not supported at this point in time.

b. Similar to the above however extend the time limits of the initial free period. The effects on revenue would depend upon what any increase in the initial free period would be. However again the real objection to the proposal was the paid parking aspect therefore this option is also not supported.

c. There were a number of submitters who suggested that it would in fact be better to either increase the current time limits that apply (2 hours on the eastern side and 3 hours on the western side), to 4 hours or in fact remove the time restrictions totally. To increase the time limits to 4 hours whilst probably meeting the needs of the majority of users of the car park is not considered practical from an enforcement perspective financially as the timeframes involved would mean it would be highly unlikely that people would exceed the limitation therefore the enforcement becomes labour intensive for potentially an extremely limited return - with the current 2 and 3 hour restriction approximately 700 x \$12.00 infringement notices are issued annually.

d. Some submitters as well as suggesting the removal of all time limit parking in the Mall Car Park also suggested that all parking restrictions, including meters, should be removed. This is a policy matter for Council to deliberate upon, however conducting a trial of no time limitations in the Mall Car Park is supported and this is the preferred option.

e. There is also the option of retaining the status quo in that the current time restrictions apply.

f. Having considered the submissions and taken account of the options above the preferred course of action is to not proceed with the proposal and given the number of submitters that suggested there should not be any time restrictions in the Car Park, there would be merit in conducting a trial period of unrestricted parking which would then allow any impact on parking availability to be gauged and reported back for a final decision to be made.

Recommendation

THAT the proposal to install a paid parking system in the Levin Mall Car Park is not proceeded with.

THAT Council conduct a 3 month trial period where the time related parking restrictions in the Levin Mall Car Park are lifted and that a further report come back to Council at the conclusion of that trial addressing the impact on parking availability in the Mall Car Park and a recommended course of action.

Topic 2: Animal Control Fees and Charges

Submissions

Submission No. 12 (Gerd Ruschhaupt), 26 (Peter Price) and 258 (Warren Harris).

Summary of Submissions

The submitters have commented on the fees and charges relating to Animal Control including that the Pound fees should be increased and the Activity should be self funded from fees and charges.

Analysis

The Private/Public split in the Revenue and Finance Policy for the Dog Control component is 70% - 80% user pays and 20% - 30% rates funded. There was a \$10.00 increase in dog registration fees in 2014/15 and there will be a further \$10.00 increase in registration fees from 1 July 2015, both these increases are in line with Council's previous resolution on this matter. Whilst there has not been an increase in Pound fees any increase does not automatically mean an increase in revenue - in fact it could conceivably decrease income as more dogs are not claimed from the Pound with currently approximately 30% of impounded dogs not claimed.

The current level of fees and charges meet Council's Revenue and Finance Policy and there is currently no need to make further increases.

Recommendation

THAT the submissions be noted and no further action be taken on these matters.

Topic 3: Liquor Licensing Fees and Charges

Submissions

Submission No. 12 Gerd Ruschhaupt; 51 Craig Dewhurst;

Summary of Submissions

The submitters would like to see a reduction in public spending on liquor licensing and would like to see the activity fully funded by fees.

Analysis

The level of fees and charges applied by Council are those that were regulated to apply on the introduction of new legislation in 2012. These increases were designed to offset costs that territorial authorities were incurring in delivering their responsibilities as they relate to liquor licensing matters. Currently Council's Revenue and Finance Policy is 15% - 25% fees and charges and 75% - 85% rates funded. In 2013/14 the activity realised 38% by way of fees and charges and is on track to achieve 40% for the current year, and as a consequence recovery from fees and charges is surpassing the current Revenue and Finance Policy.

Recommendation

THAT the submission be noted and that the private/public split be further considered when Council's funding policy is reviewed.

Topic 4: Spending on Parking

Submissions

Submission No. 51 (Craig Dewhurst).

Summary of Submissions

The submitter states it is difficult to believe that nearly \$500,000 is spent annually on parking even though income is \$260,000 above that figure.

Analysis

Officers note that the Park Activity is self funding and a proportion of the \$500,000 referred to is in fact overheads.

Recommendation

THAT the submission is noted.

Topic 5: Local Alcohol Policy

Submissions

Submission No. 170 (Public Health Services Mid Central Health).

Summary of Submissions

The submitter has reaffirmed their commitment to being part of the development of a Local Alcohol Policy (LAP).

Analysis

A LAP is a mechanism that allows the community to have a say in respect of local liquor licensing matters. The LAP is developed in conjunction with the community and key partner agencies. The development of a LAP is scheduled to commence towards the end of 2015 and Public Health Services will play a key role in that process.

Recommendation

THAT Public Health Services Mid Central Health be thanked for their continued interest in this matter and be advised that they will be notified and invited to participate in the development of a LAP for the Horowhenua District when that process commences.

Topic 6: Eco Design Advisor

Submissions

Submission No. 214 (Andrea Blackmore - Beacon Pathway) and 215 (Andrea Blackmore - Eco Design Advisor Network).

Summary of Submissions

The submitter urges Council to budget for the provision of an Eco Design Advisor for the Horowhenua District.

Analysis

Eco Design Advisors undertake free or low cost in-home consultations with homeowners and provide free phone advice on new home or renovation plans to enable an increase of the understanding of sustainable buildings i.e. assist in maximising the benefits of energy and insulation.

There are currently seven Councils providing this service including Kapiti Coast and Palmerston North Councils. Although officers note the social benefits of encouraging people to building warmer, more energy efficient houses, the provision of an Eco Design Advisor is not considered to be a priority at present, given this would require an increase in operational budget.

Recommendation

THAT the submission is noted.

Topic 7: Time Limit Parking, Main Street, Foxton

Submissions

Submission No. 233 (Deborah Gimblett).

Summary of Submissions

The submitter suggests that there is likely to be increased vehicle traffic in Main Street Foxton with the location of Te Awahou - Nieuwe Stroom (and library), if the project proceeds, and as a consequence there needs to be enforceable time limits imposed on parking in Main Street.

Analysis

There is a possibility that there may be increased demand on parking in Main Street as suggested, however a period of monitoring the impact would need to be carried out on the completion of the development to gauge what that impact may be.

Recommendation

THAT the submission is noted and at the appropriate time a monitoring programme be undertaken on the use of vehicle parking needs.

Topic 8: Building Control Fees

Submissions

Submission No. 258 (Warren Harris).

Summary of Submissions

The submitter states that building fees are too high.

Analysis

The fees and charges that apply in respect of building consents are to ensure that the Council's Revenue and Finance Policy of 80%-90% of the Activity costs are met from this source, with the remaining 10%-20% being the public good component and being covered by rates. The current level of fees and those resolved to apply from 1 July 2015 will ensure the Revenue and Finance Policy is met.

Only those fees and charges that apply to a particular consent are applied and costs are based on the amount of time to process a consent application and the number of inspections that are required to ensure the work has been undertaken in accordance with the approved documentation. Additionally the fees and charges applied are not dissimilar to those that apply elsewhere.

Recommendation

THAT the submission is noted.

Topic 9: District Plan - Rules

Submissions

Submission No. 62 (Robert and Helen Harrison) and 158 (Roger Truebridge – Truebridge Associates).

Summary of Submissions

The submitters both consider that a review and changes to the District Plan are necessary.

Analysis

Roger Truebridge rightly identifies that while it is not possible to influence the Global Financial Crisis it is possible to influence the District Plan. Roger Truebridge implies (without identifying specific changes) that it is necessary for the District Plan to be changed to establish an environment that attracts sustained development.

While Council officers are open to considering the need to review parts of the District Plan, the rules referred to in some cases have only had legal effect for a limited time, so it is perhaps too soon to be determining whether they need to be changed again.

A review of the District Plan has been identified for years 2021-2024. Realistically it could mean that changes to the rules undertaken as part of this review may not have legal effect until 2025.

The Resource Management Act requires that the rules and provisions in the District Plan are subject to a review within 10 years. The subdivision rules which Roger Truebridge refers to were made operative in May 2013. The more recent changes to the planning rules which resulted from the District Plan Review are anticipated to become in June 2015. Unless there is a justified case to do so, supported by appropriate funding and resourcing, the subdivision and planning rules would not be reviewed again until the scheduled plan review identified to start in 2021. The Plan Changes that Council Officers are committed to undertaking in the next two years include to the identification of sites of cultural significance and historic heritage features. Both of which have the potential to introduce further development restrictions where the development involves identified sites or features.

Council officers are very aware of the desire to see the District grow and prosper and to balance this against the statutory obligation of sustainably managing the natural and physical resources of the District. In April 2015, Council officers have commenced a process of meeting key local developers, surveyors (including Roger Truebridge), builders and real estate agents, to help better understand the issue of enabling development and growth in the District, including what changes may be necessary to the District Plan to establish an environment that attract sustainable development. At the time of responding to this submission it is anticipated that these meetings will continue over a period of time and that a potential outcome could be suggested changes to the District Plan.

Recent plan changes and the district plan review have proven that even with the Government's move to simplify and streamline the Resource Management Act, the process officers are required to follow for making changes to the District Plan can take between two and four years. With this in mind, officers are conscious of the need to explore all possible opportunities to enable growth, especially those tools which might be able to be implemented faster than changes to the District Plan. It is noted that similar frustrations with the Resource Management Act and planning framework are being explored by Central Government through the Rules Reduction taskforce. The lack of agility in the plan making process and how this makes it difficult for plans to be 'current' is certainly a matter that Local Government New Zealand (LGNZ) has honed in on in their submission to the Rules Reduction Taskforce which is currently being prepared.

Given the lack of certainty about the specific nature of changes (if any) that are needed to the District Plan and any associated costs, it would be premature at this point to make any recommendation that supported Roger Truebridge's submission of making changes to the District Plan.

It is also noted that the proposed RMA reforms that are anticipated to be presented by the Government later this year, may well include the requirement for District Plans to follow a standardised national template, where Councils are required to choose rules from a standard suite of rules that would apply throughout New Zealand. Officers can only speculate as to the impact of such reform, however it does have potential to require HDC to prepare a new District Plan to meet the requirements. If this was to be the case it would be inefficient to be advancing changes to the current District Plan that may in a short space of time need to be replaced by a 'national' set of rules.

While Robert and Helen Harrison have suggested that the subdivision rules have not been reviewed since the 1970's, the subdivision rules have in fact undergone several changes since the 1970's part of which has been driven by the transition from the Town and Country Planning Act to the Resource Management Act 1991 being the main legislation for planning in New Zealand.

More recently the Horowhenua district subdivision rules have been the subject of two separate reviews in the last six years. In 2009 the Council undertook a review of the subdivision objectives, policies and rules for the Rural zone and as part of this also introduced a new Greenbelt Residential zone for lifestyle development. As a result of this review the subdivision rules for the Rural zone were significantly changed going from what was essentially a one size fits all approach to an approach which takes into account the different landscape characteristics and sensitivities that exist across the Horowhenua District. These new subdivision rules became operative on 23 May 2013.

The District Plan Review which resulted in the preparation of the Proposed District Plan in 2012 included a review of the subdivision rules for all other existing zones, Residential, Commercial and Industrial. These provisions were considered through the public submission and hearing process during 2012 and 2013. The decisions on the Proposed District Plan have been issued and all appeals to the Environment Court have now been resolved. The Proposed District Plan is anticipated to be made operative in June 2015.

While the submitter has suggested that a review of the subdivision rules is required because of their 'age' officers are satisfied that a review for this reason alone is not necessary.

For the reasons outlined above it is recommended that Council officers continue to work with key stakeholders to understand the most effective way forward and the extent of any changes that may be considered necessary to the District Plan. It is possible that a future plan change to the District Plan may be justified following further investigations and allowing time for the implementation of the new rules to be monitored, however at this time there are no recommended changes necessary to the Long Term Plan.

Recommendation

THAT Officers will continue to work with key stakeholders to understand the most effective way forward and the extent of any changes that may be considered necessary to the District Plan. It is possible that a future plan change to the District Plan may be justified following further investigations and allowing time for the implementation of the new rules to be monitored.

Topic 10: District Plan – Structure Plan

Submissions

Submission No. 151 (Stephen & Karen Prouse).

Summary of Submissions

Mr & Mrs Prouse indicated that while they are supportive of Council developing a Walking and Cycling Strategy where the development of pathways and cycleways is on publicly owned land, alongside roads and through public spaces. They do not support Council using people's privately owned land for the development of cycleways. Mr & Mrs Prouse refer to the 'Gladstone Greenbelt Structure Plan' that was proposed as part of Proposed Plan Variation 1 concerning the Proposed District Plan.

Analysis

The support in principle from Mr & Mrs Prouse of Council developing a Walking & Cycling Strategy for pedestrian accessways/cycleways on publicly owned land is noted.

With regards to the Gladstone Greenbelt Structure Plan that was proposed as part of Proposed Plan Variation 1, it should be noted that a decision on this Proposed Plan Variation has not yet been finalised, it is anticipated to be reported to Council in June 2015. However, it must be emphasised that the cycleway/pedestrian links shown on the Gladstone Greenbelt Structure Plan were indicative only.

While the indicative links are identified on private property, the only ways that the cycleway/pedestrian links shown on the Structure Plan could be developed would be;

1. If a landowner was to subdivide a property and the Council required them to construct the cycleway/pedestrian links and then vest the land with Council, as part of the subdivision process; or
2. If the Council was to formally designate this land for the purposes of constructing the cycleway/pedestrian links under the Resource Management Act 1991, this process provides full rights of submission and appeal, and for formal compensation under the Public Works Act.

The land shown on the Gladstone Greenbelt Structure Plan as indicative cycleway/pedestrian links and indicative roads are not currently designated, nor is it Council's intention to attempt to designate this land in the near future. Instead the purpose of the Gladstone Greenbelt Structure Plan is to prevent the development of this area occurring in an ad-hoc and uncoordinated way which is a risk as each individual landowner develops/subdivides their property without consideration for the surrounding context. The District Plan currently contains 12 Structure Plans that identify numerous potential road routes and pedestrian connections, many of which are currently shown over private land.

The submitters have expressed their concern about the significant impact that the indicative cycleway/pedestrian link has on them. A fear expressed at the hearing by the submitters is that when a single lot subdivision is undertaken this could be the trigger for the need for the cycleway/pedestrian link to be created. The purpose of the Structure Plan is intended to ensure that opportunities for connectivity are not compromised or lost through development. A single lot subdivision would not trigger the requirement for a cycleway/pedestrian link unless the ability to provide this in the future was to be compromised by the form or layout of the subdivision.

It is acknowledged that the provision of cycleways/walkways that follow existing road or public land networks have several advantages particularly with regards to the ownership and control of the land. There are however occasions when providing a cycle or walking route that does not follow an existing road network would be more desirable. For instance the ability to take a shorter, more direct route or a more scenic route may incentivise using the route over using motorised transport. The situation identified by the Prouses at Gladstone Green is one such example.

In terms of the Long Term Plan process the Council can take on board the concerns raised by Mr and Mrs Prouse and ensure that future cycleways and walkways identified in the district avoid private land where possible. The decision on the Structure Plan and the cycleway/pedestrian link affecting the Prouse property falls outside the Long term Plan process and instead forms part of the Plan Variation 1 process. The decision (anticipated to be brought to Council in June 2015) on Plan Variation 1 will provide Mr and Mrs Prouse with the outcome of how their submission and involvement in that process has been determined. The submission on the Walking & Cycling Strategy by Mr and Mrs Prouse is noted. For the reasons outlined above, no changes to the Draft Long Term Plan are recommended or considered necessary.

Recommendation

THAT the submission is noted and that Stephen and Karen Prouse are provided with a copy of the decision on Proposed Plan Variation 1 when the decision is approved by Council.

Topic 11: Planning Fees and Charges

Submissions

Submission No. 8 (Rodney and Jeanette Jamieson), 11 (Ben Hurtle), 13 (William and Wendy Tunley), 16 (Mike Fletcher), 25 (Anthony (Tony) Strawbridge), 46 (Tokomaru Village and Community Association), 49 (Alexia and Earl Woodmass), 52 (Paul Smith), 53 (Janice Smith), 54 (Kenneth Edmund Anderson), Submitter No.55, 58 (Don & Jude Marshall), 68 (John Wilbur Dockery), 69 (Raymond Winston Bishop), 71 (Bruce J Garratt), 74 (Janice Goodburn), 93 (Steve Atwell), 110 (Kevin Metge), 127 (Allan Mitchell), 150 (Suzanne Cottle and Ian Sparrow), 154 (Charles Rudd), 162 (Graham Sheldon Smellie), 212 (Simon Kuiti), 223 (Sarah Elliot), 250 (Linda Rawlings), 258 (Warren Harris), 259 (Hamish Mc Donald), 260 (Justin Wilton), 263 (John (Pat) Heskett).

Summary of Submissions

Submissions range from general support for the fee increase (8 submissions), neutral (5 submissions) opposed (16 submissions).

Those submitters supporting the proposal generally support the principle of user pays, those neutral generally have not expressed a view, although some have mentioned that fees should not

be seen as a "fund raiser" and those opposing the fees have generally considered that fee increases discourage development and should be kept as reasonable as possible.

Analysis

The fees and charges that apply to planning applications are dictated by Councils Revenue and Finance Policy which requires 60%-70% of the activity cost to be funded from this source, the balance to be met from rates. The fees and charges proposed are intended to accord with the policy.

The increase in fees and charges has generally been capped at 3% to adjust for inflation with the exception of the deposit for minor land use consents which has been increased from \$650 to \$750 to better reflect the actual cost of processing this type of application (based on past experience).

It should be noted that the fees and charges proposed are generally deposits only and the final charge is based on officer's time incurred in processing an application.

If Council wishes to consider reducing the proposed fees and charges it will be necessary to either revisit the Revenue and Finance Policy or alternatively reduce the cost of the activity.

The proposed fees and charge are considered reasonable and necessary under the circumstances and should not be viewed as a detriment to development of the district.

Recommendation

THAT the Planning Fees and Charges for 2015/2016 be adopted as per the Long Term Plan Consultation Document 2015/2025.

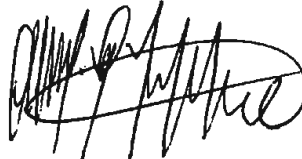



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

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Approved by	Monique Davidson Group Manager - Customer and Community Services	

Draft Long Term Plan 2015/2025 - Economic Development

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to Council's Economic Development Activity.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Economic Development be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That Council continues to support the Economic Development Activity area as proposed in the Draft Long Term Plan 2015-2025.
- 2.4 That Council continues to support the provision of visitor services at Te Takere, Levin.
- 2.5 That Council does not separate Economic Development and Visitor Information expenditure as Council recognises that both activities foster economic growth in the Final 2015-2025 LTP.

3. Topics for Consideration

Topic 1	Economic Development
Topic 2	Visitor Information

Topic 1: Economic Development

Submissions

Submission No. 13 (William & Wendy Tunley), 46 (Tokomaru Village & Community Association), 66 (Larry Hine), 87 (Waitarere Beach Progressive & Ratepayers Association Inc), 135 (Horizons Regional Council), 230 (Federated Farmers of New Zealand).

Summary of Submissions

The submitters support Council's commitment to the Economic Development Activity in the Draft Long Term Plan (LTP) 2015-2025. They also support Council's efforts to facilitate economic growth and in some instances highlighted specific areas of opportunity for focus. These included the promotion of Waitarere Beach as a visitor destination, the importance of attracting people and businesses to Horowhenua, and support for Council's involvement in the Manawatu-Wanganui Regional Growth Study and Central New Zealand Agribusiness Strategy.

Analysis

The Horowhenua District Council is committed to supporting improved economic growth and wellbeing in the Horowhenua District and is supportive of the ongoing implementation of Horowhenua's Economic Development Strategy 2014-2017. This Strategy is underpinned by a focus on leveraging the district's strengths and advantages to target outcomes including:

- Increased investment
- Job growth
- Skill growth
- Household income growth

- Enhanced reputation for Horowhenua

These outcomes align with the underlying principals raised by submitters. Ultimately, a district that is delivering across the above will be experiencing growth in all its various forms.

The desire for growth in the Horowhenua District is also reaffirmed by Council who has proposed a target for population growth of +1200 people in the Draft LTP 2015-2025. Council is also in the process of working with key members of the residential development community to better understand the challenges and opportunities as they relate to residential development. The outcomes of this process will inform development related initiatives.

Council is also supportive of a collaborative approach to Economic Development. There are many examples of this approach being applied across the different areas of the Economic Development Activity. Some examples include the promotion of Horowhenua as a place to live and visit through the Visitors Events and Attractions Group (VE&A), partnerships with local businesses and sectors to advance focused initiatives, and regional works such as Horowhenua's key involvement with the Government's Regional Growth Study.

The areas of focus and opportunity identified by the submitters are all being advanced at present within the current Economic Development Strategy, implementation framework, and work programmes.

The ongoing support for the Economic Activity, as detailed in the Horowhenua District Council Draft LTP 2015-2025, will enable this to continue going forward.

Recommendation

THAT Council continues to support the Economic Development Activity area as proposed in the Draft Long Term Plan 2015 – 2025.

Topic 2: Visitor Information

Submissions

Submission No. 67 (Bernard Casey) and 230 (Federated Farmers of New Zealand).

Summary of Submissions

The Federated Farmers of New Zealand have sought greater transparency regarding Council's financial support for Visitor Information services. Mr Bernard Casey submitted that a dedicated information centre be established in the Levin Mall Carpark.

Analysis

Council currently presents and reports Economic Development and Visitor Information expenditure collectively as one lump sum. This was largely brought about by historic changes to the way these services have been delivered in the Horowhenua District.

The Federated Farmers of New Zealand suggest that this does not provide adequate clarity or transparency in relation to direct spending on Economic Development and Visitor Information.

Officers are unable to identify any benefit relating to these two areas of expenditure being combined, and see no good reason not to separate them in the interests of providing greater transparency.

Council currently supports a number of high-quality services and amenities geared towards the needs of visitors to Levin. The key hub for supporting visitor needs in Levin is located alongside State Highway 1 in Te Takere. The Te Takere Visitor Centre provides a full range of services and information for travellers including maps, brochures, information, travel bookings, and friendly advice. This Centre also provides access to a cafe, free internet services, and toilet facilities.

Recommendation

THAT Council continues to support the provision of visitor services at Te Takere Levin.

THAT Council does not separate Economic Development and Visitor Information expenditure as Council recognises that both activities foster economic growth in the Final 2015-2025 LTP.



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Shanon Grainger Economic Development Manager	
Approved by	Monique Davidson Group Manager - Customer and Community Services	

Draft Long Term Plan 2015/2025 - Emergency Management & Rural Fire

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to Council's Emergency Management and Rural Fire Activities.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Emergency Management & Rural Fire be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That Council acknowledges the submission from the Tokomaru Village and Community Association and recommends that the Tokomaru Community be retained in the work plan for the development of a Community Response Plan.
- 2.4 That Council acknowledges the submission from Horizons Regional Council and recommends that the 2015/2016 Rural Fire budget of \$129,000.00 is reinstated across the further 9 years of the Long Term Plan 2015-2025.

3. Topics for Consideration

Topic 1	Emergency Management
Topic 2	Rural Fire

Topic 1: Emergency Management

Submissions

Submission No. 46 (Tokomaru Village and Community Association).

Summary of Submissions

The submitter raised concern about the lack of support provided to settlements and rural communities in relation to Emergency Management. The submitter seeks greater emphasis on communication and pro-activeness.

Analysis

Horowhenua District Council contracts its Emergency Management services to Horizons Regional Council. The contract with Horizons Regional Council (Horizons) allows Council access to more than one Emergency Management Officer if need be whereas in pre-contract times there was only one staff member split between rural fire and civil defence. The Horizons staff member dedicated to Council is local and well connected in the community and membership of our Emergency Management Committee (and sub-committees) includes representation from a wide range of local and government organisations at both the operational and welfare levels.

In addition to a Local Emergency Management Committee, Council coordinates a Local Welfare Committee and Local Operations Committee. This is further supported by additional network groups sitting within Council's Community Wellbeing structure.

Council is currently working with Horizons to review the annual business plan for 2015/2016, including a refreshed performance management and reporting framework. Officers are confident that the new framework allows for a significant focus on community readiness.

Further to this some of the key objectives for the 2015/2016 year are the development of Community Response Plans in our Coastal communities and the Gladstone area. The Tokomaru community has been identified as an area of focus for 2016/2017 year.

Recommendation

THAT Council acknowledges the submission from Tokomaru Village and Community Association and recommends that the Tokomaru Community be retained in the work plan for the development of a Community Response Plan.

Topic 2: Rural Fire

Submissions

Submission 135 (Horizons Regional Council).

Summary of Submissions

The submitter notes that it is proposed funding of the Rural Fire output drops in year 2016/2017 from \$129,000 to \$1000. Horizons is seeking clarification as to the rationale for the decrease in funding, given the impact of such a significant decrease.

Analysis

Horowhenua District Council can confirm that the funding decrease was an administrative error. Key staff within Horizons Regional Council were advised of this error during the time that the Long Term Plan 2015-2025 was out for consultation, and were advised that this error would be remedied.

Council Officers stand by the earlier statements made to staff at Horizons Regional Council on this matter, and apologise if the error caused any concern. This level of funding is crucial to ensure Council is meeting its statutory obligations under the Forrest and Rural Fires Act 1977.

Recommendation

THAT Council acknowledges the submission from Horizons Regional Council and recommends that the 2015/2016 Rural Fire budget of \$129,000.00 is reinstated across the further 9 years of the Long Term Plan 2015-2025.



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Monique Davidson Group Manager - Customer and Community Services	
Approved by	David Clapperton Chief Executive	

Draft Long Term Plan 2015/2025 - Three Waters

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the Three Waters (Water Supply, Wastewater and Stormwater).

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Three Waters be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act
- 2.3 That the programme of works related to water, wastewater and stormwater services identified in the Infrastructure Strategy be implemented
- 2.4 That Council accepts in principle the proposal to introduce the use of water tanks for new urban residential homes.
- 2.5 That council requests Officers prepare a full business case for the use of water tanks for new urban residential homes by 30 November 2015 before a final decision is made by Council
- 2.6 THAT officers continue to investigate a solution for the water discolouration issue in Foxton and Foxton Beach by June 2016.
- 2.7 That Council does not consider changing the fundamental business model for the 3 waters services delivery
- 2.8 That Officers examine the policy of reading meters on restricted supplies and charging for volumes used in excess of the 1000 litres/day, and report back to Council with a recommendation for either maintaining or changing the charging policy by November 2015
- 2.9 That Officers write to the submitter to inform him of the availability of potable water at the Adventure Park in Oxford Street
- 2.10 That Officers publically advertise the existing locations where taps are located for filling of drinking water bottles within Levin.
- 2.11 That Officers investigate other locations within the Levin CBD where a push-tap supply of potable water can be installed, and once determined the necessary installation is implemented.
- 2.12 That council proceeds with the Foxton Wastewater Treatment Plant's consent renewal and that officers ensure that robust cost analysis are undertaken for the selection of the best practical option for the treatment and discharge of the Foxton Wastewater.
- 2.13 THAT the Officers provide submitters to Topic 7 in this report with a breakdown of the identified projects in the Long Term Plan immediately after adoption.
- 2.14 THAT the council prepare and lodge an application for resource consent renewal for Waiterere Beach Wastewater Disposal by December 2016.
- 2.15 THAT Officers provide submitters to Topic 9 in this report of the proposed funding for Waitarere Beach Stormwater works.

- 2.16 That Officers liaise and work with Horizons officers in the implementation of stormwater projects to get the best value from both Councils' projects.
- 2.17 THAT Officers provide the submitter to Topic 11 in this report with clarification of the programmed works in the Long Term Plan.

3. Topics for Consideration

Topic 1	Water Tanks in new homes (water metering and solar power heating)
Topic 2	Water Quality
Topic 3	Outsource Council's Water and Wastewater Activity
Topic 4	Houses on Trickle feed
Topic 5	Publicly available potable water filling point for Waitarere Beach
Topic 7	Foxton Wastewater Treatment Plant Upgrade
Topic 8	Waitarere Beach Wastewater
Topic 9	Horizon's – Wastewater Disposal
Topic 10	Stormwater Waitarere Beach
Topic 11	Horizons - Stormwater
Topic 12	Okarito Avenue Stormwater

Topic 1: Water Tanks in new homes (water metering and solar power heating)

Submissions

Submission No.s. 3, 4, 7, 8, 12, 16, 21, 25, 26, 28-32, 37, 45-49, 51-56, 58, 60-62, 64, 67-69, 71, 74-76, 79, 80, 87, 91, 93, 97-99, 107, 108, 110, 111, 116, 119, 120, 123, 124, 126, 127, 136, 140, 141, 149, 153-156, 164, 169, 171, 172, 174, 175, 177, 185, 188, 192, 197, 199, 203, 205, 207, 212, 216, 217, 223, 228, 236, 239, 240, 245, 246, 249, 250, 253, 254, 258-260, 262, 263.

Summary of Submissions

101 submissions were received commenting on the topic of water tanks in new homes. Variations proposed by submitters included:

- A combination of metering and water tanks,
- Water tanks being installed in existing homes,
- Council allowing the cost of water tank installation to be paid off over time through the property owner's rates, and
- Reduction in water charges for properties which have a tank installed.

Although there were no submissions completely rejecting the idea of water tanks, several submitters were concerned that Council intentions might include some form of ratepayer funded subsidy, and they were opposed to this.

While there are a large number of variations of proposals Council can consider on this topic about assistance and level of compulsion, on the whole all submitters were in favour of Council giving consideration to additional options related to:

- Consideration of water tanks in existing homes,
- Method of assistance Council might be able to provide to both new and existing property owners to install water tanks, and

- Whether assistance includes funding, and if so, whether it might include low cost tanks or the likes of no-interest loans paid through rates.

Analysis

Universal Water Meters

A number of submitters proposed universal water metering. Although universal water metering was not raised as a specific topic in the Long Term Plan (LTP) Consultation Document it has been raised for future discussion in the Water Demand Management Plan 2014.

Solar power

Several submitters wanted to know why Council could not consider assistance for property owners wanting to install solar power if Council was considering assistance with water tanks.

Despite the fact that Council is looking towards a more sustainable community and reduction of carbon emission within our community it is not an energy provider and there would be no benefit to the overall service Council provides to the community in this regard.

Water Tanks in new homes

Generally all submitters commenting on this topic were in favour of water tanks and provided a range of suggestions for consideration.

Recommendation

THAT Council accepts in principle the proposal to introduce the use of water tanks for new urban residential homes.

THAT Council requests Officers prepare a full business case for the use of water tanks for new urban residential homes by 30 November 2015 before a final decision is made by Council.

Submissions Index for the Water Tanks Topic:

SUBMISSION NO.	SUBMITTER NAME
3	Kaye Emeny
4	Debbie Munro
7	Nigel Crockett
8	Rodney & Jeanette Jamieson
12	Gerd Ruschhaupt
16	Mike Fletcher
21	Ben Addington
25	Anthony (Tony) Strawbridge
26	Peter Price
28	Melanie Obers
29	Lone & Jens Jorgensen
30	Maureen Lee
31	Gordon & Elizabeth Burr
32	Ray & Sandra Hudson
37	Margaret Jeune
45	David Thomson
46	Rachael Ward
47	Stuart Campbell
48	Geoffrey McBrydie
49	Alexia & Earl Woodmass
51	Craig Dewhurst
52	Paul Smith
53	Janice Smith
54	Kenneth Anderson

55	Submitter No. 55
56	Sharon Freebairn
58	Don & Jude Marshall
60	Piero Lavo
61	Kelvin Sherman
62	Robert & Helen Harrison
64	Murray Staples
67	Bernard Casey
68	John Dockery
69	Raymond Bishop
71	Bruce Garratt
74	Janice Goodburn
75	Jill Brown
76	David Bowker
79	Diane & Stephen Mead
80	Sylvia Van Nistelrooy
87	Tony Strawbridge
91	John Martin
93	Steve Attwell
97	Charles Davies
98	Dirk Ris
99	Catherine Madison
107	Judy Brain
108	Ian & Jo Hopkirk
110	Kevin Metge
111	Esther Burns
116	Maurice & Sophie Campbell
119	Robert Hoskins
120	Graham Dawson
123	Maurice Beach
124	John Haverkamp
126	Sharyn & Carl Williamson
127	Allan Mitchell
136	Russell Newton
140	Bruce & Virginia Stafford
141	Neville Gimblett
149	John Hailwood
153	Troy Taylor & Paulianne Theuma
154	Charles Rudd
155	Robert de Malmanche
156	John & Robyn Soulbrey
164	Carol & Lyall Bilderbeck
169	David Green
171	Les & Yvonne Symonds
172	D. & V. Mercer
174	Ewen Robertson
175	Kelvin Lane
177	Christina Paton
185	Ann Thomas
188	Dianna Timms
192	Adrian Noaro
197	Sam Ferguson
199	Suzanne Havill

203	Brian & Ann Thomas
205	Charles Havill
207	Susanne & Murray Hanlon
212	Simon Kuiti
216	Bryan May
217	Kris Burbery
223	Sarah Elliot
228	Rose Cotter
236	Jeremy Manks
239	Gaylyn & Ross Bennett
240	Deborah Burns
245	Rosalie Huzziff
246	Kiri Hayes
249	Leslie Bidlake
250	Linda Rawlings
253	Gary Davis
254	David Clark
258	Warren Harris
259	Hamish McDonald
260	Justin Wilson
262	Ellen Vertongen
263	John Heskett

Topic 2: Water Quality

Submissions

Submission No. 1 (John Murphy), 23 (Chris Thompson), 74 (Janice Goodburn), 97 (Charles Davies), 99 (Catherine Madison), 113 (Arthur & Glenys Woollard) and 199 (Suzanne Havill).

Summary of Submissions

Seven submissions were received regarding the quality of water supplies throughout the Horowhenua District. Most of these expressed dissatisfaction with water quality.

Analysis

Foxton and Foxton Beach

Foxton Beach water supply treatment plant was upgraded in 2013 and is producing water that is of a very high standard, is fully compliant with the Drinking Water Standards NZ and is uncoloured.

Council is aware of the issues of discoloured water within the reticulations of Foxton and Foxton Beach and is currently investigating ways to address this. In the interim parts of the network are being flushed once a week to minimize the impact it is having on the community.

Based on the work programme approximately \$1.5M has been set aside in years 7, 8 and 9 of the LTP (that is from financial year 2021/22 to 2023/24) for reticulation renewal which will have a positive impact on some of the issues being experienced within the reticulation.

Levin

At present Levin water supply is the only supply that does not comply with the requirements of the New Zealand Drinking Water Standard. The programme of works as contained within the LTP has allowed for the required funds to bring the Levin water supply in compliance with the Standards.

Recommendation

THAT the programme of works related to water, wastewater and stormwater services identified in the Infrastructure Strategy be implemented and that officers continue to investigate a solution for the water discolouration issue by June 2016.

Topic 3: Outsource Council's Water and Wastewater Activity

Submissions

Submission No. 12 (Gerd Ruschhaupt).

Summary of Submission

The submitter suggests that the Council's Water and Wastewater Activities should be outsourced to a new entity as they believe it would be more efficient and economical than a political Council.

Analysis

The requirement for Council's involvement in the Water Activity is mainly driven by two legislative requirements: being the Local Government Act (LGA) 2002 and its Amendments (section 130) which requires Council to continue to provide water services and maintain its capacity to do so ("water" in the context of this section of the LGA includes water services), and the Health Act 1956 (Drinking Water Amendment Act 2007) which sets out the legal requirements for water supplies.

Operations, maintenance, renewal and upgrade works for the water and wastewater services are outsourced to external contractors. Sufficient mechanisms are in place to ensure that the most cost effective service delivery is being achieved.

Recommendation

THAT the Council does not consider changing the fundamental business model for the 3 waters services delivery.

Topic 4: Houses on Trickle feed

Submissions

Submission No. 55.

Summary of Submissions

The submitter proposes that the additional water charges for households on trickle feed to be removed.

Analysis

Currently rural properties on town supply water receive up to 1000 litres/day, after which they pay for any extra volume of water used. This extra quantity is charged on a quarterly basis from meter readings.

Reporting from the Water Billing system reveals that very few properties exceed the extra volume.

Recommendation

THAT Officers examine the policy of reading meters on restricted supplies and charging for volumes used in excess of the 1000 litres/day, and report back to Council with a recommendation for either maintaining or changing the charging policy by November 2015.

Topic 5: Publicly available potable water filling point for Waitarere Beach

Submissions

Submission No. 221 (Dennis Hunt).

Summary of Submissions

The submitter recommends that there be a supply of potable water for drinking made available for Waitarere Beach. This supply could be achieved by an access point in a location such as the northern area of Levin, and be available for Waitarere Beach residents to fill water bottles from. The suggestion is to lay a water line from Levin to Waitarere.

Analysis

The cost of installing a water main from Levin to Waitarere will be too prohibitive to justify the supply of drinking water to a small number of residents.

It is note that there are existing push taps at the Levin Adventure Park in Oxford Street that can be used to fill water bottles while travelling through Levin to Waitarere Beach.

However, officers will investigate possible options within Levin where drinking water can be sourced for filling bottles for domestic use and also for provision of a new filling point for domestic use.

Recommendation

THAT the Officers write to the submitter to inform him of the availability of potable water at the Adventure Park in Oxford Street.

THAT the Officers advertise the existing locations within Levin where drinking water can be accessed on Councils website.

THAT the Officers investigate other locations within the Levin CBD where a push-tap supply of potable water may be installed, and once determined the necessary installation is made.

Topic 6: Foxton Wastewater Treatment Plant Upgrade

Submissions

Submission No. 16 (Mike Fletcher).

Summary of Submissions

The submitter supports Council's decision to proceed with the Foxton Wastewater Treatment Plant consent renewal based on utilising land adjacent to the existing oxidation ponds for treatment, and believes a robust cost and benefit analysis should be done on the options for each project to demonstrate the preferred scheme is the most cost effective in terms of meeting current needs.

Analysis

Officers agree with the support for Council's decision to proceed with the Foxton Wastewater Treatment Plant's consent renewal and that officers ensure that robust cost analysis are undertaken for the selection of the best practical option for the treatment and discharge of Foxton Wastewater.

Recommendation

THAT Council proceeds with the Foxton Wastewater Treatment Plant's consent renewal and that officers ensure that robust cost analysis are undertaken for the selection of the best practical option for the treatment and discharge of Foxton Wastewater

Topic 7: Waitarere Beach Wastewater

Submissions

Submission No. 31 (Gordon & Elizabeth Burr) and 87 (Waitarere Beach Progressive Rate Payers Association).

Summary of Submissions

The submissions note that no projects are identified for the Waitarere Beach area and raise concerns over the level of development planning for Waitarere Beach.

Analysis

The projects listed in the LTP Consultation Document were only those with estimates of over \$500,000. Upgrade and development work planned for Waitarere Beach is below this value, and is presented in the Financial Strategy. The projects identified for the Waitarere Beach area are Roothing – Kent/Gloucester Street Upgrade for \$269k, Stormwater Development Planning for \$171k and Wastewater Treatment plant upgrade and Renewal works for \$824k;

Recommendation

THAT the programme of works related to water, wastewater and stormwater services identified in the Infrastructure Strategy be implemented and that the submitters be provided with a breakdown of the identified projects in the Long Term Plan immediately after adoption.

Topic 8: Horizon's – Wastewater Disposal

Submissions

Submission No. 135 (Horizons Regional Council).

Summary of Submissions

The submitter urges Council to prioritise obtaining consent for two discharges (Foxton and Waitarere Beach) and notes that there is significant funding allocated to upgrade the Foxton wastewater treatment plant.

Analysis

Council has initiated plans to begin renewal of these consents. Foxton is progressing as agreed with Horizons for a consent application to be lodged by 1 September 2015.

Waitarere Beach wastewater treatment plant consent is also in the process of being reviewed with plans to lodge a consent application by December 2015.

Recommendation

THAT the council prepare and lodge an application for resource consent renewal for Waitarere Beach Wastewater Disposal by December 2016.

Topic 9: Stormwater Waitarere Beach

Submissions

Submission No. 30 (Maureen Lee), 31 (Ray & Sandra Hudson), 87 (Waitarere Beach Progressive Rate Payers Association) and 116 (Maurice and Sophie Campbell).

Summary of Submissions

The submissions generally raise concerns over the level of funding for Stormwater development at Waitarere Beach.

Analysis

Council proposes a programme of investigation in the Infrastructure Strategy to determine what upgrade and/or improvement works will be required within each community. This funding programme is presented in the Financial Strategy. It includes \$171,000 for development planning for Waitarere Beach, and also portions of funding for Districtwide renewal and upgrades.

Recommendation

THAT Officers advise the submitters of the proposed funding for Waitarere Beach Stormwater works.

Topic 10: Stormwater Horizons

Submissions

Submission No. 135 Horizons Regional Council

Summary of Submission

submission from Horizons says that a programme of flood hazard modelling planned and would welcome the opportunity to work with the District Council to get the best value from both councils' projects, and to better understand the implications of stormwater discharges on flood hazards in the District.

Analysis

Council acknowledge the opportunity to work with Horizons to ensure that best value can be obtained by sharing knowledge and resources in the development of our hydraulic modelling, flood hazard modeling and catchment management plans.

Recommendation

THAT Council officers liaise and work with Horizons officers in the implementation of stormwater projects to get the best value from both councils' projects.

Topic 11: Okarito Avenue Stormwater

Submissions

Submission No. 203 (Brian & Ann Thomas).

Summary of Submission

The submitter questions the need for development expenditure on Levin North East area and asserts that the original developer of the Okarito Avenue area created the development shortfalls in capacity.

Analysis

The development expenditure proposed is to provide for future growth for the general North East area of Levin, which includes Okarito Avenue and the surrounding environment.

Council acknowledges inadequate capacity of the stormwater system in Okarito Avenue; however the north east area in general also presents stormwater challenges that must be responded to in order to alleviate current flooding issues and also allow for further development to take place.

Council is responsible for allowing subdivisions within the District and provides approval for new infrastructure to be installed in these developments. Therefore it is Councils responsibility to find a solution for the Okarito problem.

Recommendation

THAT Officers provide the submitter with clarification of the programmed works in the Long Term Plan.




Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	David Down Asset Planning Manager	
Approved by	Gallo Saidy Group Manager - Infrastructure Services	
	David Clapperton Chief Executive	

Draft Long Term Plan 2015/2025 - Solid Waste

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to Solid Waste.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Solid Waste be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act
- 2.3 That Officers review the costs of the solid waste services within the next 12 months to ensure the services Council provide are cost effective
- 2.4 That within 12 months Council undertakes some analysis to better compare the Enviroschools programme and the Zero Waste Education programme and determine which programme better suits the community's needs.
- 2.5 That within 12 months Council should undertake a review of the legally binding agreement with Midwest Disposal Ltd to assess whether this agreement is still providing value for the community and whether alternative options should be considered.

3. Topics for Consideration

Topic 1	Contractors rough handling of recycling crates causes damage to the crates.
Topic 2	Council's waste minimisation and recycling initiatives should be balanced with cost benefits.
Topic 3	Horowhenua District Council should considers supporting the Enviroschools Programme to promote sustainable management of natural and physical resources by addressing issues relating to waste, water, energy, transport and biodiversity.
Topic 4	Horowhenua District Council should take back full control of solid waste disposal.
Topic 5	Concern about waste from Kapti Coast being accepted at Levin landfill.
Topic 6	Request for HDC to make progress on E-Waste.
Topic 7	Horowhenua District Council should lower the charge on rubbish bags to avoid fly tipping.
Topic 8	Concern Levin landfill is poisoning the Hokio Stream and the ground water at Hokio Beach.

Topic 1: Contractors rough handling of recycling crates causes damage to the crates

Submissions

Submission No. 1 (John Murphy) and 46 (Tokomaru Village and Community Association).

Summary of Submissions

The submitters are concerned that contractors' rough handling of recycling crates causes damage to the crates.

Analysis

The recycling crates are not owned by the residents or Council, they are owned by the Envirowaste Services Ltd (ESL). The crates are designed to receive rough handling. However, over time the plastic degrades and starts to break down, and can no longer withstand this type of treatment. Eventually the crates need to be replaced. Residents can bring broken crates into Council for replacement free of charge (at ESL's expense), however if a crate is missing the resident will need to pay for a replacement.

Since these submissions were received Council has suggested to ESL that they prepare some communications around this matter as other residents may also have recycling crates in need of replacement.

Recommendation

THAT Council acknowledges these submissions.

Topic 2: Council's waste minimisation and recycling initiatives should be balanced with cost benefits

Submissions

Submission No. 46 (Tokomaru Village and Community Association).

Summary of Submissions

The submitters are seeking Council to balance waste minimisation and recycling initiatives with cost benefits.

Analysis

Officers consider the comments on the costs of recycling and waste minimisation are valid. Officers intend to review the costs of the solid waste services over the next 12 months to ensure the services Council provides are cost effective.

Recommendation

THAT officers review the costs of the solid waste services within the next 12 months to ensure the services Council provides are cost effective.

Topic 3: Horowhenua District Council should considers supporting the Enviroschools Programme to promote sustainable management of natural and physical resources by addressing issues relating to waste, water, energy, transport and biodiversity

Submissions

Submission No. 135 (Horizons Regional Council).

Summary of Submissions

The submitters are seeking the Horowhenua District Council to support the Enviroschools Programme in the Horowhenua District (HDC) as an educational programme working with schools to promote sustainable management of natural and physical resources by addressing issues relating to waste, water, energy, transport and biodiversity.

Analysis

Council officers have previous experience with the Enviroschools programme in other districts, and hold this programme in high regard. The Enviroschools programme is a broader waste

education system than the current waste education programme (Zero Waste Education) that HDC currently supports.

While it would be possible to run both programmes concurrently, Council officers consider that it would be more cost effective to support one programme. Officers are currently receiving favourable feedback from the current waste education programme from schools within our district. It may be beneficial to undertake some analysis to determine the best programme that suits the communities needs.

Recommendation

THAT within 12 months Council undertakes some analysis to better compare the Enviroschools programme, the Zero Waste Education programme, and alternative methods of delivering waste minimisation education to determine which programme better suits the communities needs.

Topic 4: Horowhenua District Council should take back full control of solid waste disposal

Submissions

Submission No. 177 (Christina Paton).

Summary of Submissions

The submission suggests Council should take back full control of solid waste disposal.

Analysis

The private market controls the majority of the solid waste in Horowhenua District. Council has a legally binding contractual agreements for the operation of Solid waste activity t which includes, operating the Levin landfill, providing a recycling centre, and transfer stations.

Recommendation

THAT Council continues with the current arrangements for managing the Solid waste activity due the existing legally binding contractual agreement.

Topic 5: Concern about waste from Kapiti Coast being accepted at Levin landfill

Submissions

Submission No. 177 (Christina Paton) and 234 (Peter Everton).

Summary of Submissions

The submitters are concerned about waste from Kapiti Coast being accepted at Levin landfill.

Analysis

Midwest Disposal Ltd transport waste from the Kapiti Coast and dispose of it at Levin landfill. Kapiti Coast no longer has a landfill which accepts household waste. Council has a legally binding agreement with Midwest Disposal Ltd which allows it to dispose of this waste at Levin landfill. This agreement expires in 2021. The income that Horowhenua District Council receives from waste from outside of the district is a benefit to the Horowhenua residents and allows Council to provide additional waste services to our community at a reduced cost.

Recommendation

THAT Council acknowledges these submissions.

Topic 6: Request for HDC to make progress on E-Waste

Submissions

Submission No. 177 (Christina Paton).

Summary of Submissions

The submitter requests for Council to make progress on E-Waste.

Analysis

The long term management of E-Waste is an issue that has no easy solution. The only successful programmes to manage E-Waste that officers are aware of have been short term and required significant funding from ratepayers, taxpayers or other external sources. Officers consider that those who choose to purchase electronic goods should pay the full cost for their responsible disposal. The TV TakeBack programme recycled 228,355 TVs and required over \$10 million in Government funding from the Waste Minimisation Fund.

Recommendation

THAT Council acknowledges this submission.

Topic 7: Horowhenua District Council should lower the charge on rubbish bags to avoid fly tipping

Submissions

Submission No. 177 (Christina Paton).

Summary of Submissions

The submitter considers Council should lower the charge on rubbish bags to avoid fly tipping.

Analysis

Officers have found little evidence that lowering the cost of rubbish bags reduces fly tipping. Reducing the cost of rubbish bags would result in the bag service no longer being self funding, and the service would need financial support to continue. The sale of rubbish bags generates an income of approximately \$243,600 per year which is used to pay for rubbish collection, disposal costs at the landfill, and purchase of bags.

Recommendation

THAT Council acknowledges this submission.

Topic 8: Concern Levin landfill is poisoning the Hokio Stream and the ground water at Hokio Beach

Submissions

Submission No. 224 (Philip Taueki).

Summary of Submissions

The submitter is concerned the landfill is poisoning the Hokio Stream and the ground water at Hokio Beach.

Analysis

Levin landfill is fully compliant with all the Discharge Permits granted under the Resource Management Act 1991 for the operation of Levin landfill. These Discharge Permits require Council to undertake regular testing of the Hokio Stream and the aquifers underlying the landfill, and to report the results to Horizons Regional Council. There is some leaching from the old closed unlined landfill, however, testing demonstrates that the impacts of Levin landfill on the Hokio Stream and underlying aquifers are no more than minor, and are within permitted limits. The new landfill is fully lined to contain the leachate, which is piped to Levin's Waste Water Treatment Plant for treatment.

Officers consider that Levin landfill should not be relocated as:

1. The effects on the Hokio Stream and underlying ground water is no more than minor.
2. The current landfill is lined and the leachate is being collected and sent off site for treatment.
3. Relocating the landfill will not reduce the leachate that is coming from the old closed landfill.

Recommendation

THAT Council acknowledges this submission.




Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Gerry O'Neill Solid Waste Engineer	
Approved by	Gallo Saidy Group Manager - Infrastructure Services	
	David Clapperton Chief Executive	

Draft Long Term Plan 2015/2025 - Infrastructure Strategy

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the Council's Infrastructure Strategy.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Infrastructure Strategy be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That the proposed Footpath Upgrade programme be increased from \$50,000 to \$100,000 per year in accordance with the recommendation in the report Draft Long Term Plan 2015/2025 – Land Transport.
- 2.4 That the programme of works in the Infrastructure Strategy be implemented except for the modification to the Footpath Upgrade programme and the bringing forward of the programme of works for Kent/Gloucester Road upgrade planned for 2018 to 2015/2016.

3. Topics for Consideration

Topic 1	Infrastructure Strategy
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Topic 1: Infrastructure Strategy

Submissions

A list of the submitters to this topic are tabled at the back of this report.

Summary of Submissions

74 submissions were received presenting views on the Infrastructure Strategy.

Two submitters were opposed to the adoption of the Infrastructure Strategy as they believed it was not affordable.

One submitter believed that the Infrastructure Strategy contained projects that were “nice to have” projects but not completely necessary.

The remaining submissions supported the Infrastructure Strategy. Many expressed positions that Council must focus spending on the community's basic services, with many submitters specifically citing water and wastewater as being the services of greatest importance.

A number of submitters expressed their support for specific projects.

Some submitters expressed concern over the method of prioritisation.

Analysis

Affordability

The Infrastructure Strategy has been written in conjunction with the Financial Strategy. The Financial Strategy considers a range of financial constraints and performance benchmarks. These are taken into consideration in the Infrastructure Strategy and result in modification of the

expenditure programmes to ensure that they are affordable within the context of Council total 10 year funding programme.

Prioritisation

The prioritisation method used in the Infrastructure Strategy considers legislative compulsion to undertake certain projects, the criticality of services and risks to provision of those services which are most critical, and Council stated levels of service as provide to the Community.

The order of specific capital projects is arranged to ensure those most critical works are undertaken at the right time.

Recommendation

THAT the proposed Footpath Upgrade programme be increased from \$50,000 to \$100,000 per year in accordance with the recommendation in the report Draft Long Term Plan 2015/2025 – Land Transport.

THAT the programme of works for roading as identified in the Infrastructure Strategy be implemented and that that Council bring forward the programme of works for Kent/Gloucester Road upgrade planned for 2018 to 2015/2016.

THAT the programme of works in the Infrastructure Strategy be implemented except for the modification to the Footpath Upgrade programme and bringing forward the programme of works for Kent/Gloucester street as stated in the recommendation above.

Submissions Index for the Infrastructure Strategy Topic:

SUBMISSION NO.	SUBMITTER NAME
7	Nigel Crockett
8	Rodney & Jeanette Jamieson
10	Trevor Kreegher
13	William & Wendy Tunley
15	Robyn Johns
16	Mike Fletcher
19	Graham Conner
23	Chris Thompson
25	Anthony (Tony) Strawbridge
26	Peter Price
29	Lone & Jens Jorgensen
30	Maureen Lee
31	Gordon & Elizabeth Burr
37	Margaret Jeune
42	Barry Rollinson
45	David Thomson
47	Stuart Campbell
49	Alexia & Earl Woodmass
51	Craig Dewhurst
52	Paul Smith
53	Janice Smith
54	Kenneth Anderson
55	Submitter no. 55
58	Don & Jude Marshall
61	Kelvin Sherman
63	Bruce Love
65	Fred Foothead

69	Raymond Bishop
71	Bruce Garratt
76	David Bowker
80	Sylvia Van Nistelrooy
87	Waitarere Beach Progressive & Rate Payers Association Inc
91	John Martin
92	Megan Cushnahan
93	Steve Attwell
97	Charles Davies
110	Kevin Metge
113	Arthur & Glenys Woollard
114	Dave & Debbie Hobbs
125	Henry & Maureen Jordens
126	Sharyn & Carl Williamson
127	Allan Mitchell
135	Michael McCartney
140	Bruce & Virginia Stafford
141	Neville Gimblett
145	Ross Nicholson
153	Troy Taylor & Paulianne Theuma
154	Charles Rudd
156	John & Robyn Soulbrey
157	Carlo Ricci
162	Graham Smellie
168	Christine Toms
170	Robert Holdaway
174	Ewen Robertson
175	Kelvin Lane
177	Christina Paton
180	George Dubrau
185	Ann Thomas
188	Dianna Timms
198	Peter Hamilton & Margaret Hill
199	Suzanne Havill
202	Pamela Good
203	Brian & Ann Thomas
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223	Sarah Elliot
228	Rose Cotter
236	Jeremy Manks
239	Gaylyn & Ross Bennett
242	Tony Murdoch
250	Linda Rawlings
251	Michael Nash
258	Warren Harris
259	Hamish McDonald
263	John Heskett

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:


- a. containing sufficient information about the options and their benefits and costs, bearing in


mind the significance of the decisions; and,

- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	David Down Asset Planning Manager	
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Approved by	Gallo Saidy Group Manager - Infrastructure Services	
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Draft Long Term Plan 2015/2025 - Financial Strategy

1. Purpose

The purpose of this report is to present to Council for deliberation, the submissions received on the Draft Long Term Plan 2015/2025 in relation to the Council's Financial Strategy.

2. Recommendation

- 2.1 That Report Draft Long Term Plan 2015/2025 - Financial Strategy be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 2.3 That the Council retains the Financial Strategy and its objectives of:
 1. balancing the budget in three years;
 2. ensuring that debt is used solely to fund level of service and growth capital projects from year 3;
 3. that depreciation funding is used to fund renewals from year 3;
 4. that debt is paid off from year 7;
 5. that debt does not breach the 175% of operating income threshold.

3. Topic for Consideration

Topic: Financial Strategy

Submissions

Submission No. 1, 2, 7, 8, 10, 12, 13, 15-17, 19, 23, 25, 26, 28-31, 33, 37, 42, 44-47, 49, 51-55, 61, 67, 69, 71, 80, 84, 87, 92-94, 97, 99, 107, 110, 113, 114, 116, 120, 124-127, 141, 145, 153, 154, 157, 159, 162, 168, 173-175, 177, 185, 188, 194, 198, 199, 202, 203, 208, 209, 212, 223, 228, 230, 231, 233, 236, 239, 242, 243, 245, 247, 248, 250, 254, 258, 259 and 263.

Refer to full list with submitter names at the end of the report.

Summary of Submissions

1. The rate increases are too high in the early years of the LTP
2. That debt is unsustainable.
3. Funding Loans on infrastructure they don't use
4. Limit or curtail capital projects until the debt becomes manageable

Analysis of Submissions to the Financial Strategy

In support	12
opposed	16
Support in part	3
Not stated	96
Making a generalised comment	56

1) The rate increases are too high in the early years of the LTP

The rate increases are above the normal in these years as they have been for the last 3 years. However, few would argue that the operational deficits that council has had for some years are no longer sustainable. Unfortunately, it is necessary to have these rate increases if Council is to maintain its borrowing ability and credit rating.

Our infrastructure is at a point where it is necessary to spend on renewals to maintain the current levels of service. Council is also approaching its prudential limit in terms of its ability to borrow. The only alternative Council has is to not proceed with the large infrastructural assets renewals and improvements. Most of these are dictated by either the age of the asset being replaced or regulatory standards Council must meet for resource consent for wastewater or drinking water standards for water.

Debt and rates, on the one hand, fund infrastructure and capital expenditure on the other. It is a tight balancing act. Maintenance of Council's A+ credit rating now hinges on carrying out what Council has stated it will do in its Financial Strategy. Including the sale of assets to reduce debt.

2) That debt is unsustainable

Debt is a useful tool to ensure intergenerational equity on new or improving capital projects. The person using the new asset pays for it. However, rates should be used for renewing existing assets for the same reason. The people using the existing asset should pay for its replacement. However, this council, in order to keep rates low and affordable, were not funding renewals from rates. This was effective in keeping rates low, but only in the short-term when the need to renew assets was not high. However, Council is now in a situation where its assets need replacing with very little ability to delay that renewal any longer.

Some people do not have a feel for the scale of our assets in relation to debt. They relate debt in a local government sense to a mortgage or private sector debt. Whereas a mortgage can be as high as 90% of the asset value or more, debt as a percentage of assets in Local government is low, on HDC's case it is 16%. Nor do ratepayers realise that is only those rating units connected to the water and wastewater networks that incur the debt servicing costs of those networks.

3) Funding Loans on infrastructure they don't use

There are two aspects to this;

- (a) That they don't use Community facilities such as pools and libraries
- (b) That they are not connected to water, wastewater or stormwater networks.

In the case of the former, it is the belief that rates are for services not a tax. Or a lack of willingness to pay. This has been discussed at length in the rating system report so will not be repeated here.

With regard to the second, as discussed above some believe they are covering the costs of water and wastewater networks even though they are not connected. This is not true.

4) Limit or curtail capital projects until the debt becomes manageable

This is an option, but as discussed above in item 1 Council's ability to do this, for infrastructural assets at least, is limited as Council finds itself in an environment that if it does not renew its assets it takes the risk that they fail. Much of the new capital works have been dictated by resource consent and regulatory standard improvements.

Conclusion

Council finds itself in a situation where, for a whole raft of reasons, Council has little alternative but to follow the path set out in the Financial Strategy. Council must live within its means, continue with the programme of works and meet its prudential requirements with LGFA and Standard and Poors to name but two.

Recommendation

THAT the Council retains the Financial Strategy and its objectives of;

- 1. balancing the budget in three years*

2. ensuring that debt is used solely to fund level of service and growth capital projects from year 3
3. that depreciation funding is used to fund renewals from year 3
4. that debt is paid off from year 7
5. that debt does not breach the 175% of operating income threshold.

Submission no.	Submitter name
1	John Murphy
2	Loraine Tietjens
7	Nigel Crockett
8	Rodney & Jeanette Jamieson
10	Trevor Kreegher
12	Gerd Ruschhaupt
13	William & Wendy Tunley
15	Robyn Johns
16	Mike Fletcher
17	Sara Bryers
19	Graham Conner
23	Chris Thompson
25	Anthony (Tony) Strawbridge
26	Peter Price
28	Melanie Obers
29	Lone & Jens Jorgensen
30	Maureen Lee
31	Gordon & Elizabeth Burr
33	Albert Burgess
37	Margaret Jeune
42	Barry Rollinson
44	Marilyn Cranson
45	David Thomson
46	Rachael Ward (Tokomaru Village and Community Association)
47	Stuart Campbell
49	Alexia & Earl Woodmass
51	Craig Dewhurst
52	Paul Smith
53	Janice Smith
54	Kenneth Anderson (Andersons Farms Ltd)
55	Submitter No. 55
61	Kelvin Sherman
67	Bernard Casey
69	Raymond Bishop
71	Bruce Garratt
80	Sylvia Van Nistelrooy
84	Raewyn Tate
87	Tony Strawbridge (Waitarere Beach Progressive & Rate Payers Association Inc)
92	Megan Cushnahan (Roma Trust)
93	Steve Attwell (Attwell Valuers Ltd)
94	George Coutts
97	Charles Davies
99	Catherine Madison
107	Judy Brain
110	Kevin Metge

Submission no.	Submitter name
113	Arthur & Glenys Woollard
114	Dave & Debbie Hobbs
116	Maurice & Sophie Campbell
120	Graham Dawson
124	John Haverkamp
125	Henry & Maureen Jordens
126	Sharyn & Carl Williamson
127	Allan Mitchell
141	Neville Gimblett
145	Ross Nicholson
153	Troy Taylor & Paulianne Theuma
154	Charles Rudd
157	Carlo Ricci
159	Michael Coupe (Horowhenua Grey Power Association Incorporated)
162	Graham Smellie
168	Christine Toms
173	Rosemary Pitt
174	Ewen Robertson
175	Kelvin Lane
177	Christina Paton
185	Ann Thomas (Horowhenua Farmers Ratepayers Group)
188	Dianna Timms (Timms Farm Ltd)
194	Rebecca Noaro (IDLE)
198	Peter Hamilton & Margaret Hill
199	Suzanne Havill
202	Pamela Good
203	Brian & Ann Thomas
208	Brian Good
209	Diana McGill
212	Simon Kuiti
223	Sarah Elliot
228	Rose Cotter (Hokio Progressive Association)
230	Kristy McGregor (Federated Farmers of NZ)
231	Bruce Mitchell
233	Deborah Gimblett
236	Jeremy Manks
239	Gaylyn & Ross Bennett
242	Tony Murdoch (SoRT & Wildlife Foxton Trust)
243	Christopher Pauiter
245	Rosalie Huzziff
247	William Huzziff
248	Malcolm Huzziff (Huzziff Farms Ltd)
250	Linda Rawlings
254	David Clark
258	Warren Harris
259	Hamish McDonald
263	John Heskett



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

4. Appendices

There are no appendices for this report

Author(s)	Doug Law Group Manager - Finance	
Approved by	David Clapperton Chief Executive	

Notice is hereby given that an extraordinary meeting of Horowhenua District Council will be held on:

Date: Wednesday 18 February 2015
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council

OPEN AGENDA

MEMBERSHIP

Mayor	Mr B J Duffy	
Deputy Mayor	Mr G G Good	
Councillors	Mr W E R Bishop	
	Mr R J Brannigan	
	Mr R H Campbell	
	Mr M Feyen	
	Mrs V M Kaye-Simmons	
	Mrs J Mason	
	Mrs C B Mitchell	
	Mr A D Rush	
	Ms P Tukapua	
Reporting Officer	Mr D M Clapperton	(Chief Executive)
Meeting Secretary	Mrs K J Corkill	

Contact Telephone: 06 366 0999
Postal Address: Private Bag 4002, Levin 5540
Email: enquiries@horowhenua.govt.nz
Website: www.horowhenua.govt.nz

Full Agendas are available on Council's Website
www.horowhenua.govt.nz

Full agendas are also available to be collected from:
Horowhenua District Council Service Centre, 126 Oxford Street, Levin,
Foxton Service Centre/Library, Clyde Street, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takere/Library, Bath Street, Levin

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the Chief Executive Officer or the Chairperson.

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1 Apologies

At the close of the agenda no apologies had been received.

2 Public Speaking Rights - Unavailable

The opportunity to submit and speak to these items will be available during the public consultation on the Long Term Plan.

3 Late Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

4 Declaration of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5 Announcements

Audit New Zealand

Representatives from Audit New Zealand will be in attendance.

HDC Infrastructure Strategy

File No.: 15/55

1. Purpose

The purpose of this report is to seek Council's adoption of amendments to the HDC Infrastructure Strategy 2015-45.

2. Recommendation

- 2.1 That Report 15/55 on HDC Infrastructure Strategy be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the HDC Infrastructure Strategy 2015-45 be adopted.

3. Background/Previous Council Decisions

Council adopted the draft HDC Infrastructure Strategy 2015-45 on 17 December 2014 following a series of workshops and briefings enabling the Strategy to be written. The adopted draft Infrastructure Strategy formed the basis of major expenditure inputs to the Financial Strategy in supporting the 2015-2025 Long Term Plan review.

4. Issues for Consideration

- 4.1 Following the adoption of the draft Infrastructure Strategy on 17 December 2014 the document and others supporting the Long Term Plan 2015-2025 review have been considered by Audit New Zealand and have been subject to further review by the Long Term Plan Project Steering Group.
- 4.2 These reviews have led to some changes in the Infrastructure Strategy. These are:
 - 4.2.1 Minor corrections to formatting of tables and charts,
 - 4.2.2 Minor changes to Levels of Service Statements for clarity and strict compliance with the Department of Internal Affairs Mandatory Non-financial Performance Measures,
 - 4.2.3 Replacement of all non-inflated cost estimates with cost estimates inflated in line with the Financial Strategy. No underlying input estimates of Operational or Capital costs have been changed, the Strategy simply now reflects costs on an inflated basis.
- 4.3 The Local Government Act 2002 Amendment Act 2014 Section 101B requires that Local Authorities, as part of the Long Term Plan, prepare and adopt an Infrastructure Strategy for a period of at least 30 years.
- 4.4 The Infrastructure Strategy must present the funding requirements for core infrastructure for a period of 30 years. The funding requirements must allow the Local Authority to meet current and future Levels of Service adopted in the Long Term Plan.
- 4.5 The Infrastructure Strategy 2015-2045 addresses core infrastructure related to Water, Wastewater, Stormwater and Roading and Footpath services

Attachments

No.	Title	Page
A	HDC Infrastructure Strategy 2015-2045	9

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Down Asset Planning Manager	
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Approved by	Gallo Saidy Group Manager - Infrastructure Services	
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HOROWHENUA DISTRICT COUNCIL

**INFRASTRUCTURE STRATEGY
2015-2045**





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Document Name	Horowhenua District Council Infrastructure Strategy 2014-44		
Trim Ref	D14/69943	Date	
Prepared by	David Down	Reviewed By	Gallo Saidy
Approved By	David Clapperton	Adopted by Council	Date

1 FOREWORD

Amendments to the Local Government Act (2002) in 2014 mean that each Local Authority is now required to prepare a strategy that demonstrates Council's commitment to managing its public infrastructure in a way that ensures that the services provided by these assets is enduring and affordable.

This document is the Horowhenua District Council 30 Year Infrastructure Strategy.

Over the past few years Council has been working to improve its knowledge of the infrastructure assets it has, through which it delivers key services to the District that are critical to the Community's health, safety and economic prosperity. It has also been improving the planning practices essential to ensuring that these assets can endure into the future.

This improvement in information and attention to forward planning has helped us to recognise that the large financial investment in infrastructure made over decades by the Community has now reached an important decision milestone. Council must now act in a particular way to make sure these critical services that keep our Community healthy and ensure that business can continue in the decades ahead, and are delivered in a manner that is affordable and sustainable.



Manawatu River

A key goal of this Infrastructure Strategy is a sustainable future. The Infrastructure Strategy, supported by Asset Management Plans, plays a key role in helping to achieve a sustainable future. The Strategy informs the Council's Financial Strategy and Long Term Plan of the necessary infrastructure related tasks, the best options for achieving them, the most effective cost and the best timing. These are key decisions in managing the Community's infrastructure assets sustainably.

To obtain the best service potential from assets is another key goal of this Infrastructure Strategy. This means that the Council is committed to making the most of its existing assets to avoid the expense of having to build new assets until they have truly reached the end of their useful lives. This is carefully balanced with the need to recognise that when an asset is no longer economically worth maintaining then that is when it needs to be replaced with a new one.

Overall Council aims to demonstrate a high standard of planning and management of the infrastructure assets which it takes care of on behalf of the Community.

David Clapperton, Chief Executive

2 EXECUTIVE SUMMARY

The continued wellbeing and future growth of the Horowhenua District is supported by a large investment in public infrastructure to provide Water, Wastewater, Stormwater and Rooding services.

The key purpose of the Infrastructure Strategy (the Strategy) is to provide a plan for maintaining the current Levels of Service provided by Council's core infrastructure of water, wastewater, stormwater and roading. It also helps

Council identify and close any gaps in these Levels of Service. The Strategy is critical to a sustainable future and the achievement of the Community Outcomes.



The Ohau River

This Strategy is part of the framework of strategic planning documents including Asset Management Plans, the Long Term Plan and the Financial Strategy. These documents are the key tools for managing Council's assets sustainably and allowing Council to achieve identified infrastructure objectives for the next 30 years. This Strategy, along with the other strategic documents, will help ensure that Council is a good steward of its assets.

The following graph summarises the total expenditure across all asset groups by Operating (Opex) and Capital (Capex) expenditure. Note: the graph shows the average expenditure for each year from 2015 to 2025 and then for every 5 years from 2025 to 2045.

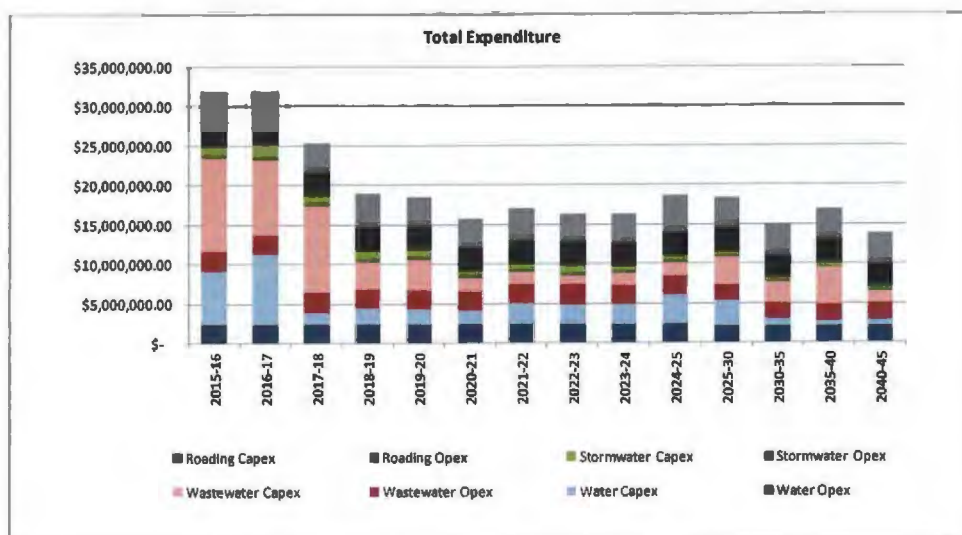


Figure 1 Total Operating and Capital Expenditure

3 PURPOSE OF THE INFRASTRUCTURE STRATEGY

Council needs to ensure that whatever service is provided by the assets today can continue to be provided into the future and in a way that meets the changing demands of the Community.

Section 101B of the Local Government Act (LGA) 2002 and its amendments, requires each local authority to prepare and adopt an Infrastructure Strategy as part of its Long Term Plan. This strategy is required to cover a period of at least 30 consecutive financial years.

The Infrastructure Strategy will help the Council and the Community make informed decisions over the next three to ten years, and will place the Council in a better position to understand and plan for major investments that may be required in the next 10 to 30 years.

In complying with these requirements, the Infrastructure Strategy identifies:

- Significant infrastructure issues and the actions to be taken to address the gaps in both the shorter and longer term,
- Options and associated expenditures for managing them over the period covered by the strategy taking into account a range of factors that impact on the nature and cost of infrastructure provision, and
- The key planned projects to deliver the infrastructure to enable growth.



Pipes ready for installation, "Pipeline to the Pot" project, 2013

4 THE HOROWHENUA DISTRICT



Figure 2 Map of the Horowhenua showing main settlements, road and land features

4.1 History

The Horowhenua District came into being on 1 November 1989 as part of the then round of Local Government Amalgamations. This District was made up of parts of the former authorities of Levin Borough, Foxton Borough and Horowhenua County.

Various parts of the District have had times of growth and recession in terms of employment and economic activity. The Foxton Township was a major source of flax during the early 20th century; however the global depression of the 1930's brought the industry to a standstill.

4.2 Geography

Horowhenua District covers 1,069 km². Its local authority neighbours are Kapiti Coast District to the south, Tararua District to the east, and Palmerston North City, and parts of Manawatu County and Manawatu District to the north.

The District is bordered by The Tasman Sea to the west and the Tararua Ranges to the east. The Manawatu River flows through the District entering near Poplar Road (near Tokomaru) to the north and exiting at Foxton Beach.

The main settlements of Horowhenua District are Levin, Foxton and Foxton Beach, Shannon, Tokomaru, Waitarere Beach, Hokio Beach, Ohau, Waikawa Beach and Manakau. Council's central administration office is located in Levin which is less than an hour by road from Palmerston North and just over an hour from Wellington. Other service centres are located in Shannon and Foxton.

Much of the District was once an extensive wetland. It has been progressively drained and converted to productive farmland, with a mixture of loam and peat based soils.

4.3 Demographics

The District's population is 30,600¹. The current population movement within the District is characterised by an even internal migration between the urban and rural areas.

The District's townships have had periods of growth and recession; currently there is still a surplus of land and property following closure of several key businesses during the early 2000's.

The population is split between 47.5% male and 52.5% female. The following graph shows the District's Age Profile.

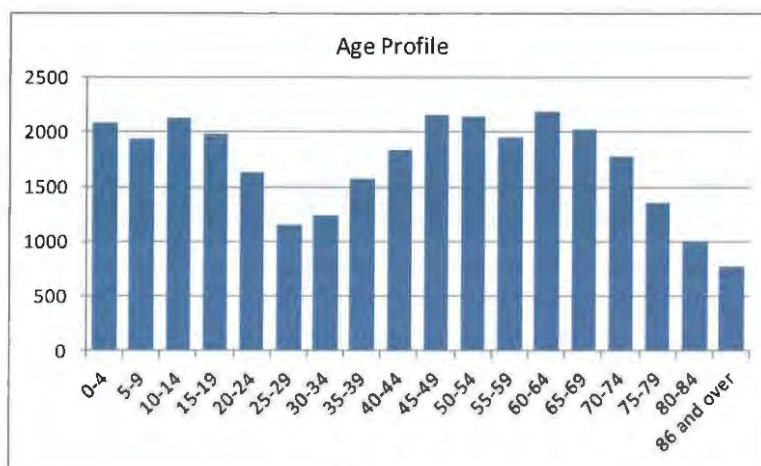


Figure 3 HDC Population Age Profile

¹ Statistics New Zealand June 2013 estimate

4.4 Tangata Whenua

Maori began to settle in the District in the 14th century. Today Council exercises functions within the rohe of:

- Muaupoko
- Ngati Raukawa
- Ngati Whakatere
- Ngati Apa
- Rangitane

The Local Government Act 2002 requires Territorial Authorities to maintain and improve the ability of Maori contribute to Local Government decision-making. Council is required to have regard to the relationship between Maori and their ancestral lands, water, sites, wahi tapu and other taonga of national importance. These relationships must be recognised and provided for by decision makers.

For many reasons, the Treaty of Waitangi considerations and the Resource Management Act (RMA) 1991 have a direct impact for long term infrastructure management. This includes consultation required as part of the resource consent process as well as consulting with Maori on the provision of infrastructure, relating to the likes of discharge of waste to land, or extraction of water.

In the past 12 months Council has been working to strengthen its relationships with Iwi groups in the District.

5 THE ROLE OF INFRASTRUCTURE

Community Outcomes are the goals and aspirations that Council is working towards achieving for the District. The Council has developed five Community Outcomes for the Horowhenua District and these are:

- A healthy local economy and a District that is growing,
- A sustainable environment,
- A community of knowledge, culture and diversity where people are proud to live,
- Safe, resilient and healthy communities, and
- Positive leadership and effective partnerships.

Achieving these Community Outcomes requires:

- A clean reliable supply of water for drinking and fire fighting,
- A safe reliable land transport network,
- Protection of private property and transport corridors from the effects of stormwater, and
- Safe disposal of wastewater.

These requirements are provided by the infrastructure asset built and maintained by Council. The assets involved have been built up over decades and are worth many millions of dollars. The ongoing operation, maintenance, renewal and occasional expansion of the assets is an expensive exercise that requires good information and careful planning for the future to make sure we continue to achieve these Community Outcomes.

5.1 Assets Covered in this Strategy

For the purposes of this strategy the term infrastructure will include basic built assets that provide a structural foundation for the community and covers specifically the following Council owned assets:

- Drinking water supplies,
- Wastewater collection, treatment and disposal,
- Stormwater, and
- Land Transport network.

The assets include the likes of:

- Network pipelines and fittings on the pipelines,
- Treatment plants,
- Roads, footpaths, streetlights and street signs, and
- Other assets associated with transport within the road corridor.

As mentioned above these are expensive assets. The value of the four asset groups is shown in the table below. The values are as at 30 June 2014 and expressed in millions.

		Replacement Cost	Book value
Water	Treatment	\$24.14	\$13.01
	Reticulation	\$80.31	\$42.33
Wastewater	Treatment	\$25.80	\$15.20
	Reticulation	\$112.60	\$53.40
Stormwater	Reticulation	\$45.1	\$31.2
Roading	Road	\$228.20	\$159.30
	Facilities and Structures	\$22.90	\$8.70
	Footpaths	\$23.20	\$10.00
	Drainage	\$26.10	\$12.40

5.1.1 Council Activities not included

Activities and assets not covered in this Strategy are Solid Waste, Property and Recreation.

The Solid Waste activity is currently the subject of a Solid Waste business review which discusses the future scale of Council's operation, ownership and involvement in service provision in the solid waste area. Similarly the Property Activity is the subject of a Property Strategy currently being prepared which is expected to discuss options for the future ownership and provision of Property assets, both land and buildings.

Until discussions and decision making arising from these two strategies are concluded, there is considerable uncertainty over what assets will be owned by Council at all. For now the scale of overall assumptions over such a long planning horizon outweighs the benefit of discussing these Activities in this Strategy.

In addition, both the Property and Recreation Activities have considerable gaps in the data and information on the assets involved, and the assumptions that would need to be made would again outweigh the benefit of planning over 30 years.

Council's intention is that by the time the first review of the Infrastructure Strategy is undertaken in 2017, the issues of both future direction in service provision and confidence in underlying data and information in these three Activities will have been addressed. It is likely that they will then become part of Council's Infrastructure Strategy.

5.1.2 Non-Council Infrastructure

Both Central Government and the private sector provide and maintain other infrastructure groups vital to meet the needs of the Community. Some of the infrastructure owned or under the responsibility of others include the State Highway network, the Rail network, Communications, Electricity and Gas networks. These services are not covered under this Strategy.

6 INFRASTRUCTURE GOALS

The Goals of this Strategy are:

- Goal 1 Ensure adequate infrastructural capacity to meet the demands of current and future generations whilst being affordable to the Community.
- Goal 2 Increase the reliability and resilience of the existing and future infrastructure.
- Goal 3 Ensure sustainable use of resources and protection of critical environmental values.

These Goals specifically support three of Council's Community Outcomes being;

- A healthy local economy and a District that is growing,
- A sustainable environment, and
- Safe, resilient and healthy communities.

6.1 Infrastructure Objectives

The objectives of managing infrastructure over the long term are to ensure that:

- **Levels of Service agreed to by the Long Term Plan can be met.** This means making sure that the assets are delivering the service for which they were built, in other words that they are fit for purpose.
- **The Levels of Service are affordable for the Community.** This means ensuring the right amount of financial planning is undertaken to ensure that the most cost-effective options are used for the ongoing operation, maintenance and renewal of the assets. The Community must be able and willing to pay for this, and that other services provided by Council are taken into account.
- **The Levels of Service can continue to be provided in the same cost-effective manner as the demands of the Community change.** This means that we need to be able to predict changes in demands for service and plan for the right response to those changes.

6.1.1 Identifying Priorities

As the demand for additional or improved infrastructure increases, the biggest challenge facing Local Authorities today is getting the funds required for upgrades of ageing or obsolete infrastructure, and

for new infrastructure to meet increased levels of service and growth. Proposals to meet each of these challenges are presented later in this Strategy.

It is important to identify where there are infrastructure gaps and which gaps have a high priority so that resources and efforts are focused on these first. Identifying what infrastructure is important to the Community and to meet the Council's legislated obligations, Council's Levels of Service have been developed to help define and identify the key strategic priorities around our infrastructure.

The key pieces of legislation and regulations that inform Council's legislative obligations in respect of its infrastructure include, but are not limited to, the following:

- Health Act 1956,
- The Health (Drinking Water) Amendment Act 2007 (replaces the Water Protection Regulations 1961),
- Local Government Act 2002,
- Building Act 1994,
- Resource Management Act 1991,
- Health & Safety Act in Employment Act 1992,
- New Zealand Drinking Water Standards (2005) revised 2008,
- Civil Defence Emergency Management Act 2002,
- Public Works Act 1981,
- Horizons Regional Council's One Plan.

There are also key challenges that the Horowhenua District will likely face over the next 30 years, and these give rise to strategic issues that will need to be monitored, analysed and responded to over this extended period.

At a high level the important issues for the three waters and roading are:

- Ensuring our services enable our District to develop, grow and be prosperous,
- Ensuring our services enable the Community and the environment to be healthy,
- Balancing district requirements for services with community affordability,
- Monitoring and managing the risks associated with operating our critical infrastructure,
- Predicting, monitoring and mitigation of unauthorised discharges to the environment, and
- Making better use of public education and demand management to help deliver more effective services.

7 SUSTAINABILITY

It is also critically important that infrastructure decisions and the actions taken to achieve them are sustainable. For infrastructure decisions and actions to be sustainable they should:

- Promote the efficient and effective use of resources,
- Deliver equity for the present and future generations,
- Avoid, mitigate and remedy any adverse effect on the environment, and
- Promote the creation of liveable communities with a sense of place and identity.

The questions taken into consideration to help ensure sustainable outcomes are:

- Will the type of infrastructure built or being maintained, continue to serve the Community into the future?
- Can the infrastructure be maintained or renewed given the limited resources available to the Community?
- Does the infrastructure create effects or impacts that erode the quality of our natural environment?
- Does the method of maintaining or constructing this infrastructure have local or global impacts environmentally, socially or economically?

These are important questions to ask if the Horowhenua Community is to build a sustainable future and if built assets and infrastructure that support quality of life are to be strengthened and not eroded. A significant effort to continue building sustainability into Horowhenua District Council's business practices must be made. Sustainability will be a critical criterion in the actions Council seeks from other agencies and organisations. In the actions outlined later in this plan, Council will strive to act sustainably in all decisions, actions and practices throughout the life cycle of assets.



Farmlands near Shannon

8 ASSUMPTIONS

8.1 Population

The most important assumption to be made in this Strategy is the population of the District as this informs assumptions around;

- How many people we consider will be using a service?
- How many more will be using that service in years to come?
- How much of the service or product will they be using? and
- Will this make the asset last longer or wear it out faster?

Population is influenced by a range of factors such as employment opportunity, business activity, age and change in age profile, fertility and mortality rates. Changes in population are difficult to predict but vital to understand future requirements for the infrastructure based services.

The growth projections used in determining the most likely scenario are set out below.

- Between the 2013 Census and 1 July 2015 the population will grow by 0.1% per year,
- The population will grow by 0.4% per annum for the next 30 years up to and including year 2045,
- The population will grow at the same rate across all settlements within the District,
- The number of new dwellings will increase by approximately 135 per year over the next 30 years,
- The average number of occupants within each household will continue to drop due to an ageing population, and
- There will be minimal growth in the commercial and industrial sectors.

The population growth projections are shown in the graph below.

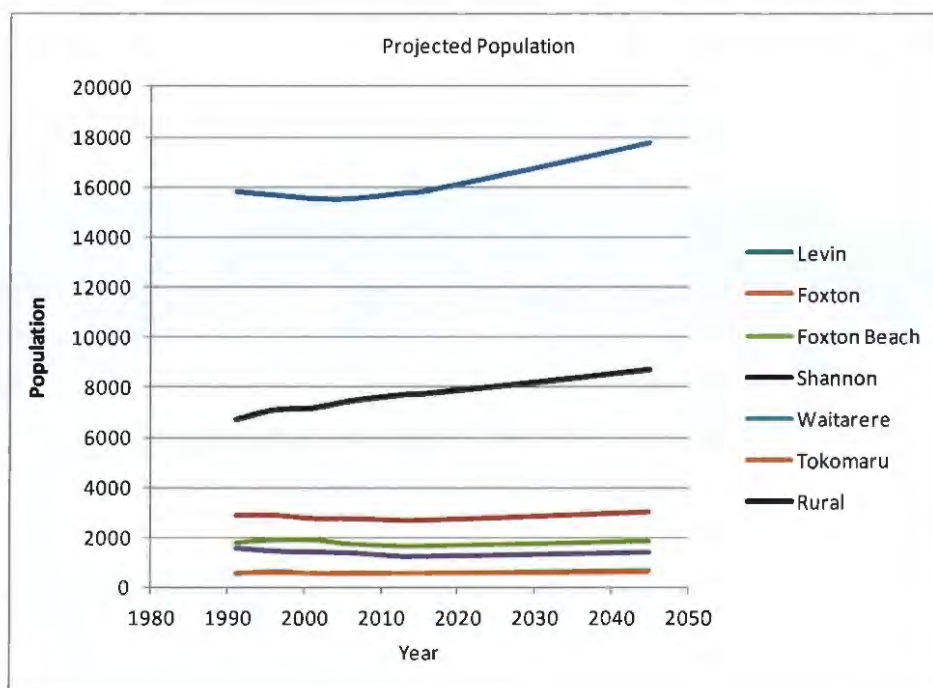


Figure 4 Horowhenua District Projected Population

It is also important to understand how the population's age is changing. The age profile is assumed to be getting increasingly older, with growth predicted in the over 65 year's age range, but with little gain in the 20's and 30's age range. It is anticipated that by 2031 over 30% of the District's population will be aged over 65 years old.

This means that potentially within two decades one third of the population may be living on a single or limited fixed income with little potential for increase in wealth or earning ability. This affects what the Council considers to be deemed to be "affordable" and the extent to which the Community is able to pay for services of escalating cost. The change in age profile is shown in the following graph.

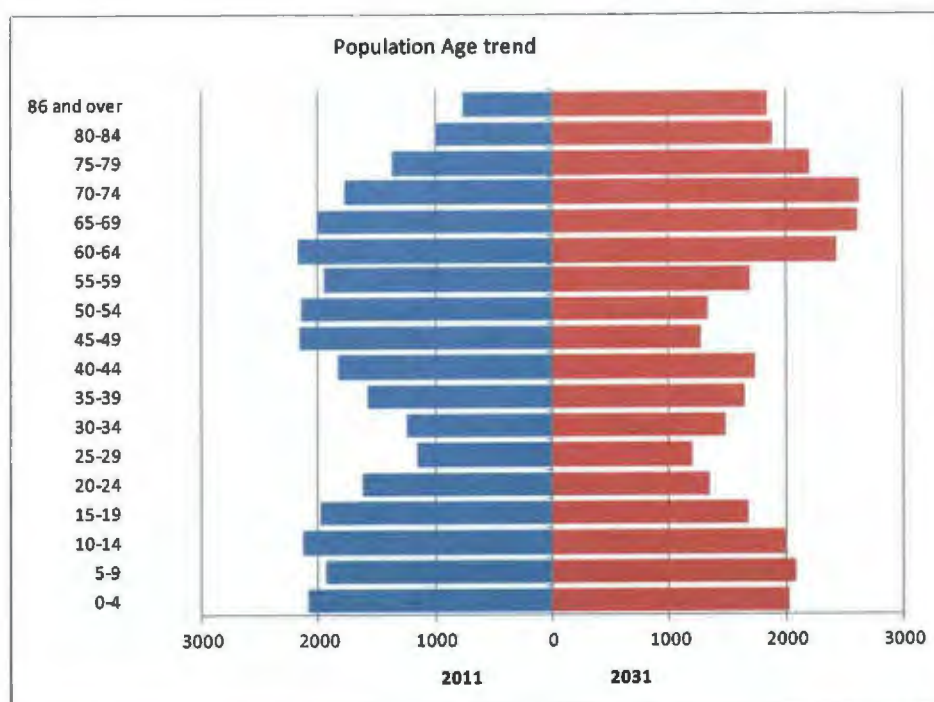


Figure 5 Projected Population Age change

8.2 Ownership

Council currently owns and operates the infrastructure assets outlined in this Strategy. Although most of the field works are undertaken by private contractors, the overall responsibility for service delivery rests with Council. This Strategy assumes that the current ownership/operating model in use by the Council will continue through the next 30 years.

8.3 Levels of Service

This Strategy assumes that all Levels of Service targets will be unchanged in the future.

Where Level of Service capital expenditure is proposed (largely in the Water and Wastewater Activities), this is to meet mandatory Levels of Service that are not currently being met. It does not mean the targets are being increased.

Where there are land use changes in the District Plan, some areas may be entitled to an altered Level of Service. It is assumed that there will be no impact from land use changes in the District Plan in terms of ability to meet these Level of Service changes.

The key Levels of Service have regard to minimum legislative standards and customer satisfaction with service. All Levels of Service are tabled in Appendix 1.

8.4 Data and Information

A particular focus in current Infrastructure management is improved data and information. This is needed to establish a more reliable basis for actions in this Strategy. Some of the programmes established later in this Strategy include assumptions that better data and information has been collected as time goes by. These assumptions are that:

- We will implement new systems to provide for better capture of asset data, including true operations and maintenance costs,
- We will update and refine the required renewal expenditure based upon the improved data,
- The renewals programmes will be adjusted based on condition and performance monitoring, and
- Asset renewal profiles and depreciation rates/calculations will be reviewed as improved information becomes available.

An assessment of the confidence in the data underlying the current Asset Management Plans is shown in the following table.

Asset class	Data confidence grade	Method of assessment
Water	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
Wastewater	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
Stormwater	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
Roading	B - Data based on sound records, procedure, investigations and analysis, documented properly but has minor shortcomings, e.g. some data is missing	Register analysis

The expected life of each asset type in each Activity is also set in the Asset Management Plans and the Asset Valuation to help determine how long the assets are expected to last for. A table of all assumed asset lives is presented in Appendix 4.

8.5 Inflation

The financial forecasts for the first 10 years have been adjusted for inflation in accordance with projections based on the BERL Local Government cost index. These inflation rates are detailed in the Financial Strategy. The financial forecasts for years 11 to 30 are not adjusted for inflation.

9 SIGNIFICANT CHALLENGES FOR THE DISTRICT

9.1 Growth and the Ageing Population

The growth projections assumed for the decisions to be made in this Strategy have been derived from Statistics New Zealand and modified by Infometrics.

These projections show that despite Council's adjacent southern neighbour experiencing high growth rates in the national context since the 1970's, the population growth rate in the Horowhenua District has and will continue to remain at comparatively very low levels.

Compounding the impact that these low levels of growth will have on our ability to maintain and renew assets is the increasing size of the over 65 years old age group. This is the portion of the population which has the least ability to absorb increasing costs associated with increasing infrastructure expenditure and it is, however, the sector of the population which is growing at the fastest rate in this District. It is significant that portions of population aged 65 and over in both the Horowhenua and Kapiti Coast District are amongst the highest in the country and are projected to remain so.

9.2 Roads of National Significance (RONS)

The Wellington Northern Corridor (Levin to Wellington Airport) is one of seven Roads of National significance the Government has committed to being constructed. It includes construction of 110 km of expressways from Wellington to north of Levin and includes the following stages:

- Transmission Gully (Linden to Paekakariki) beginning in 2014
- Paekakariki to Peka Peka, construction beginning in 2013
- Peka Peka to Otaki, design expected to begin in 2015

The effects these expressways will have on the District include the likes of:

- The impact of the construction phase on local labour, plant and machinery resources,
- The impact of temporary accommodation on the local rental housing market while the northern reaches of the expressway are under construction (this could last for years at a time),
- The impact of the shortened commuter distance from Levin to Paraparaumu and further south to Porirua and Wellington, particularly where the effect is that the travelling distance will be reduced by up to 40 minutes in off-peak time, and
- Shortage of land in Kapiti Coast putting pressure on land in Horowhenua; the Transmission Gully section in particular will quickly make land in Kapiti Coast less affordable and in greater shortage.

The overall effect of the RONS will be to continue to push development northwards and into the Horowhenua District. The combination of these factors will likely have a significant and long lasting impact on the Horowhenua District's population and economy.

9.3 Ageing Infrastructure

Areas of the District have been built over decades, and today there is both underground and aboveground infrastructure which is well past its expected life. As ageing occurs reactive maintenance will increase. A key challenge for the District is the balance between reactive maintenance, programmed maintenance, and the inevitable rehabilitation or outright replacement of assets which have both physically and economically run past the point of repair.

There are risks of high running maintenance costs and loss of service through failure of aged assets. A significant portion of the proposed asset renewal programme is aimed ensuring that these risks are mitigated by a continual replacement of assets that have reached an age that ongoing performance is lost.

Council has historically fallen short in the level of renewals required to keep networks in appropriate condition and performance levels. Within each Activity there is a concentration of renewals funding programmed, particularly within the first 10 years, to address the need to catch-up on previously underfunded asset renewal.



Mayor E. W. Wise re-opens the water supply after headworks reconstruction in 1961.

9.4 Climate Change and Coastal Change Impact

In the long term it is expected that climate change will have two principle impacts upon the Horowhenua District of an increased risk from severe natural hazards, and a gradual change in environmental conditions such as rainfall and tide levels.

Within the lower North Island it is expected that over the next 40 years the average temperatures will rise by 0.2°C and 2.2°C in the Manawatu-Wanganui Region, evaporation will increase, enhanced westerly winds will occur, heavy rain will become more frequent, and average rainfall will increase in the westerly regions of the island.

Results from a study by Horizons Regional Council² show that there is likelihood of an impact within the next 30 to 50 years on coastal areas. This is a combination of rising tides and coastal erosion. Areas of land in Waitarere, Waikawa and Foxton Beaches have been predicted to be at risk from storm surge and inundation.

The assessed impact on infrastructure from coastal change is negligible in the 30 year horizon and there is no immediate response to these risk presented in this Strategy. However Council will ensure that future reports produced by the likes of Horizons Regional Council or the National Institute of

² Coastal Hazards Assessment Report, Horizons Regional Council, 2014

Water and Atmospheric Research (NIWA) are studied to confirm predicted trends and act in response to any predicted changes if necessary.

9.5 Resilience: Flooding and Earthquake

9.5.1 Flooding Risk

Flooding is the most frequently experienced natural hazard in the District, and the likelihood of a major flood occurring in any year is high. The other natural hazards occur less frequently, but have the potential to cause significant adverse effects and pose a risk to people and property. The Koputaroa, Moutoa and Makerua areas are former swamps and are served by drainage schemes which have enabled the land to be farmed. Ongoing reviews and upgrades to the schemes occur to meet the demands of farming systems. Land in these areas is subject to flooding, particularly if the pump systems fail.



The Moutoa Sluice gates, 1962 (Horowhenua Historical Society)

Wider areas of the District are prone to flooding as shown in the map overleaf. While it is Horizons Regional Council's responsibility for flood control, large scale flood events (February 2004) have a significant impact on the ability of the Council to continue to deliver its services addressed in this Strategy.

Council has put some mitigation measures in place by way of development controls in the District Plan which determine where development can take place, in turn determining where infrastructure is required.

9.5.2 Earthquake Risk

Earthquake fault lines run through the Horowhenua District and their existence means that the District is vulnerable to earthquakes. An earthquake could potentially cause devastation to both above and below ground infrastructure in developed areas through ground rupture, liquefaction or ground deformation. Fault or ground rupture can occur during a very large earthquake where the movement creates discrete breaks at the ground surface, which is of particular risk to buildings, structures and infrastructure.



Figure 6 Liquefaction effects of an earthquake at Foxton Beach 1934 (Foxton Historical Society).

The known active faults are predominantly located in the Tararua Ranges away from any areas of intensive development and settlement, and therefore, the risks of fault or ground rupture are most likely to occur in the District's hill country.

Council is a member of the New Zealand Local Authority Protection Programme (LAPP) scheme that insures infrastructure at replacement cost value. Above ground assets such as reservoirs and buildings are insured with Aeon Insurance through the Manawatu-Wanganui Local Authority Shared Services agreement.

The following map of the District shows the locations of major fault lines, coastal hazard areas, flood prone areas, and the proposed Roads of National Significance routes.

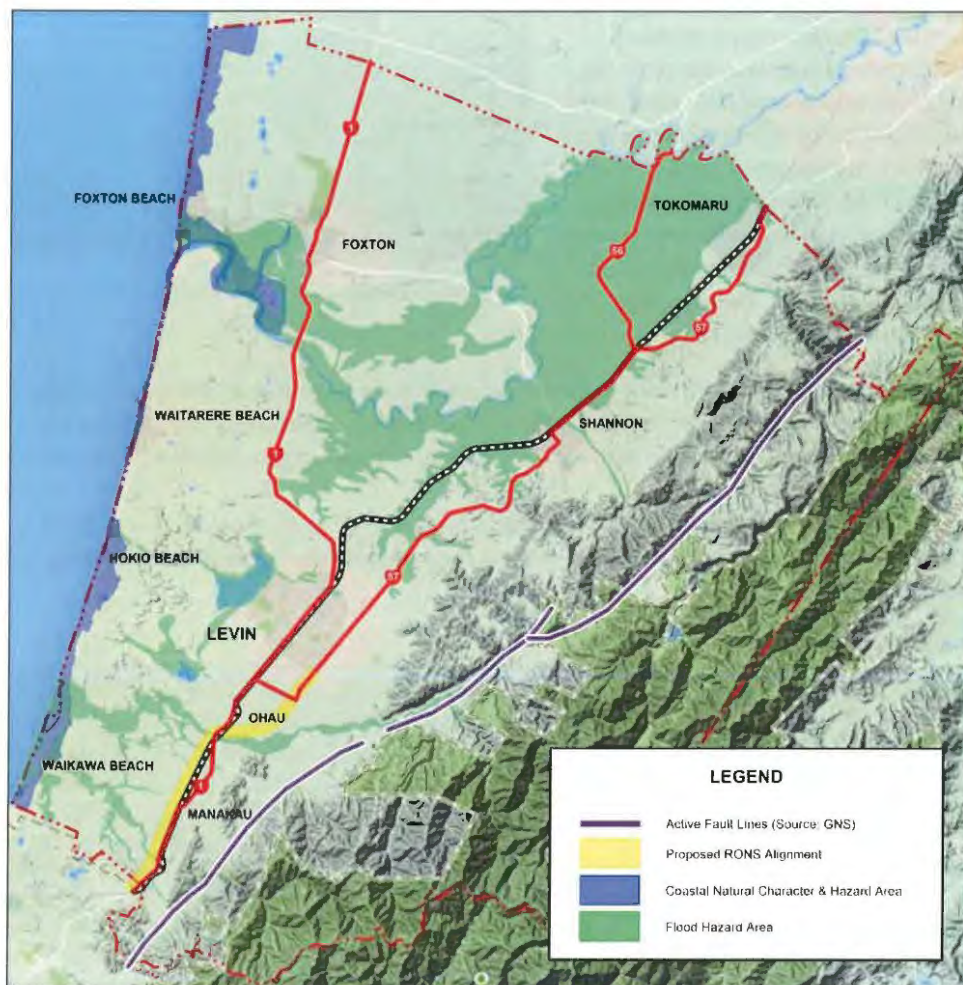


Figure 7 District Map showing Fault lines, coastal hazards, flood prone areas and RONS

10 INFRASTRUCTURE ISSUES

10.1 ISSUES AFFECTING ALL INFRASTRUCTURE

A large amount of the District's infrastructure was built in the 1960's and 1970's. With an average age of 60 years, many of these assets are now reaching, or indeed have already passed the end of their expected life. Maintaining these ageing assets becomes more difficult as their age increases. The District is now at a time when keeping the respective levels of maintenance cost versus renewal cost is at its hardest to balance.

The key issue in regard to Council's infrastructure assets is not what needs to be provided, but how to avoid losing what it has established over time at significant effort and cost. Some assets may not even need to be kept. In fact, the need to manage its infrastructure assets well is a foundation upon which rests the Council's ability to provide new facilities for the Community in the future.

For example with the road network there is pressure to construct new road pavements and the assets related to them. Competing for funds is the significant proportion of the existing paved road network that is nearing the end of its practical life and will require a major programme (and future ongoing programmes) of preventative maintenance.

Developing partnerships with other Councils or organisations for providing services can be complex and also have their own risks. However, if the infrastructure needs of the Community are to continue to be met in the current constraints of the local government financial environment, forming partnerships can provide Council with the means of achieving infrastructure not possible on its own.

There is already opportunity to form partnerships with other local authorities in the region through the Manawatu-Wanganui Local Authorities Shared Service Group. There is also opportunity to establish partnerships with the likes of local Iwi, the private sector, newly formed Council Controlled Organisations, or the Central Government and its agencies such as New Zealand Transport Agency (NZTA).



The Foxton Water Tower under construction, 1923 (Foxton Historical Society)

10.1.1 Water

Since 2010 the asset register of pipes, fittings and treatment plant componentry has been progressively updated to improve the accuracy of key attribute data and enable better long term decision making. Council now has a much better picture of the possible end-of-life scenarios for most of its assets than it did 3 years ago and understands that many of the pipes and fittings on the network will fail in the medium term (1-10 years). This may mean sudden physical failure or an avoidable "running" failure and this means that escalating maintenance costs to keep the assets performing will begin to outweigh the financial benefits of outright replacement. The Capital Renewal programme later in this Strategy will address this looming end-of-life issue of an imbalance between reactive maintenance versus replacement.

A further issue is increasing restrictions on the water source under Horizons Regional Council's One Plan. However with the exception of Foxton and Foxton Beach permitted water extraction rates for townships in the District are sufficient for current and future capacity. The One Plan, however, also seeks to make Council, and thereby the Community, increasingly conscious of the amount of water being used and to lower the rates of unauthorised or wasteful water use. This requires full engagement in Council's Water Demand Management Plan, but also greater attention to occurrences of broken pipes and undetected leaks in the public network i.e. the asset replacement program.

10.1.2 Water Activity Risks

The following table sets out the key risks, and actions proposed to mitigate or control those risks in the Water Activity. The full risk assessment is in the Water Asset Management Plan.

Risk Description	Rating	Proposed Action
Service failure through Ageing assets	High	Maintain continuous renewal programme to replace most at risk assets
Construction of new works on private land	High	Improve consultation methods, including external and internal processes
Inconsistent Strategic documents	Significant	Improve coordination and education across the organisation regarding long term and strategic planning requirements
Poor contract management	Significant	Improve scoping of projects at design phase, increased project audit
Continuity Planning to ensure rapid restoration of service	Significant	Improve Business Continuity Plans, increase provision of back up power

10.1.3 Water Activity Principle and Alternative Options

Issues specific for the Water Activity are shown in the tables below, including principle and alternative options. All cost impacts are given in millions and are for total expenditure for each principle option. A full schedule of projects over \$0.5 million is in Appendix 2.

WATER		
Level of Service issues	Principle and alternative options	Cost Impact and Timing
Compliance with NZ Drinking Water Standards in Levin and Tokomaru	Implement the required works that can achieve compliance with the standard such as improved technologies for dealing with high turbidity and for protozoa treatment.	\$5.6m 2015/17
	Alternative – accept lower or non-compliant water supply schemes.	No cost impact
Compliance with Horizons One Plan and other legislative requirements	Implement work programmes to ensure rules can be measured and complied with.	as above (\$5.6m 2015/17)
	Alternative – continue with non-compliant water schemes.	No cost impact
Ageing asset	Catch-up of deferred renewals and continuation of on-going renewals and rehabilitation programme.	Ongoing - \$0.5 to \$1.2m per year
	Alternative – continue with maintenance programmes, but reduce levels of service for interruption of supply through network failures.	Higher failure rates resulting in increasing maintenance costs.
Resilience Issues		
Source sustainability at Foxton and Foxton Beach	Develop new water source (bore) or implement measures to prolong the life of the bores.	\$0.5m 2044/45
	Alternative – enforce restriction on residential and business connections, accept impact on business growth.	Restrictions on growth and reduced levels of service.
Lack of standby power at Shannon and Tokomaru	Ensure portable standby generator is available or install standby power set.	\$0.1 in year 2015/16
	Alternative – accept risk of loss of service during sustained interruption of power supply.	Service and consumer interruption costs.

10.1.4 Wastewater

As with the Water networks, the asset register of pipes, fittings and treatment plant componentry has also been updated to improve the accuracy of key attribute data and enable better long term decision making. This has included an ongoing programme of CCTV inspections of pipes. The same issues identified in the Water networks are present in the Wastewater network; high maintenance costs and increasing sudden failures.

The CCTV inspection programme has also revealed that significant amounts of inflow and infiltration of stormwater into the network means that we are treating unacceptably high volumes of wastewater, especially in peak flow periods. The Capital Renewal programme later in this



What lies beneath us - a blocked and broken wastewater main under Stafford Street, Shannon 2012

Strategy will address this issue by improving the integrity of pipeworks and reducing the amount of stormwater entering into the wastewater system. Note that there were no growth or decline issues identified.

10.1.5 Wastewater Activity Risks

The following table sets out the key risks, and actions proposed to mitigate or control risks in the Wastewater Activity. The full risk assessment is in the Wastewater Asset Management Plan.

Risk Description	Rating	Proposed Action
Service failure through Ageing assets	High	Maintain continuous renewal programme to replace most at risk assets
Construction of new works on private land	High	Improve consultation methods, including external and internal processes
Inconsistent Strategic documents	Significant	Improve coordination and education across the organisation regarding long term and strategic planning requirements
Poor contract management	Significant	Improve scoping of projects at design phase, increased project audit
Loss of telemetry system	Significant	Upgrade telemetry system

10.1.6 Wastewater Activity Principle and Alternative Options

Issues specific for the Wastewater Activity are shown in the tables below, including principle and alternative options. A full schedule of projects over \$0.5 million is in Appendix 2.

WASTEWATER		
Level of service issues	Principle options	Cost Impact and Timing
Compliance with Horizons One Plan and meeting consent conditions placed on function around treatment and disposal of wastewater	Implement appropriate technologies and programmes that can achieve compliance with the One Plan and also with specific consent conditions.	Various projects, \$22m in 2015/16 to 2019/20 – shared as Environmental Costs below
	Alternative – lower levels of service standards, accept risk of resource consent conditions being breached.	Levels of Service reduction and risk of consent breach costs.
Ageing asset	Catch-up of deferred renewals and continuation of on-going renewals and rehabilitation programme.	Ongoing - \$0.55 to \$3.8m per year
	Alternative – accept increasing future maintenance costs.	Increasing maintenance costs and network failure rates.
Significant Inflow and infiltration	CCTV inspection; smoke testing, property inspections for illegal connections (down pipes) to the wastewater system. Implementation of the necessary works to correct problem areas.	As above (Ongoing - \$0.55 to \$3.8m per year)

WASTEWATER		
Level of service issues	Principle options	Cost Impact and Timing
	Alternative – accept high levels of treatment and high pumping rates at peak flow.	Treatment will include high flows related to stormwater
Resilience Issues		
Lack of emergency planning	Implement business continuity plans and contingency plans.	Minor cost
	Alternative – accept risk of failure to react to disaster events, including slow restoration of wastewater service.	Prolonged denial of service following disaster event.
Environmental Effects		
Effect of wastewater discharge on Manawatu River	Implement appropriate technologies and programmes that can achieve compliance with the One Plan and also with specific consent conditions, continue involvement in Manawatu River Accord Group	Various projects, \$22m in 2015/16 to 2019/20 – shared as Level of Service costs above
	Alternative – continued disposal of wastewater to the river creating ongoing concentration of contaminants in the river.	Levels of Service reduction and risk of consent breach costs.

10.1.7 Stormwater

Issues relating to discharges over privately owned lands in addition, water sensitive urban design needs to be incorporated into new infrastructure and where possible into existing infrastructure.

The quality of freshwater in streams, river systems and water catchments in general are affected by runoff, erosion and wastewater effluent disposal both within the District and from outside of it. Stormwater systems and runoff need to be considered within the whole of catchment.

Some of these issues have been addressed by the National Policy Statement for Freshwater Management 2014. This National Policy Statement has a 10 year implementation period ending 2025 and is the responsibility of Horizons Regional Council to implement. However, it is likely that the implications for Council will be better catchment management requirements and stricter conditions on resource consents for the Wastewater and Water Activities.

10.1.8 Stormwater Activity Risks

The following table sets out the key risks, and actions proposed to mitigate or control risks in the Stormwater Activity. The full risk assessment is in the Stormwater Asset Management Plan.

Risk Description	Rating	Proposed Action
Asset Knowledge	Significant	Continuous updating and collection of stormwater asset data
Inability to meet Level of Service and growth	High	Complete Stormwater Catchment Management plans
Inconsistent Strategic documents	Significant	Improve coordination and education across the organisation regarding long term and strategic

Risk Description	Rating	Proposed Action
		planning requirements
Construction of new works on private land	High	Improve consultation methods, including external and internal processes
Poor contract management	Significant	Improve scoping of projects at design phase, increased project audit
Loss of telemetry system	Significant	Upgrade telemetry system

10.1.9 Stormwater Activity Principle and Alternative Options

Issues specific for the Stormwater Activity are shown in the tables below, including principle and alternative options. A full schedule of projects over \$0.5 million is in Appendix 2.

STORMWATER		
Level of service issues	Principle options	Cost Impact and Timing
Lack of or no stormwater Strategy and Catchment Management Plans	Complete Stormwater Catchment Strategic Plan for Levin.	\$0.76m in year 2017/18
	Alternative – assess each new development or improvement programme in isolation and accept risk of duplication or inefficient cost and effort.	Ineffective whole of catchment management, risk of unacceptable ongoing overland flows.
Flooding and water quality risk in Ohau, Foxton, Foxton Beach and Shannon	Programmed upgrades to stormwater sensitive areas including Fairfield Road, Queen Street and Market Gardens area in Levin.	\$0.76m 2018/19 \$0.522m 2019/20 \$0.665m 2023/24
	Alternative – reduce the levels of service related to property protection and safe use of the transport system.	Inadequate property protection and ongoing storm related transport disruption.
Growth Issue		
Poor historical planning for stormwater capacity	Develop required infrastructure as identified in Stormwater Catchment Strategic Plan	As above for flooding and water quality risk
	No upgrades to network	Ongoing stormwater drainage issues in residential areas
Environmental Effects		
Effect of contaminated stormwater run-off into Lake Horowhenua	Addition of stormwater treatment facility in Queen Street drain, continue involvement in Lake Horowhenua Accord Group	\$0.25m in year 2015/16
	Alternative – continued disposal of wastewater to the river creating ongoing concentration of contaminants in the river.	Continued build of containment discharge to Lake Horowhenua

10.1.10 Transport

The District's road network has historically had insufficient maintenance and renewal funding. Funding for surface renewals and basic maintenance now needs to increase to reduce the forward pressure on basic levels of service.

There is a lack of data on the important features of the road network, especially for bridges and retaining walls. A concerted effort is now being made to build the knowledge base on these assets, which both have significant replacement values.

Note that there were no growth or decline issues identified.

10.1.11 Transport Activity Risks

The following table sets out the key risks, and actions proposed to mitigate or control risks in the Transport Activity. The full risk assessment is in the Transport Activity Management Plan.

Risk Description	Rating	Proposed Action
Service failure through Ageing assets	High	Maintain continuous surface renewal programme to ensure Level of Service can be met
Asset Knowledge	Significant	Continuous updating and collection of bridge and retaining wall data.
Inconsistent Strategic documents	Significant	Improve coordination and education across the organisation regarding long term and strategic planning requirements

10.1.12 Transport Activity Principle and Alternative Options

Issues specific for the Transport Activity are shown in the tables below, including principle and alternative options. A full schedule of projects over \$0.5 million is in Appendix 2.

TRANSPORT		
Level of service issues	Principle options	Cost Impact and Timing
Inadequate surface resealing programmes	Catch-up of deferred renewals and continuation of on-going renewals - increase rate of funding for reseal programmes.	2015 onwards
	Alternative – accept current levels of service but programme for a future decline.	Increasing maintenance costs, higher rates of Level of Service failure

11 MOST LIKELY COST SCENARIOS

This section summarises the most likely scenarios of total operating and capital expenditure for each of the four activities for the next 30 years. These are the costs that have been modelled in the Financial Strategy and presented in the LTP, and all are presented in with inflation adjustment.

11.1 Water

11.1.1 Water Operating Expenditure

The forecast of Operating expenditure by scheme is graphed below. Costs presented are direct costs relating to the physical operating and maintenance of the networks, and also the indirect costs such as interest on loans and depreciation. Costs have been adjusted to reflect anticipated increases or decreases in maintenance activities result from asset additions or renewals.

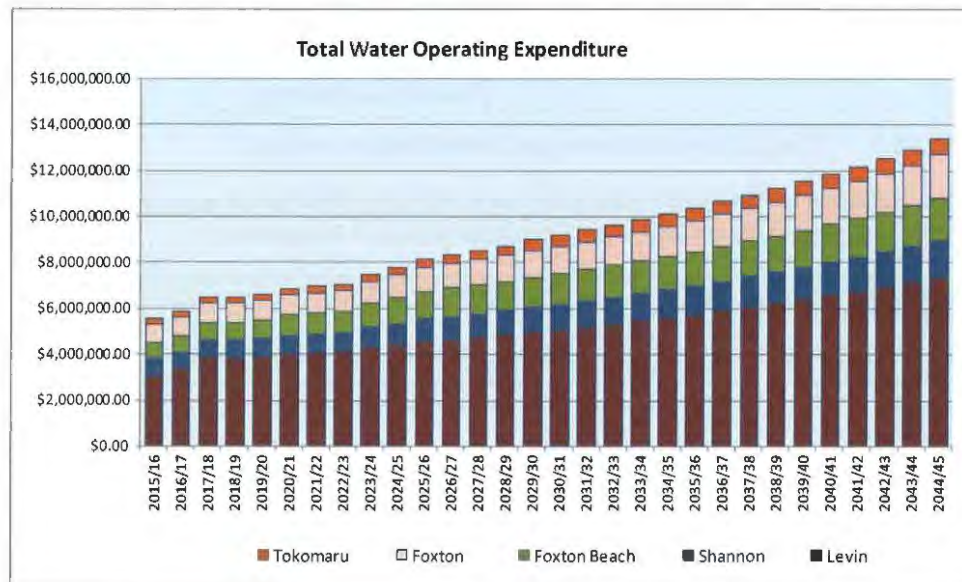


Figure 8 Projected Water Operating Expenditure

The slight increase in operating cost over the first 3 years of the Strategy is due to additional operating costs from asset additions including a new reservoir at the Levin Water Treatment Plant and the new Tokomaru Water Treatment Plant.

Following this first 3 years period, from 2017 onwards direct operating costs are anticipated to decrease below current levels as the impact of the proposed renewal and demand management programme begins to take effect.

11.1.2 Water Capital Expenditure

Planned and reactive renewals are graphed below. These renewals are for both reticulation and source extraction and treatment.

The major expenditure drivers in Years 2015 and 2016 of the Strategy are related to upgrades of the Levin Water Treatment Plant to meet required Levels of Service for the standard of water treatment.

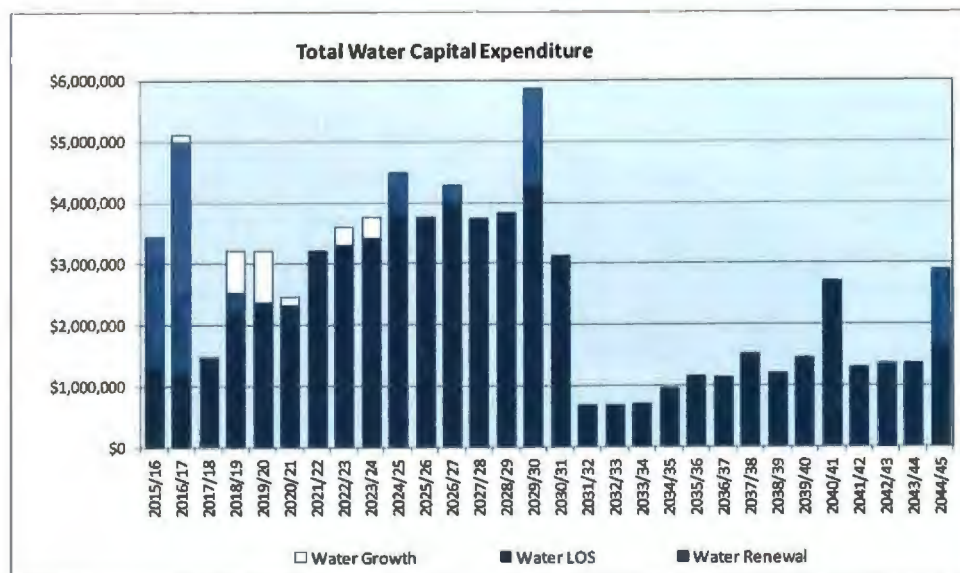


Figure 9 Projected Water Capital Expenditure

11.2 Wastewater

11.2.1 Wastewater Operating Expenditure

The following graph shows the projected operating expenditure for all of the District's wastewater schemes. Costs presented are direct costs relating to the physical operating and maintenance of the networks, and also the indirect costs such as interest on loans and depreciation. Costs have been adjusted to reflect anticipated increases or decreases in maintenance activities result from asset additions or renewals.

The increase in the 3 years includes funded projects of short duration that deal with improvements in asset management. These include studies on treatment plant capacities to ensure the future capacity of the treatment plants can be met and development of computer-based Wastewater network models.

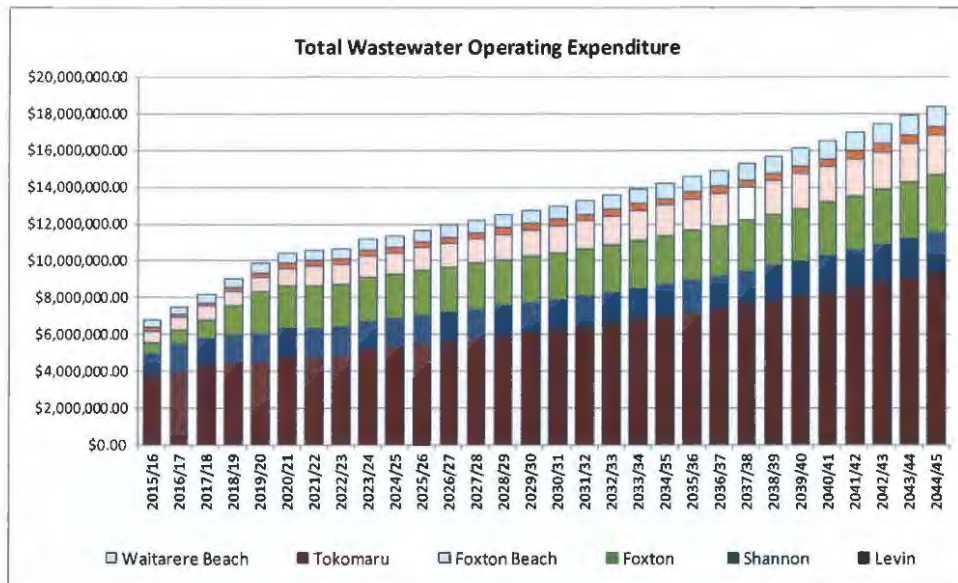


Figure 10 Projected Wastewater Operating Expenditure

11.2.2 Wastewater Capital Expenditure

The following graph shows the projected capital expenditure for all of the District's wastewater schemes. The large project proposed in Years 2015 and 2016 is the significant development of Foxton's land discharge works.

Each year also includes programmes of renewals of pipelines and pump stations. Pipeline renewals are firstly based on CCTV inspection and secondly on the expired lives of the pipelines. The majority of the renewal works in the first 10 years are in Levin and Foxton. It is expected that as the renewals progress over this period, the levels of infiltration will progressively reduce and result in lower volumes of peak flow effluent needing treatment.

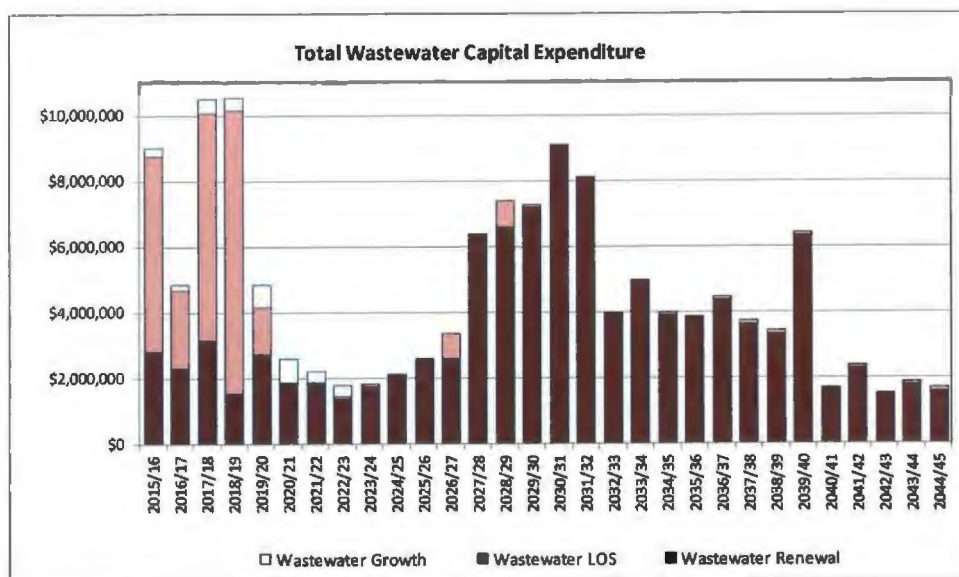


Figure 11 Projected Wastewater Capital Expenditure

11.3 Stormwater

11.3.1 Stormwater Operating Expenditure

The following graph shows the projected operating expenditure for all of the District's Stormwater systems. The higher values in Years 2015 to 2017 relate to programmes for building computer based models of the stormwater systems and include improvements to stormwater data.

Costs presented are direct costs relating to the physical operating and maintenance of the networks, and also the indirect costs such as interest on loans and depreciation. Costs have been adjusted to reflect anticipated increases or decreases in maintenance activities result from asset additions or renewals.

Values for 2025 onwards are averages of expenditure across 5 yearly periods. The cost forecasts for this period have been estimated from

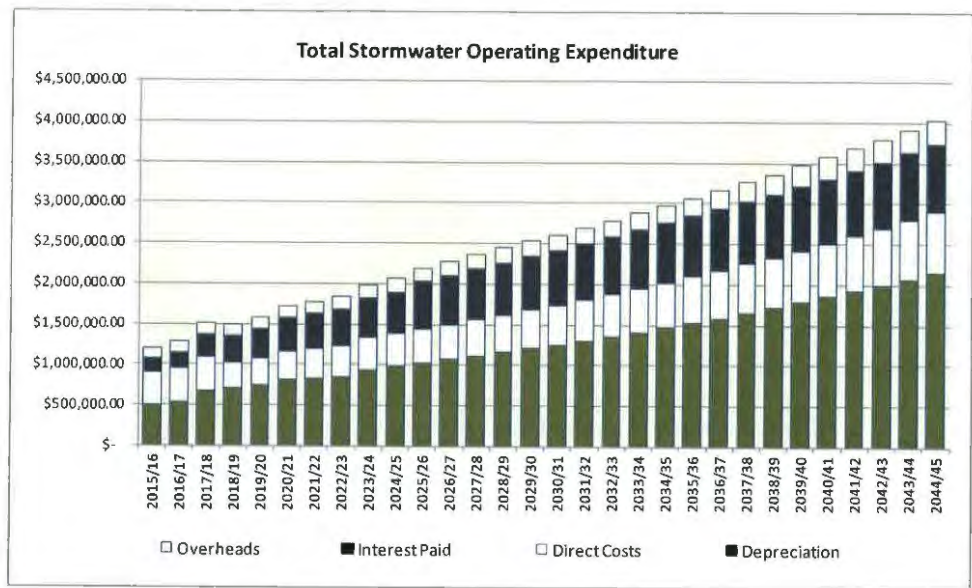


Figure 12 Projected Stormwater Capital Expenditure

11.3.2 Stormwater Capital Expenditure

The following graph shows the projected capital expenditure for all of the District’s stormwater systems. The large Capital growth projects in Years 2015 and 2016 relate to the Levels of Service improvements to the Levin Queen Street main pipeline and the growth projects in the Levin North East area.

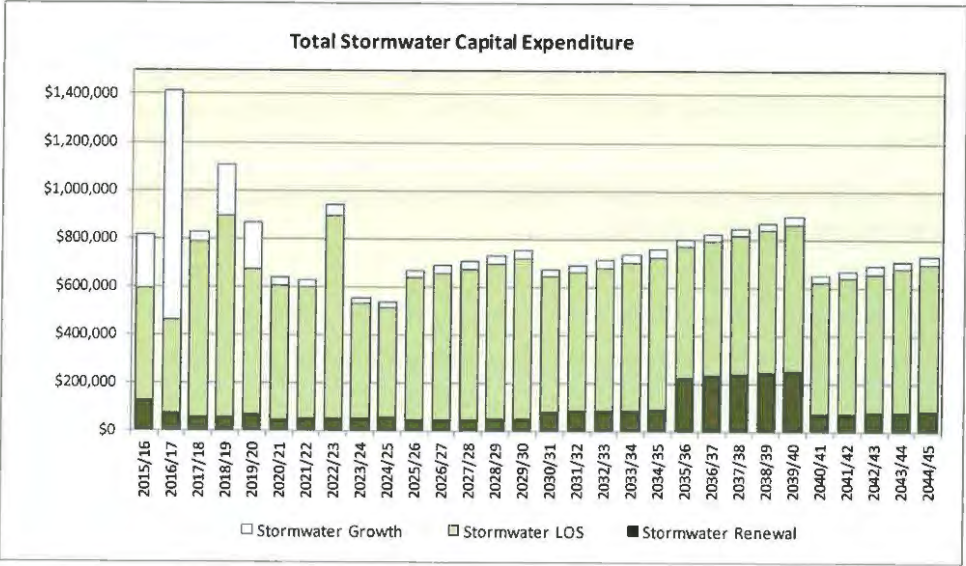


Figure 13 Projected Stormwater Capital Expenditure

11.4 Roothing and Footpaths

11.4.1 Roothing and Footpaths Operating Expenditure

The largest portion of operating costs for roading relate to traffic service such as street light maintenance and electricity, and road corridor maintenance like vegetation control, minor slip repairs and roadside mowing.



There is expected to be a reduction of street electricity costs as installation of LED lights occurs, however the long term cost impact of this has not yet been assessed. The forecast presents the expenditure year by year in the first ten years and then by an average of each successive five year block for years 11 to 30.

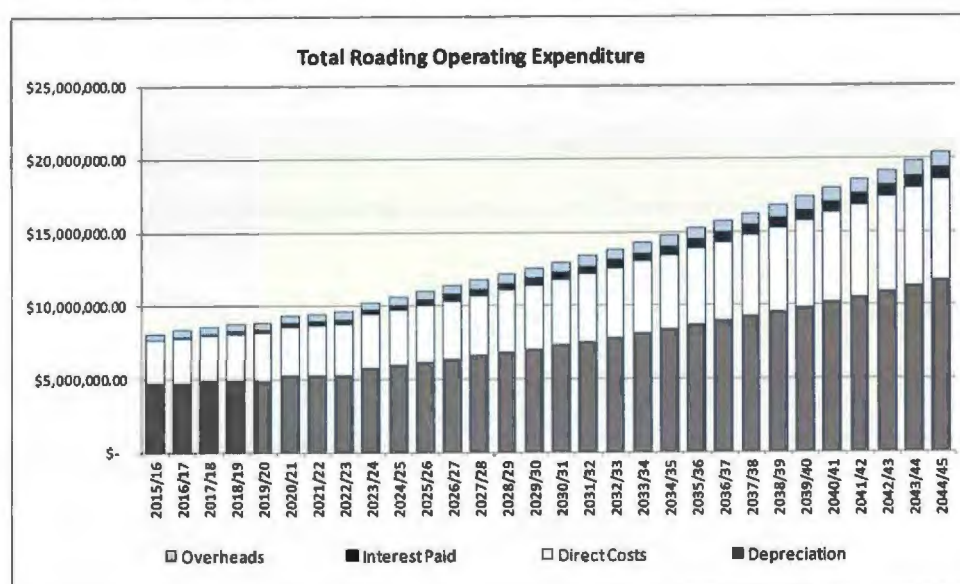


Figure 14 Projected Roothing Operating Expenditure

11.4.2 Roothing and Footpaths Capital Expenditure

The majority of capital expenditure in roading for this District is spent on resealing road surfaces and rehabilitation of existing roads.

The extent of the works required to be done of the network's bridges is not fully understood yet but will be improved with ongoing inspection work. There is an allowance for inspections and repair of bridges in Years 2018, 2021 and 2024.

The estimates in this forecast are not inflation adjusted.

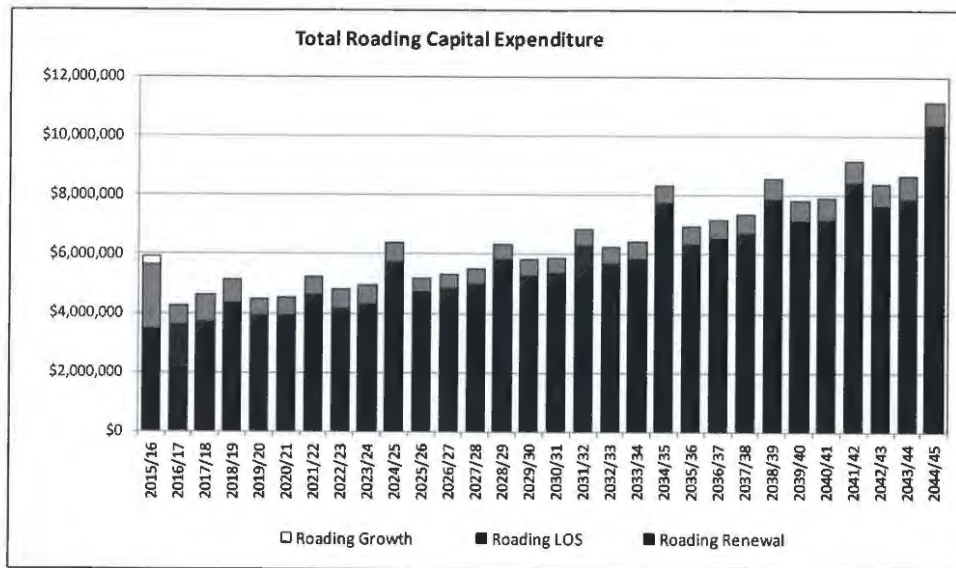
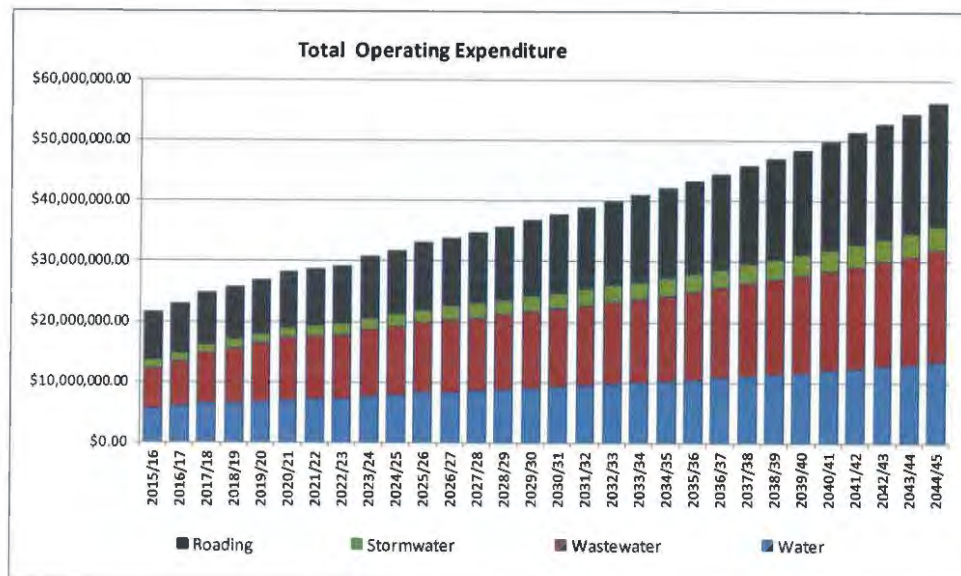


Figure 15 Projected Roding Capital Expenditure

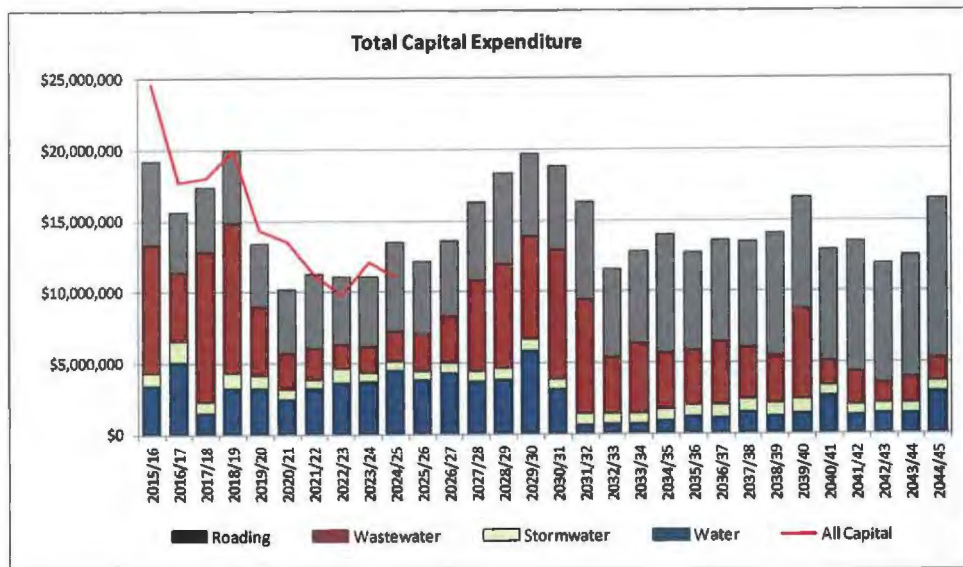
11.5 Total Cost of Most Likely Scenario

The following graph shows the most likely total operating expenditure for all core infrastructure.



11.5.1 Most Likely Capital Cost Scenario

The following graph shows the most likely total capital expenditure for all core infrastructure. The red line plot is all Capital across the Council for the first 10 years. This includes such activities as Community Support, Solid Waste, Property, Parks, and capital expenditure related to business and corporate requirements.



APPENDIX 1 LEVELS OF SERVICE

The following tables show the detailed Levels of Service for each Activity.

Water Activity Levels of Service – related Community Outcomes: Health, Economy, Environment and Safety									
Core Values	Customer LoS	Performance Measure	Method of measurement	2013/14	2014/15	2015/16	2016/17	10Yr Target	30 Yr Target
Health and Safety	Water will be safe to drink	The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking water standards (bacteria compliance criteria), Levin, Shannon, Foxton, Foxton Beach, Tokomaru	Annual Compliance Report from MoH / % compliance	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100
		The extent to which the local authority's drinking water supply complies with: (b) part 5 of the drinking water standards (protozoa compliance criteria) Levin, Shannon, Foxton, Foxton Beach, Tokomaru	Annual Compliance Report from MoH / % compliance	0, 100, 100, 100, 100, 0	0, 100, 100, 100, 100, 0	0, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100
Customer / Quality service	Drinking water is of good quality – the look and taste of the water is satisfactory	The total Number of complaints received by local authority about any of the following (expressed per 1000 connections to the local authority's networked reticulated system): drinking water clarity, drinking water taste, drinking water pressure or flow, continuity of supply and, the local authority's response to any of these issues	Analysis of CRM Data/ number of complaints /1000 connections	New measure - Baseline to be established from 14/15 result		5	5	4	4
Reliability / Responsiveness	Continuity of supply	Total number of unplanned water shut downs	Analysis of contractor Data from Water Outlook and contractor report / number	40	40	35	30	25	20

Water Activity Levels of Service – related Community Outcomes: Health, Economy, Environment and Safety									
Core Values	Customer LoS	Performance Measure	Method of measurement	2013/14	2014/15	2015/16	2016/17	10Yr Target	30 Yr Target
	Response to faults - Complaints will be responded to and resolved in a timely manner.	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median times measured: <ul style="list-style-type: none"> the median time in hours from the time that HDC receives notification to the time that service personnel reach the site for urgent call –outs The median time in hours from the time that HDC receives notification to the time that service personnel confirm resolution of the fault or interruption of urgent call-outs. the median time in days from the time that HDC receives notification to the time that service personnel reach the site for non-urgent call-outs the median time in days from the time that HDC receives notification to the time that service personnel confirm resolution of the fault or interruption of no-urgent call-outs 	Analysis of CRM Data /hours	New measure, baseline to be confirmed by 14/15 result		1 8 3 3	1 8 3 3	1 8 3 3	1 8 3 3
Quality	Water supply provides adequate fire fighting capacity	Fire fighting flows in urban residential areas meet the NZ fire service fire fighting water supplies Code of Practice SZ 4509:2008	Contractors Report/% compliance	70%	72	74	76	80	85
	Water is provided with adequate pressure and flow	Supply pressure at the property boundary is not less than 250kPa for on demand connections and 150kPa for restricted flow connections	Contractors report / % compliance	100%	100	100	100	100	100
Sustainability	Resource consent conditions are complied with	Compliance with all water take resource consent	Monitoring reports from regulatory agency/% compliance	100	100	100	100	100	100
	Adequate water shall be available for current and future generations	Average consumption of drinking water per day per resident within the water supply areas.	Analysis of water Demand	New measure, baseline to be confirmed by 14/15 result		300	300	300	250
	Water losses from the network are acceptable.	Percentage of real water loss from local authority's networked reticulation system (including a description of the methodology used to calculate this)	Analysis of Demand Management programmes	New measure, baseline to be confirmed by 14/15 result		20%	15%	15%	15%

Wastewater Activity Levels of Service – related Community Outcomes: Health, Economy, Environment and Safety								
Core Values	Customer LoS	Performance Measure	Method of measurement/	2013/14	2014/15	2015/16	2016/17	10 yr Target
Reliability / Responsiveness	The Wastewater system will be reliable	The number of dry weather overflows from the sewerage system expressed per 1000 sewerage connections	CRM database	New	< 2	< 2	< 2	< 2
	Council will respond to faults in a timely manner	The median time in hours from the time that HDC receives a notification to the time that services personnel reaches the site in responding to an overflow or sewerage blockage.	CRM database	New	<1	<1	<1	<1
		The median time in hours from the time that HDC receives a notification to the time that service personnel confirm resolution of a blockage or other fault within the sewerage system	CRM database	New	12	12	12	12
Customer Service	complaints will be responded to in a timely manner	The total number of complaints received (expressed per 1000 connections to the sewerage system) regarding <ul style="list-style-type: none"> • Sewage odour • Sewerage systems faults • Sewerage system blockages and • The territorial authority's response to issues with its sewerage system 	CRM Database & Water Outlook	New	15 10 10 10	<10 <8 10 10	<8 <8 <8 8	<5 <8 <8 8
	How satisfied are our customer with the service we provide	% of customers satisfied with the wastewater service	Customer Survey	76	78	80	82	84
Health and Safety, Sustainability and Affordability	Treated effluent will be disposed of without causing harm to public health	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of abatement notices, Infringement notices, Enforcement orders and convictions received by the territorial authority in relation to those resource consents	HRC Compliance report /No.	0	0	0	0	0

Stormwater Activity Levels of Service							
Related Council Outcome	Core Values	Customer LoS	Performance Measure	Method of Measurement	13/14	2014/15 Target	30 yr Target
Environment, Safety and Economic	Reliability / Responsiveness	The stormwater system is adequate	Number of flooding events each that occur in a territorial authority district	Analysis of CRM data/ No.	New measure	<5	<5
			For each flooding event the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's stormwater system).		New measure	<2	<2
		Complaints will be responded to and resolved in a timely manner	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	Analysis of CRM Data and contractors report/hrs	New measure	1 hour	1 hour
	Customer service	Customers are satisfied with the stormwater system	The Number of complaints received by a territorial authority about the performance of its storm-water system expressed per 1000 properties connected to the territorial authority's storm-water system.	Analysis of CRM Data /No	New measure	<10/year	<10/year
			% of customers satisfied with the stormwater service	Analysis of CRM Data /No	New measure	80%	80%
	Sustainability	Stormwater will be disposed of with minimal impact to the environment	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and convictions that are received by the territorial authority in relation to those consents	The number of notices received for each notice type	New measure	0	0

Roading and Footpaths Levels of Service					
Related Community Outcomes	Core Values	Customer Level of Service	Technical Performance Measure	Method of Measurement	Target 2015/45
Economic Environment Safety	Health and Safety	Local Road Safety	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network	The number of fatalities and serious injury crashes.	Difference 0 or below over a 5 year average
	Quality	Overall Condition of Local Roads	The average quality of ride on a sealed local road network	Smooth travel exposure	Minimum 85%
		Maintenance of Local Roads	The percentage of the sealed local road network that is resurfaced.	Percentage of Roads resealed annually	Minimum of 5% of total sealed network area
	Health and Safety / Quality	Footpaths are maintained in an acceptable condition	Target footpath condition rating (% compliant with Councils standards)	Annual footpath condition assessment rating.	30% min km in excellent condition. 10% max in poor condition requiring renewal
	Reliability / Responsiveness	Response to service requests is timely	The percentage of customer service requests relating to roads and footpaths to which council responds within 15 working days	% customer requests responded to within 15 working days. Responded being the customer informed of an outcome of their request, which might or might not involve undertaking work on the road network	Target percentage of requests responded within 15 working days ≥ 95%

APPENDIX 2 CAPITAL PROJECTS LIST

The following tables lists the major capital projects proposed for the 30 year period for each asset group by the first, second and third decade. These are only those projects greater than \$0.5 million. Note that some projects contain a mixture of Level of Service, Renewal, and Growth components.

First Decade

Ref	Description	Primary Type	CAPEX 2015/16	CAPEX 2016/17	CAPEX 2017/18	CAPEX 2018/19	CAPEX 2019/20	CAPEX 2020/21	CAPEX 2021/22	CAPEX 2022/23	CAPEX 2023/24	CAPEX 2024/25
WS 11	Levin Reticulation- RENEWAL	Renewal	\$800,000	\$830,400	\$855,280	\$1,323,960	\$1,367,640	\$1,415,520	\$716,455	\$730,994	\$760,241	\$1,450,625
WS 13	Foxton Beach Reticulation- RENEWAL	Renewal							\$1,910,723	\$1,983,360	\$2,062,713	\$155,874
WS 14	Tokomaru Reticulation- RENEWAL	Renewal										\$525,997
WS 15	Shannon - Mangaore Reticulation- RENEWAL	Renewal	\$5,694	\$5,910	\$6,087	\$410,666	\$424,214	\$439,066	\$28,783	\$29,877	\$31,072	\$1,169,924
WS 32	Levin Clarifier Installation	LOS	\$2,000,000									
WS 33	Levin treatment plant upgrade	LOS		\$3,736,800								
WS 36	Foxton Beach Development plan	Growth		\$99,648		\$440,217	\$588,085					
WS 43	Foxton concrete reservoir and raw water tanks	LOS										\$688,000
STW 25	District Wide Improvement Works	LOS			\$535,000	\$838,000	\$627,000	\$590,000	\$581,000	\$89,000	\$502,000	\$457,520
STW 28	Improvements NE Levin	Growth	\$47,500	\$830,000								
WW 11	Foxton Wastewater Treatment Plant - Strategic Upgrade	LOS	\$1,750,000	\$1,816,500	\$5,666,230	\$7,039,054						
WW 12	Foxton Wastewater Treatment Plant - Pond Desludge	Renewal			\$962,000							
WW 30	Levin Reticulation - Renewals	Renewal	\$758,994	\$536,352	\$433,889	\$388,899	\$920,881	\$1,150,506	\$681,997	\$613,405	\$1,112,755	\$1,266,061
WW 36	Levin Treatment Plant - Planned Renewals	Renewal	\$1,044,242	\$1,083,923	\$1,176,673	\$226,177	\$662,258	\$49,295	\$497,480	\$190,455	\$97,881	\$268,419
WW 37	Levin Wastewater Treatment Plant - Strategic Upgrade	LOS	\$610,000	\$446,340	\$545,241	\$728,178	\$752,202					
WW 40	Development Work - Foxton Beach	Growth				\$123,570	\$527,681	\$707,760				
WW 45	Shannon Disposal System	LOS	\$3,430,000									
WW 49	Tokomaru Wastewater Treatment Plant Upgrade	LOS				\$551,650	\$569,850					
RD 11	Subsidised - Road Improvements	LOS	\$652,355	\$629,762	\$593,385	\$607,643	\$511,600	\$525,428	\$540,150	\$556,377	\$573,639	\$592,547
RD 12	Subsidised - Renewals	Renewal	\$3,043,983	\$3,162,286	\$3,256,203	\$3,922,554	\$3,464,420	\$3,478,105	\$4,162,678	\$3,682,975	\$3,797,240	\$5,210,549
RD 13	Footpath Renewal	Renewal	\$450,000	\$457,000	\$467,000	\$477,000	\$489,000	\$503,000	\$516,000	\$532,000	\$549,000	\$567,000
RD 16	Foxton Townscape Main Street Upgrade	LOS	\$1,500,000									

Second Decade

Ref	Description	CAPEX 2025/26	CAPEX 2026/27	CAPEX 2027/28	CAPEX 2028/29	CAPEX 2029/30	CAPEX 2030/31	CAPEX 2031/32	CAPEX 2032/33	CAPEX 2033/34	CAPEX 2034/35
WS 11	Levin Reticulation- RENEWAL	\$1,494,164	\$1,538,969	\$1,498,219	\$1,543,157	\$1,589,491	\$1,746,663	\$345,246	\$355,609	\$366,278	\$394,436
WS 12	Foxton Reticulation- RENEWAL	\$44,178	\$45,503	\$1,554,081	\$1,600,695	\$1,648,757	\$61,613				
WS 14	Tokomaru Reticulation- RENEWAL	\$541,785	\$558,031								
WS 15	Shannon - Mangaore Reticulation- RENEWAL	\$1,205,038	\$1,241,173	\$333,502	\$343,505	\$353,819	\$989,452				\$36,006
WS 42	Tokomaru new reservoir					\$1,595,200					
STW 25	District Wide Improvement Works	\$592,431	\$610,196	\$628,505	\$647,357	\$666,794	\$561,940	\$578,801	\$596,174	\$614,061	\$632,495
WW 16	Foxton Beach Wastewater Treatment Plant - Planned Renewals	\$56,834		\$121,297		\$16,799			\$533,630		
WW 19	Shannon Wastewater Treatment Plant - Planned Renewals	\$177,388				\$187,977	\$1,093,711				
WW 29	Foxton Reticulation - Renewals	\$105,321	\$108,479	\$111,734	\$115,085	\$118,541	\$524,047	\$539,771	\$555,973	\$572,653	\$589,844
WW 30	Levin Reticulation - Renewals	\$1,220,027	\$1,256,612	\$1,294,315	\$1,333,138	\$1,373,166	\$1,598,572	\$1,646,536	\$1,695,959	\$1,746,842	\$1,799,281
WW 31	Shannon Reticulation - Renewals	\$434,558	\$447,589	\$461,019	\$474,847	\$489,104	\$503,791	\$518,907	\$534,483	\$550,518	\$567,045
WW 33	Foxton Beach - Reticulation - Renewals			\$3,328,588	\$3,428,428	\$3,531,368	\$3,637,406	\$3,746,544			
WW 36	Levin Treatment Plant - Planned Renewals	\$120,229	\$325,191	\$84,202	\$349,768	\$520,589	\$788,996	\$691,583	\$135,098	\$1,563,414	\$146,103
WW 48	Foxton Beach relocate ponds		\$729,900		\$774,350						
RD 11	Subsidised - Road Improvements	\$402,256	\$414,315	\$426,746	\$439,549	\$452,724	\$466,302	\$480,283	\$494,698	\$509,547	\$524,830
RD 12	Subsidised - Renewals	\$4,171,784	\$4,296,848	\$4,425,769	\$5,267,499	\$4,695,186	\$4,730,709	\$5,647,199	\$5,018,791	\$5,169,437	\$7,017,485
RD 13	Footpath Renewal	\$519,040	\$534,600	\$550,640	\$567,160	\$584,160	\$601,680	\$619,720	\$638,320	\$657,480	\$677,200

Third decade

Ref	Description	CAPEX 2035/36	CAPEX 2036/37	CAPEX 2037/38	CAPEX 2038/39	CAPEX 2039/40	CAPEX 2040/41	CAPEX 2041/42	CAPEX 2042/43	CAPEX 2043/44	CAPEX 2044/45
WS 11	Levin Reticulation- RENEWAL	\$434,380	\$400,244	\$412,260	\$424,622	\$437,351	\$1,884,981	\$463,973	\$477,886	\$492,227	\$506,996
WS 28	Levin Treatment Plant - Renewals	\$399,802	\$411,786	\$424,148	\$436,867	\$449,964	\$463,459	\$477,353	\$491,667	\$506,422	\$521,617
WS 35	Foxton New Bore Development - Resilience										\$1,242,650
STW 25	District Wide Improvement Works	\$542,897	\$559,170	\$575,957	\$593,228	\$611,012	\$545,425	\$561,777	\$578,622	\$595,986	\$613,869
WW 16	Foxton Beach Wastewater Treatment Plant - Planned Renewals		\$586,210		\$84,807	\$3,128,818			\$10,033		\$13,669
WW 30	Levin Reticulation - Renewals	\$1,426,307	\$1,469,061	\$1,513,163	\$1,558,538	\$1,605,260					
WW 31	Shannon Reticulation - Renewals	\$584,061	\$601,569	\$619,628	\$638,209	\$657,341	\$677,056	\$697,354	\$718,265	\$739,819	\$762,018
WW 36	Levin Treatment Plant - Planned Renewals	\$973,893	\$586,500	\$330,581	\$200,073	\$80,396	\$155,678	\$1,036,747	\$131,186	\$440,527	\$154,290
RD 11	Subsidised - Road Improvements	\$540,578	\$556,791	\$573,500	\$590,705	\$608,437	\$626,696	\$645,482	\$664,857	\$684,790	\$705,343
RD 12	Subsidised - Renewals	\$5,606,317	\$5,774,462	\$5,947,750	\$7,078,933	\$6,310,081	\$6,357,932	\$7,589,619	\$6,745,082	\$6,947,305	\$9,431,119
RD 13	Footpath Renewal	\$697,520	\$718,440	\$740,000	\$762,200	\$785,080	\$808,640	\$832,880	\$857,880	\$883,600	\$910,120

APPENDIX 3 PROJECT DEFERRAL AND EXCLUSION RISK

The projects proposed in this Strategy are to meet the future challenges and issues discussed. Funding or timing constraints may make it necessary to decrease the scope, defer or even remove the project. To aid future decision making should it become necessary to do so, the following table shows the major projects with the risks of reduction in size, deferral or exclusion.

Ref	Description	Primary Type	Risk of deferral or exclusion
WS 11	Levin Reticulation- RENEWAL	Renewal	Failure to maintain LoS, prolonged loss of water, prolonged high reactive maintenance
WS 12	Foxton Reticulation- RENEWAL	Renewal	Failure to maintain LoS, prolonged loss of water, prolonged high reactive maintenance
WS 13	Foxton Beach Reticulation- RENEWAL	Renewal	Failure to maintain LoS, prolonged loss of water, prolonged high reactive maintenance
WS 15	Shannon - Mangaere Reticulation- RENEWAL	Renewal	Failure to maintain LoS, prolonged loss of water, prolonged high reactive maintenance
WS 32	Levin Clarifier Installation	LOS	Prolonged non-compliance with Drinking Water Standards
WS 33	Levin treatment plant upgrade	LOS	Prolonged non-compliance with Drinking Water Standards
WS 35	Foxton New Bore Development - Resilience	LOS	Bores are expected to be unable to meet demand in the 30 year horizon
WS 36	Foxton Beach Development plan	Growth	Failure to maintain LoS where growth occurs
WS 42	Tokomaru new reservoir	LOS	This should be Renewal. If not done would reduce LOS
WS 43	Foxton concrete reservoir and raw water tanks	LOS	Resilience to seismic failure
STW 25	District Wide Improvement Works	LOS	Failure to maintain LoS, prolonged loss of flooding, prolonged high reactive maintenance
STW 28	Improvements NE Levin	Growth	Failure to maintain LoS, prolonged loss of flooding, prolonged high reactive maintenance
WW 11	Foxton Wastewater Treatment Plant - Strategic Upgrade	LOS	no resource consent achieved
WW 12	Foxton Wastewater Treatment Plant - Pond Desludge	Renewal	Operational capacity compromised, poor treatment, and therefore breaches of consent conditions
WW 16	Foxton Beach Wastewater Treatment Plant - Planned Renewals	Renewal	Failure to maintain LoS, prolonged high reactive maintenance, failure to comply with resource consent requirements
WW 19	Shannon Wastewater Treatment Plant - Planned Renewals	Renewal	Failure to maintain LoS, prolonged high reactive maintenance, failure to comply with resource consent requirements
WW 30	Levin Reticulation - Renewals	Renewal	Failure to maintain LoS, prolonged excessive infiltration, prolonged high reactive maintenance
WW 33	Foxton Beach - Reticulation - Renewals	Renewal	Failure to maintain LoS, prolonged excessive infiltration, prolonged high reactive maintenance
WW 36	Levin Treatment Plant - Planned Renewals	Renewal	Failure to maintain LoS, prolonged excessive infiltration, prolonged high reactive maintenance
WW 37	Levin Wastewater Treatment Plant - Strategic Upgrade	LOS	Failure to maintain LoS, prolonged excessive infiltration, prolonged high reactive maintenance
WW 40	Development Work - Foxton Beach	Growth	Failure to maintain LoS where growth occurs
WW 45	Shannon Disposal System	LOS	no resource consent achieved
WW 48	Foxton Beach relocate ponds	LOS	Failure to maintain LoS where growth occurs
WW 49	Tokomaru Wastewater Treatment Plant Upgrade	LOS	no resource consent achieved
RD 11	Subsidised - Road Improvements	LOS	Failure to maintain LoS, prolonged high reactive maintenance
RD 12	Subsidised - Renewals	Renewal	Failure to maintain LoS, prolonged high reactive maintenance
RD 16	Foxton Townscape Main Street Upgrade	LOS	Failure to maintain LoS, prolonged high reactive maintenance

APPENDIX 4 ASSET LIVES

The following tables sets out the asset lives in years used for each asset type. These asset lives are used to set the depreciation rates for each asset and calculate the Depreciated Replacement Cost (book value) of each asset portfolio. They are also used to set the default renewal intervals for each asset where condition and performance levels are not known.

Water	
Asset Type	Life
Treatment	1-100
Air-valve	25
Borehole	40
Hydrant	60
Intake	60
Junction	60
Lateral	30-100
Meter	20
Pipe	30-100
Pump Station	100
Pump Station Mechanicals	15
Backflow Preventer	20
Service Meter	20
Sprinkler	10
Storage	50
Valve	60

Wastewater	
Asset Type	Life
Treatment	1-100
Air-valve	25
Cleaning Eye	80
Junction	80
Lac	80
Lateral	60-100
Lateral Cleaning Eye	80
Manhole	80
Meter	20
Pipe	40-100
Pump Station	60
Pump Station Mechanicals	15
Storage	50
Valve	60

Stormwater	
Asset Type	Life
Air-valve	25
Catch pit (sump)	80
Channel	60-100
Culvert	50-100
Detention Area	80
Inlet/Outlet	80
Junction	60
Lateral	80
Manhole	80
Pipe	40-100
Pump Station	100
Pump Station Mechanicals	15
Soak Pit	60
Soak Trench	60
Valve	60

Roading	
Asset Type	Life
Crossing	100
Bridge	40-100
Crossing	50
Drainage	50-100
Footpath	20-100
Marking	1
Minor Structure	60
Railing	15-50
Shoulder	40
Sign	12
Street Light Lamp	10-25
Street Light Pole	25-50
Storm Channel	10-100
Traffic Facility	8
Road Surface	3-25
Basecourse	60

APPENDIX 5 COMPLIANCE CHECK SHEET

The following table is a checklist of the specific requirements of Section 101B of the Local Government Act (LGA) 2002 Amendment Act 2014. It is presented in this Infrastructure Strategy to provide an assurance method that the key parts of the LGA in respect of the Infrastructure Strategy have been met.

101B Infrastructure Strategy: (1) A local authority must, as part of its long-term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years.

Statement or provision required	Has this been met?
(2) The purpose of the infrastructure strategy is to—	
(a) Identify significant infrastructure issues for the local authority over the period covered by the strategy.	Yes
(b) Identify the principal options for managing those issues and the implications of those options.	Yes
(3) The infrastructure strategy must outline how the local authority intends to manage its infrastructure assets, taking into account the need to—	
(a) Renew or replace existing assets.	Yes
(b) Respond to growth or decline in the demand for services reliant on those assets.	Yes
(c) Allow for planned increases or decreases in levels of service provided through those assets.	Yes
(d) Maintain or improve public health and environmental outcomes or mitigate adverse effects on them.	Yes
(e) Provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.	Yes
(4) The infrastructure strategy must outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy and, in that context, must -	
(a) Show indicative estimates of the projected capital and operating expenditure associated with the management of those assets -	
(i) In each of the first 10 years covered by the strategy.	Yes
(ii) In each subsequent period of 5 years covered by the strategy.	Yes
(b) Identify—	
(i) The significant decisions about capital expenditure the local authority expects it will be required to make.	Yes
(ii) When the local authority expects those decisions will be required.	Yes
(iii) For each decision, the principal options the local authority expects to have to consider.	Yes
(iv) The approximate scale or extent of the costs associated with each decision.	Yes

Statement or provision required	Has this been met?
(c) Include the following assumptions on which the scenario is based:	
(i) The assumptions of the local authority about the life cycle of significant infrastructure assets.	Yes
(ii) The assumptions of the local authority about growth or decline in the demand for relevant services.	Yes
(iii) The assumptions of the local authority about increases or decreases in relevant levels of service.	Yes
(d) If assumptions referred to in paragraph (c) involve a high level of uncertainty —	
(i) Identify the nature of that uncertainty.	Yes
(ii) Include an outline of the potential effects of that uncertainty.	Yes
(5) A local authority may meet the requirements of section 101A and this section by adopting a <u>single</u> (?) financial and infrastructure strategy document as part of its long-term plan	
(6) In this section, infrastructure assets includes —	
(a) Existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:	
(i) Water supply.	Yes
(ii) Sewerage and the treatment and disposal of sewage.	Yes
(iii) Stormwater drainage.	Yes
(iv) Flood protection and control works.	N/A
(v) The provision of roads and footpaths.	Yes
(b) Any other assets that the local authority, in its discretion, wishes to include in the strategy.	Yes, see note in Section 5.1.1

File No.: 15/56

LTP Financial Statements, Financial Strategy and Balance the Budget Statement

1. Purpose

To enable Council to adopt the LTP Financial Statements, Balance the Budget Statement (and resolution), and amended Financial Strategy

2. Executive Summary

- 2.1 Council has in the past adopted a Draft LTP which included all the statements referred to in this report. The adoption of a draft LTP is no longer required, being replaced with the Consultation Document as the prime document for use in the consultation phase of the LTP. However, Council needs to adopt a finalised LTP document in June. The full LTP document is made up of several component parts, some of which are the subject of this report. These parts need to be adopted by council at this meeting and will be made available during the consultation period as supporting information to the Consultation Document. These statements will be reviewed following Council's final decisions following from the consultation period and form part of the final LTP.
- 2.2 This report introduces and discusses the Forecast Financial Statements (Cashflow Statement, Comprehensive Income Statement, Statement of Financial Position etc) as well as the Balance Budget statement and resolution, Prudential Bench marking graphs and an update of the Financial Strategy from that which was adopted on the 17th December.

3. Recommendation

- 3.1 That Report 15/56 LTP Financial Statements, Financial Strategy and Balance the Budget Statement be received.
- 3.2 That this decision is recognised as significant in terms of S76 of the Local Government Act
- 3.3 That in relation to both the 2015/2016 and 2016/17 financial years within the 2015/25 Long Term Plan, the Council resolves that it is financially prudent, after considering the matters set out in Section 100(2) (a)-(d) of the Local Government Act 2002, to set projected operating revenues at a level that are insufficient to meet projected operating expenses.
- 3.4 That Council adopts the Draft 2015/25 LTP financial statements, amended Financial Strategy, Prudential Benchmark Disclosure Statement and Balance the Budget Statement, to support the Consultation Document

4. Background / Previous Council Decisions

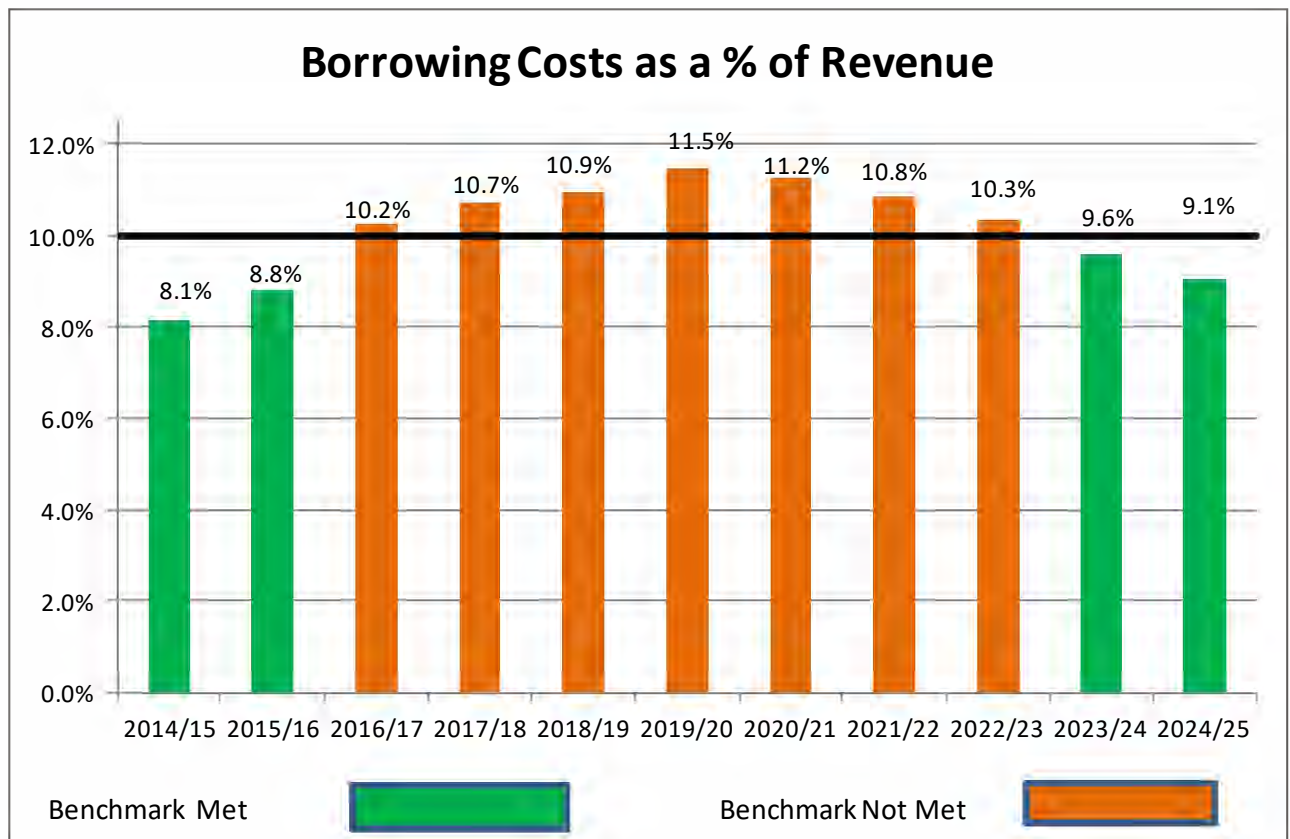
- 4.1 Council has yet to review and approve the LTP Financial Statements although the important messages and trends coming out from these have been discussed as part of the Financial Strategy and Infrastructural Strategy reviews and briefings.
- 4.2 Council adopted an earlier version of the Financial Strategy on 17 December 2014. This strategy has been reviewed with some positive outcomes for the rate increase for year 1 and the debt forecasts now being reduced to remain within the Council debt limits.

5. Discussion

- 5.1 The Forecast Statement of Comprehensive Income shows operational deficits in the first 2 years with a small surplus in year 3. This small surplus in year 3 translates as break-even (100.02%) in the Balanced Budget prudential graph. This is because \$361k of gains on sale of assets and revaluation gains are excluded from Income (for the definition of income relating to this bench mark). This reduces the operating surplus to \$9k
- 5.2 This necessitated a small re-write of our Financial Strategy to reflect that we are anticipating balancing the budget in year 3 (not showing a deficit) and returning to surpluses in year 4. However because we show operating deficits for the first 2 years we are required under section 100 LGA to resolve that is prudent to do so; hence the recommended resolution 3.3.
- 5.3 The original Financial Strategy also had Council's year 1 rate increase at 7.92% this has been reduced to 7.61% following a review of the budgets by management since the original financial strategy was written in December.
- 5.4 The underlying message of the Financial Strategy remains. That is for above normal rate increases in the first three years while council builds up rating levels to fund infrastructural asset renewals and to return Council to surpluses from year 4 onward. This increased funding of asset renewals from rates is also necessary to keep debt funding of asset purchases to within the 175% of operational income limit set within the strategy.
- 5.5 The table below shows the drivers for the first 3 years of rates. The renewals funding is shown as a major contributor.

Year One				\$000	% Total	% Increase
Costs of District Plan				197	9%	0.67%
Higher maintenance cost on Roads				663	29%	2.24%
Levin water - higher mtce cost and much higher interest re Capital projects				585	26%	1.98%
Increased Funding Renewals				806	36%	2.73%
				2,251	100%	7.61%
Year Two						
Increased Funding Renewals				1,361	54%	4.28%
Increased Interest				475	19%	1.49%
Inflation (and other minor changes)				678	27%	2.13%
				2,514	100%	7.90%
Year three						
Finance Costs				532	23%	1.55%
Increased Funding Renewals				1,210	52%	3.52%
Inflation (and other minor changes)				582	25%	1.70%
				2,324	100%	6.77%

- 5.6 Council Officers also reviewed the debt requirements since the original Financial Strategy was issued. Council debt is predicted to peak at \$99m in 2021 down from \$106m in the original strategy. The original strategy showed Council breaching the current LGFA covenant for maximum debt, the new strategy shows that council will remain below this maximum.
- 5.7 One of the new prudential bench marks, set by government regulation, is that borrowing costs should not exceed 10% of operating income. The LGFA, and Council's, benchmark is that borrowing costs will be less than 20% of operating revenue and 25% of rates revenue. As shown below, Council will breach the regulated benchmark in 7 of the 10 years covered by the LTP. I am not sure what the ramifications, if any, there are of breaching this benchmark. It remains to be seen whether council will in fact breach the benchmark in future annual reports.



6. Options

Council's options are limited. The non adoption of these statements would only occur if Council was to completely change its Financial Strategy.

6.1 Cost

There is no cost other than that cost associated with producing the LTP which has been budgeted for.

6.1.1 Rate Impact

There is no rate impact as the, mainly labour, cost of producing these documents have been budgeted for in the current financial year.

6.2 Community Wellbeing

There is no impact on community wellbeing of producing these documents other than the wider community wellbeing of implementing the LTP itself.

6.3 Consenting Issues

There are no consenting issues.

6.4 LTP Integration

These documents will form part of the next LTP for 1 July 2015 to 30 June 2025 and so do not impact on the current LTP

7. Consultation

Consultation will occur with the promulgation of the Consultation Document for the LTP. These documents form part of a suite of documents supporting the Consultation Document.

8. Legal Considerations

S100 Local Government Act 2002

Balanced budget requirement

- (1) A local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.
- (2) Despite subsection (1), a local authority may set projected operating revenues at a different level from that required by that subsection if the local authority resolves that it is financially prudent to do so, having regard to—
 - (a) the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the long-term ... plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - (b) the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - (c) the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
 - (d) the funding and financial policies adopted under section 102.

Schedule 10 Part 1 Clause 12

Forecast financial statements

- (1) A long-term plan must include, for each of the financial years covered by the plan, forecast financial statements for the local authority.
- (2) A long-term plan may include, for each of the financial years covered by the plan, or for any of those years, forecast financial statements for any council-controlled organisation or any other entity under the local authority's control.

Clause 13

Financial statements for previous year

- (1) A long-term plan must include the numerical information from the forecast financial statements referred to in clause 12(1) that were prepared for the financial year that is the year before the first year covered by the plan.
- (2) The numerical information must be presented in a way that allows the public to compare the information with the numerical information contained in the forecast financial statements for each of the financial years covered by the plan.

Clause 14

Statement concerning balancing of budget

If the local authority has resolved, under section 100(2), not to balance its operating budget in any year covered by the long-term plan, the plan must include—

- (a) a statement of the reasons for the resolution and any other matters taken into account; and
- (b) a statement of the implications of the decision.

9. Financial Considerations

There is no financial impact of adopting these documents.

10. Other Considerations

These documents will form part of the final LTP due for adoption in June. They will be made available to members of the public who may want to research issues raised in the Consultation Document.

11. Next Steps

These documents may need to be updated to reflect any decisions council may make in relation to consultation feedback from submitters to the LTP.

12. Supporting Information

Strategic Fit/Strategic Outcome

These documents together form the high-level financial performance and position of the LTP and set Council's financial direction for at least the first three years of the LTP.

Decision Making

The LTP uses the consultation procedures from the LGA in relation to the LTP and must be followed.

Consistency with Existing Policy

These documents become the council's financial policy along with the Revenue and Financing Policy

Funding

The funding of the LTP is in the current year's Annual Plan


Confirmation of statutory compliance


In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

13. Appendices

No.	Title	Page
A	LTP 15 Financial Strategy	63
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D	LTP 15 Forecast Cash Flow Statement	78
E	LTP 15 Benchmarks Disclosure Statement	79
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Author(s)	Doug Law Group Manager - Finance	
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Approved by	David Clapperton Chief Executive	
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Financial Strategy

The Financial Strategy covers the key financial parameters that the Council will operate within, including limits on rates and debt.

Balancing the budget while maintaining Council's infrastructure.

The focus of this Financial Strategy is to balance the budget over the next few years and to a surplus in year 4 (2018/19), while ensuring that our infrastructural assets are maintained and comply with regulatory and environmental legislative requirements.

The Financial Strategy is a requirement of s101A of the Local Government Act 2002. The Strategy outlines the key financial parameters and limits that the Council will operate within. It sets out how Council will achieve a balanced budget and a return surplus within 4 years in a challenging environment. Council faces the need to renew our infrastructural assets to meet new environmental standards as well as new health standards such as the water quality standards. This is coupled with the need to increase income to balance the operating budgets to avoid increasing debt.

Since 2009 Council's debt has increased from \$21million (m) to \$56.75m as at 30 June 2014. Operating deficits have become a norm, while many asset renewals have been loan funded rather than rate funded. This is not sustainable and must be remedied.

There is a balance to be found between balancing the operating budget, prudent debt levels, levels of service and the resulting rate increases.

Council has in recent years focused on increasing income to balance the operating budget and to keep debt to a minimum by increasing the proportion of rates funding of infrastructure renewals and therefore avoiding use of debt funding. This has meant above average rate increases since the 2013/14 financial year. A similar high level of rate increase needs to occur for the first 3 years of the LTP to ensure balanced operating budgets and a return to surplus from year 4 onwards.

Purchasing and Maintaining Assets

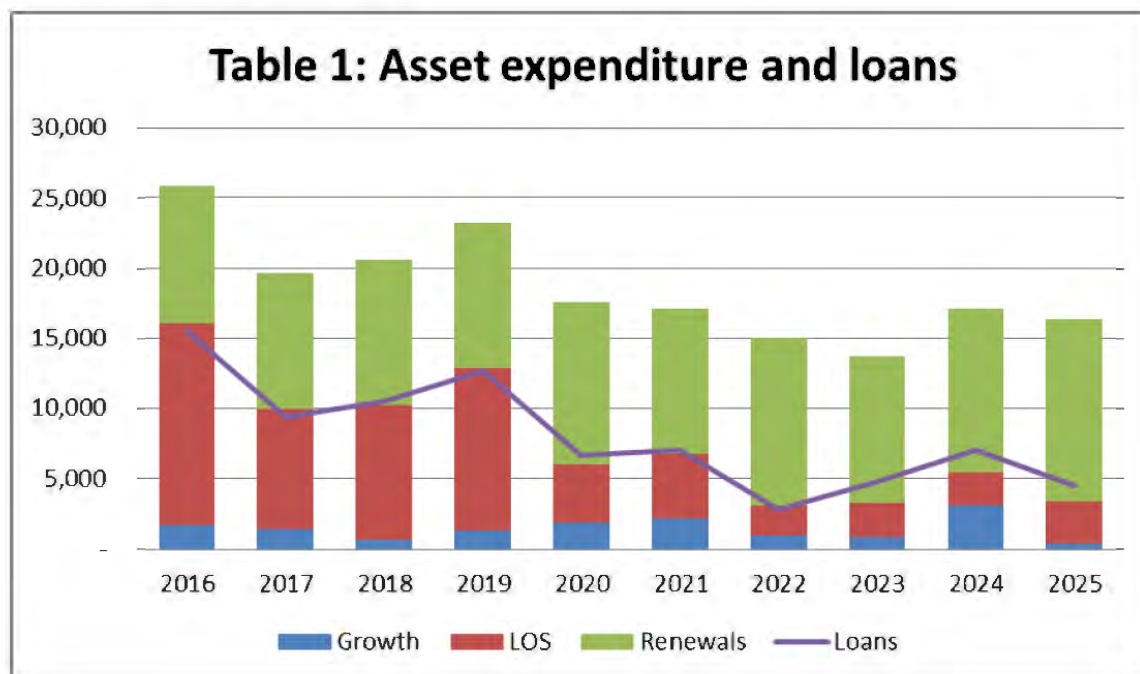
Council is facing a challenging environment, with the main challenges detailed below. Council has had to respond to these challenges while trying to reach a balance between loan funding and rate funding.

- provision of affordable funding for asset renewals to:
 - increase pipe condition and lower water leakage in the water network;
 - reduce stormwater infiltration to the wastewater network;
 - lower long run operational costs by reducing reactive maintenance and renewal works; and
 - maintain treatment plant asset condition.

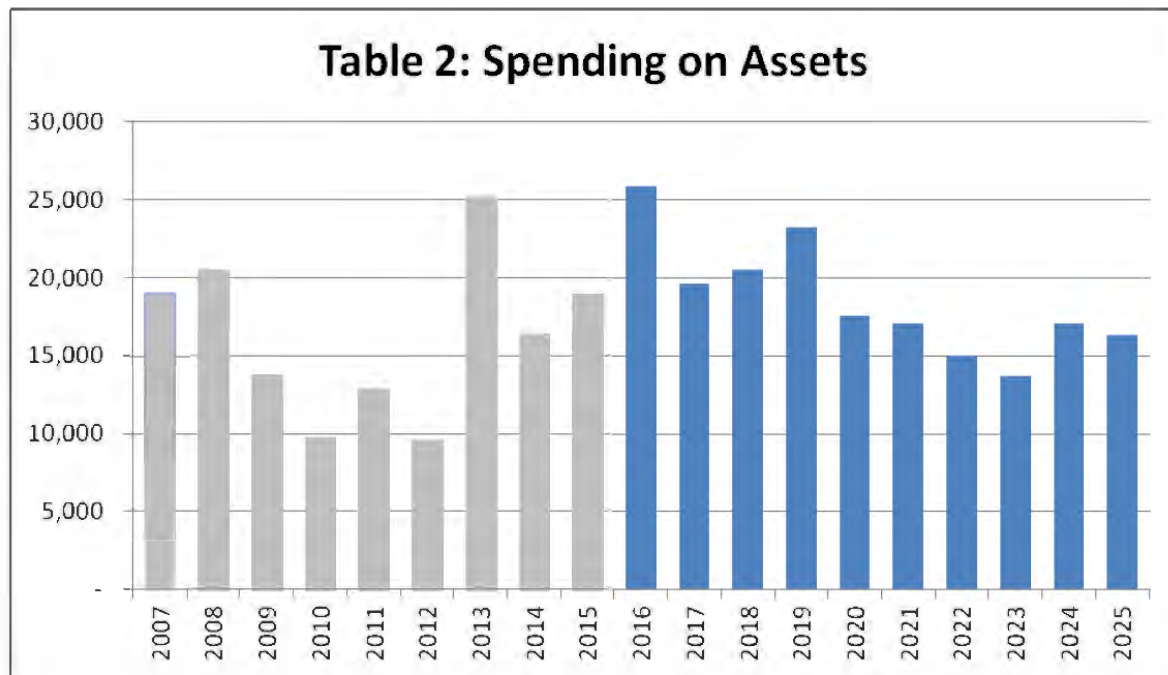
- provision of affordable funding to maintain Levels of Service, particularly in regard to meeting increased resource consent requirements and meeting quality standards including:
 - achieving compliance with Horizons Regional Council's "One Plan";
 - Achieving compliance with New Zealand Drinking Water Standards;
 - Sustainability of the water source at Foxton and Foxton Beach;
 - Improve quality of stormwater discharge into Lake Horowhenua;
 - Eliminate backlog maintenance of road surface renewal; and
 - Maintain road surface condition.

Assets (especially core infrastructural assets such as Roading, Water and Wastewater networks) need to be maintained so that they continue to deliver the Levels of Services that ratepayers have come to expect and as defined in the Activities section of the Long Term Plan (LTP).

To meet the challenges of maintaining our aging assets as well as new standards Council will need to spend more in the early years of the LTP as assets need to be renewed in this timeframe to avoid failures. Deferring the renewal of these assets would result in higher overall costs. The information below reflects Council's ability to maintain the existing Levels of Service and meet additional demand within its financial limits.



Note: Loans include a combination of reserves and external loans.



To reduce the need to borrow Council intends to progressively pay for more spending on assets from rates and operating surpluses as opposed to loans. Achieving a higher level of rates funding of assets (and subsequently reducing loan funding) will result in higher than normal rate increases for the first 3 years of this Strategy. Table 1 shows the make-up of Council's proposed capital expenditure and how much of that is funded by external loans and reserves.

The principle of intergenerational equity is that growth and new assets including increases in Levels of Service (LOS) should be paid for by loan funding to ensure future generations pay for new assets which they will be able to utilise and benefit from. Whereas rates funding should be used for the replacement (renewal) of assets, ensuring that current generations contribute to the asset replacement as they use the asset. Council has not always funded renewals from rates in the past. This has resulted in the need to loan fund some of those renewals in order to maintain assets. The use of debt in this way is not sustainable. Therefore rates income needs to increase to cover the long term renewals and to ensure that the limit to debt is manageable.

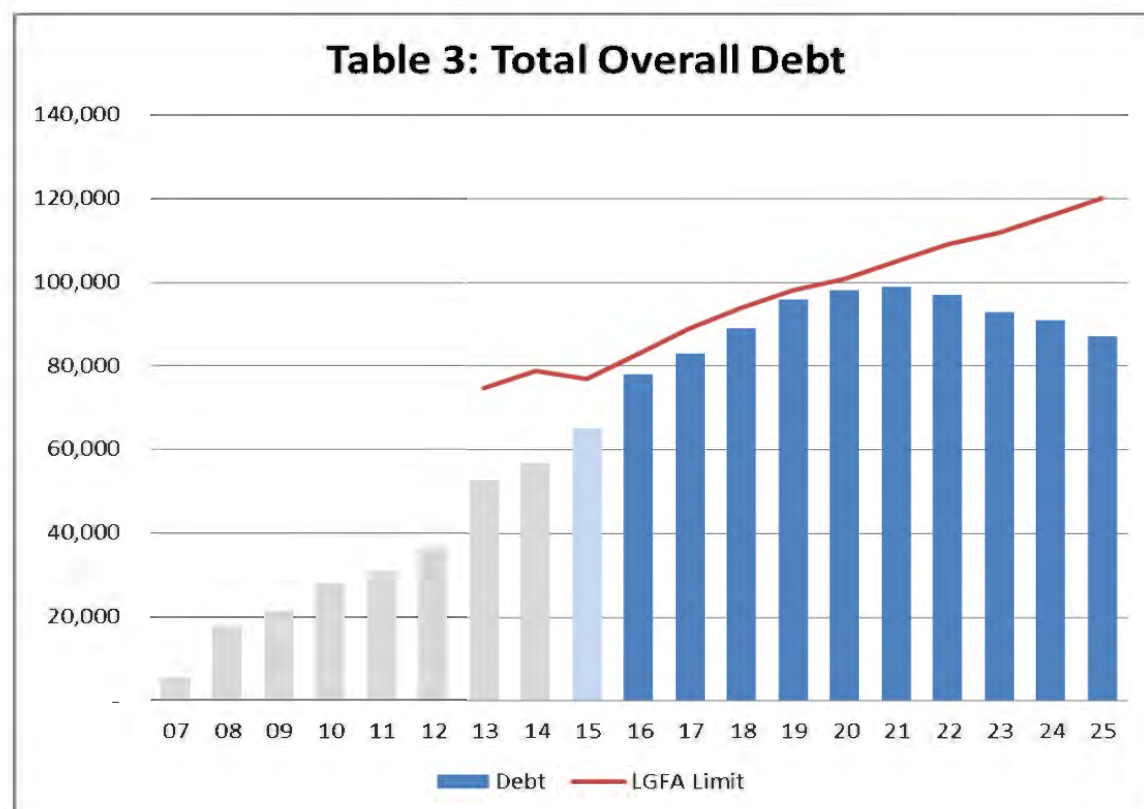
Asset Sales

The Council is investigating selling some of its property assets in order to pay off debt earlier than originally projected. For this LTP the Council is anticipating \$5m of such asset sales in the first 3 years. The decisions on which non-core assets will be sold will be firmed up over the next year when Council adopts a new property strategy.

Debt

By June 2015 Council expects to owe \$65m which equates to approximately \$2,100 per rate payer.

As discussed above Council faces the need to spend above average amounts in asset expenditure. Council has used debt in the past to fund some of the renewal of assets and to keep rates affordable. This is unsustainable and has resulted in above average debt and an unbalanced budget. In the future debt should be used to fund new assets rather than renewals.



(Note: The figure of \$65 million for 2015 is not as per the Annual Plan but is a modified figure to reflect reality)

Council debt is predicted to peak at \$99m in 2021. Table 3 shows the debt profile and the current limit to debt set by the Local Government Funding Agency (LGFA) which is the Agency where Council sources the bulk of its loan funding. The debt limit is set at 175% of Council's operating income.

Council will come within \$2m of this limit in year 4 (2018/19). This does not give Council sufficient headroom to cover an emergency, and therefore, Council will seek a credit rating in early 2015 that will enable the limit to increase to 250% of Council's operating income. The debt to revenue ratio will decrease to 124% by year 10 (2024/25) which is lower than the projected 145% as at June 2015. Gaining a credit rating will also help to reduce our interest rates on any new borrowings.

To live within our limit we cannot keep borrowing to renew assets. This will ensure that Council has capacity to handle future growth or provide for disaster recovery. Council's liquidity ratio also ensures that there are funding sources and cash immediately available

in excess of 110% of internal debt. Preserving the capacity to borrow debt in exceptional circumstances is part of the long term strategy to be financially sustainable and have the ability to respond to emergencies or natural disasters.

Limit – Debt

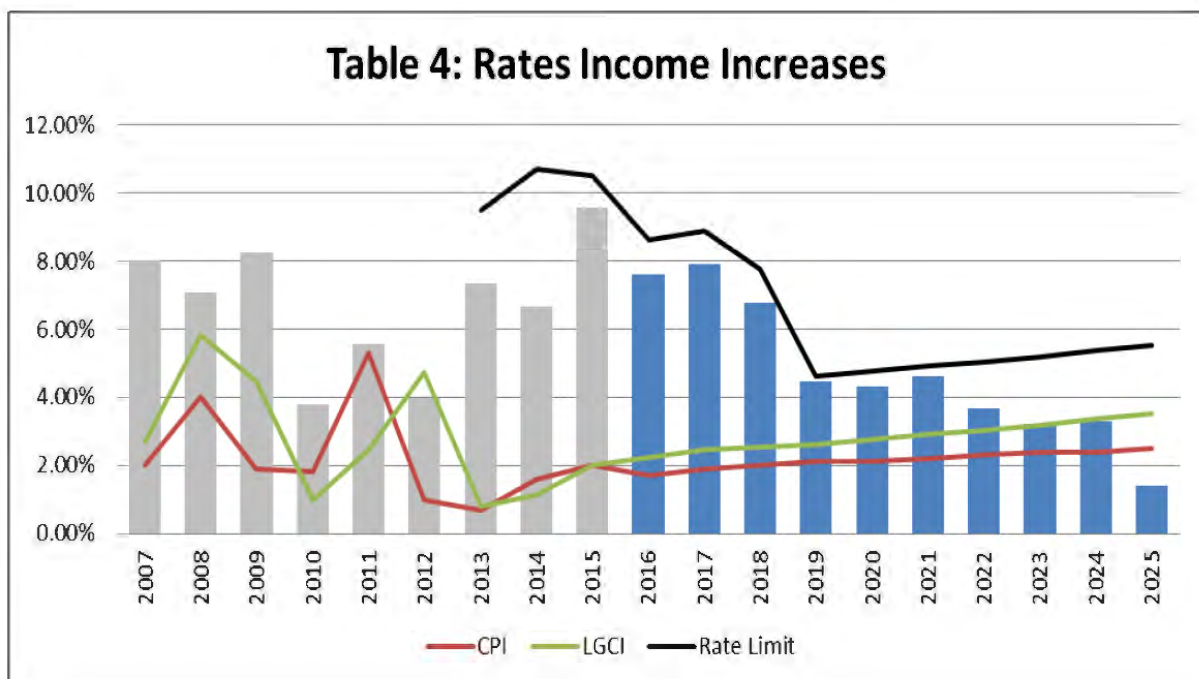
The net debt to revenue ratio (as calculated for LGFA covenant purposes) will be within the maximum set by LGFA for Horowhenua District Council. The projected maximum (which is below the covenanted maximum of 175%) is 171% for 2018/19.

Rates

Council is part way through a 10 year programme of increasing income to;

1. Increase rates funding of asset renewals expenditure, and
2. Balance its operating budget.

Council has been loan funding asset replacements and renewals and also living beyond its means by running operational deficits since 2008/09. This is considered unsustainable and must be fixed. Over the last 3 years ratepayers have experienced above average and above inflation rate increases. These higher than normal rate increases will continue to occur for the first 3 years of the LTP before coming within a more 'normal' range as shown in Table 4.



The above average rate increases reflect the proposed asset expenditure in Table 2 and the need to balance the budget as shown in Table 5. From year 4 onwards Council will set the rate increase limit at Local Government Cost Index (LGCI) plus 2%, however, the first three years are set higher in order to balance the budget and return to a surplus by year 4.

The LGCI is the inflation index relating to local government as opposed to the Consumer Price Index (CPI) which measures inflation for households. Local government inflation differs from household inflation mainly due to the greater influence of petroleum inflation on local government than individual households.

The Society of Local Government Managers (SOLGM) has commissioned Business and Economic Research Limited (BERL) to forecast inflation/price changes for 2015-2025 for local authorities as a basis on which to prepare their forecast LTP financial information.

Limits – Rates

Rates Income Increases

	2015/16	2016/17	2017/18	2018/19 and following years
Will not exceed	8.61%	8.9%	7.77%	LGCI +2%
Projected	7.61%	7.9%	6.77%	4.47% to 1.40%

Total Rates Income (GST Exclusive)

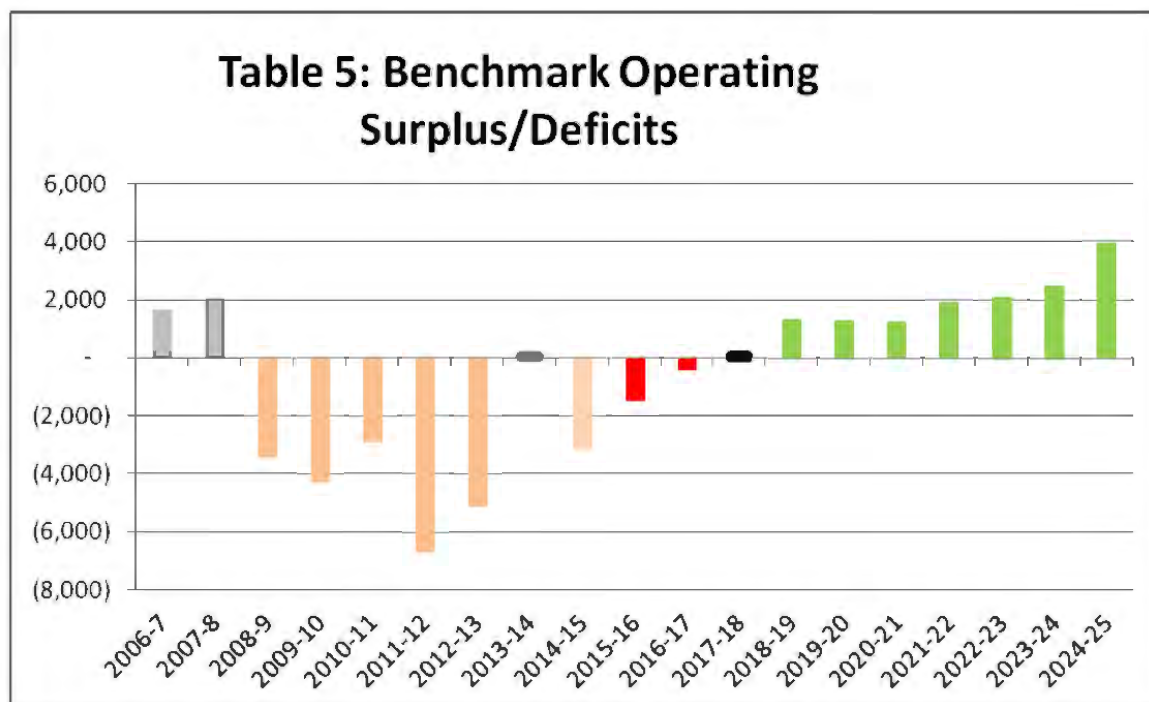
	2015/16	2016/17	2017/18	2018/19 and following years
Will not exceed	\$32.116m	\$34.654m	\$37.004m	\$38.351m to \$48,763m
Projected	\$31.821m	\$34.336m	\$36.661m	\$46,853 in 2024/5

Note: This excludes penalties and water by meter

Balancing the budget

The proposed above average rate increases and an affordable (yet realistic) asset expenditure programme will allow Council to return to a balanced budget by 2017/18 as shown in Table 5. Fixing the issue more quickly would require larger rate increases and this could place an unreasonable burden on parts of our community. As such Council has decided that the most prudent approach is to return to a balanced budget in three years. In doing this, it is still Council's intention to maximise the use of fees and charges as a source of income, set under the Revenue and Financing Policy parameters.

The balanced budget is measured using the Local Government (Financial Reporting and Prudence) Regulations 2014. This benchmark excludes income from development contributions, vested assets, asset revaluation gains/losses and other non-operating income and expenses.



Council considers (and has resolved) that for the purposes of this LTP, pursuant to section 100(2) of the LGA, it is financially prudent to set projected operating revenues at levels:

- In some cases less than would be required to meet projected operating costs, where such costs are being met from reserves and where the full funding of depreciation may be phased in without compromising the service capacity or integrity of assets throughout their useful life; and
- In some cases more than would be required to meet projected operating costs where operating revenues are also required to set aside incomes tagged for special purposes, to meet the costs of capital expenditure, to build up reserves for future loan repayments, and to contribute to asset replacement funds.

The specific circumstances in which projected operating costs have not been funded by operating revenues have been in year 1 and 2; using the Balanced Budget benchmark under the Local Government (Financial Reporting and Prudence) Regulations 2014:

- 1) where it is planned to fund particular operating costs from existing reserves rather than from rates or other revenue; and
- 2) where it has been decided to phase in the funding of increased levels of depreciation on infrastructural assets.

There is no compromise to the replacement, restoration or renewal of assets during the whole term of this LTP.

In all cases the reason for not balancing the operating budget has been to keep projected rate increases within reasonable bounds to ensure that the increases are affordable for our Community.

The implication of Council's decision is that it will fund some renewals of assets using debt instead of rates.

Population Growth

The usual resident population in the Horowhenua District was recorded as 30,096 people in the 2013 Census. Council has assumed a 0.1% per year growth rate for the period between 2013 Census (February 2013) and 1 July 2015 based on the historical growth rate from the period between the 2001 and 2013 Census counts for usual resident population. This equates to an increase of 67 people in the District and as such by 1 July 2015 the population is forecast to be 30,163.

From 1 July 2015 to 30 June 2025 it is assumed that the population will increase at a rate of 0.4% (120 people) per year. Which would mean that as at 30 June 2025 the population of the Horowhenua District is forecast to be 31,363 (as shown in the table below).

This Year	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
30,163	30,283	30,403	30,523	30,643	30,763	30,883	31,003	31,123	31,243	31,363

The total number of dwellings in the Horowhenua District recorded in the 2013 Census was 15,048. Based on trends it is estimated that there was an increase of 108 dwellings for 2013/2014. Council has assumed that there will be an additional 120 dwellings for 2014/2015 and from 2015 onwards there will be an increase of 135 dwellings per year for the next ten years (this is higher than population growth because it is anticipated that some of these houses will not be occupied i.e. they will be used as second homes). Therefore it is forecast that there will be a total of 16,626 dwellings in the District as at 30 June 2025. This is consistent with the long run average of additional dwellings between 2001 and 2013.

The table below sets out where the growth in dwellings will occur in the District on an annual basis.

	Residential Areas	Rural/ Development Areas
Levin	16	20
Foxton	2	7
Foxton Beach	10	12
Waitarere	8	10
Shannon	1	2
Tokomaru	1	2
Manakau	1	4

Hokio Beach	1	1
Ohau	1	7
Waikawa	1	8
Rural		20
Totals	42	93

Land Use

There are a number of factors that may influence land use in the Horowhenua District including the recent review of the District Plan, the construction of the Roads of National Significance (RONS) and the Government's support of primary industries in the District.

District Plan Review

Council has completed the review of its District Plan with decisions having been issued in October 2013. Currently there is only one outstanding appeal on the Proposed District Plan and as such the majority of the rules and requirements of this Plan are being treated as operative.

The review of the District Plan has created new land use opportunities for medium density development in Foxton Beach, Levin and Waitarere as well as opportunities for large format retail and an 'Industrial Business Park' in Levin.

Plan Change 21 was undertaken in advance of the District Plan Review and resulted in areas in each settlement of the district being rezoned for urban growth. It is expected that the Fairfield and Roslyn Road Growth Area will be the first Levin growth area to be developed and that development of this land will occur between 2015 and 2025. There are also proposals to develop 2 old hospital sites in the Horowhenua District into residential developments. If these proposals are successful and obtain any consents that maybe required then the redevelopment of these sites is anticipated to begin within the next 10 to 20 years.

Roads of National Significance (RONS)

It is anticipated that RONS will encourage and/or bring about a higher level of development to the District through reduced travelling time between Levin and Wellington. Council considers that some of the key areas where this growth is likely to occur will be in the southern parts of the District such as Manakau and Waikawa. Towards the end of the construction phase of RONS (around 2024) Council is anticipating the development of the Tararua Industrial Business Park and the Gladstone Greenbelt area.

There is some concern that RONS may deter some development in Ohau in the first few years of this LTP period, until there is certainty over the location and design of the highway including access to Levin.

Primary Industries

The Central Government's support for primary industries in this region is unlikely to change the overall levels of production activity from their current level. The Government initiative involves developing a comprehensive agribusiness strategy focused on understanding markets, maximising the value from land, distribution infrastructure and investment. There is likely to be some change in the type of production activities undertaken.

Policy on Securities

In order to borrow money Council has to offer our lenders some security. A mortgagee's security under a mortgage is the ability to sell the property if the borrower defaults on payments. Councils secure debt by giving the lender the ability to raise a rate (i.e. rate you more) to repay the loan. Council has joined the LGFA and uses rates as security for all borrowings from the LGFA. This security is seen by lenders to Councils as good security and has helped keep our interest rates down.

Investments

Council holds investments in companies, commercial property and cash.

Investment in Companies

Council is an equity holder in three companies (which are listed in the Table below). Council does not hold these equity interests to receive a financial return. The reason for holding the share is strategic to foster efficiencies and positive outcomes in reducing costs. Council has no plans to divest or increase any shareholdings it currently has.

Company	Shareholding	Principal reason for investment	Budgeted return
Manawatu/Wanganui Local Authority Shared services Ltd	\$1,000 (14.29%)	Efficient cost effective back office functions	nil
New Zealand local Government Funding Agency	\$100,000 (0.4%)	Cost effective borrowing	\$6,000 pa
New Zealand Local Government Insurance Corporation Ltd	\$104,000 (1.0%)	Risk management, and ensuring a competitive insurance market	nil

Investment in Commercial Property

Council owns commercial property valued at \$5.76m. Council is investigating the possible sale of some of these properties and is embarked on finalising a strategy for all Council

owned properties. Council has budgeted for possible sales totalling \$5m over the first 3 years of the LTP. The proceeds of any sales will be used to repay debt.

Cash investments

Council has surplus cash from operations from time to time. Surplus cash is invested for short periods of time (30 to 90 days) to maximise returns from these funds.

Council's practice is to use surplus cash to minimise external debt. The LTP includes an assumption that Council will hold approximately \$5m to \$6m in cash. It is prudent to hold some cash to ensure short term liquidity. Cash is supplemented by use of committed banking facilities of \$10m that enables Council to raise short term borrowings at any time which may be essential in the event of a natural disaster when Council will need access to funds quickly to provide relief.

Other Investments

As part of borrowing from the LGFA the Council is required to invest in financial bonds at 1.6% of the borrowing from the LGFA. Council will receive interest and full repayment of these "borrower's notes" upon repayment of the loan to which they relate. Interest is calculated to cover the cost of funds.

Insurance

Council fully insure all water, wastewater and stormwater assets as well as Council's Operational assets (Plant and Equipment) and buildings. Roading assets are uninsured. A key assumption is that central government will contribute towards the replacement of roading assets following a qualifying natural event. This assistance would be provided at the Council's current Funding Assistance Rate (FAR), which will be 50% in 2015/16, for cumulative claims for the costs of emergency works up to 10% of the Council's approved maintenance programme for the year. For the portion of cumulative claims of the total costs of emergency works that exceed 10% of the Council's approved maintenance programme for the year, the central government would provide funding at the normal FAR plus an additional 20%. Council will loan fund the difference. This is why Council needs to ensure there is always spare capacity to raise loans.

Another key assumption with any disaster recovery is that Central Government will contribute 60% of the funding to reinstate infrastructural assets following a significant natural disaster. Council's 40% share is insured for disaster recovery through the Local Authority Protection Programme (LAPP). LAPP is a mutual self-insurance arrangement with other local government entities to insure underground infrastructure against disaster damage similar in nature to Christchurch's earthquake.

Normal insurance for operational assets and buildings is sourced through the Manawatu/Wanganui Local Authority Shared Services company (MW LASS) procurement in conjunction with our regional partners.

Glossary

BERL = Business and Economic Research Limited

CPI = Consumer Price Index

FAR = Funding Assistance Rate

LAPP = Local Authority Protection Programme

LGCI = Local Government Cost Index

LGFA = Local Government Funding Agency

LOS = Levels of Service

LTP = Long Term Plan

MW LASS = Manawatu/Wanganui Local Authority Shared Services company

RONs = Roads of National Significance

SOLGM = Society of Local Government Managers

Financial Statements

Forecast Statement of Comprehensive Income

Forecast Statement of Comprehensive Income	Actual 2013/2014	Annual Plan 2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Revenue												
Rates Revenue	-	30,182	32,421	34,951	37,292	38,948	40,623	42,492	44,041	45,465	46,964	47,637
Water by Meter		934	1,138	1,215	1,251	1,291	1,334	1,380	1,431	1,486	1,545	1,610
Grants & Subsidies	-	2,034	3,215	3,328	3,424	3,937	3,713	3,797	4,388	4,203	4,354	5,450
Finance Income	-	96	150	154	158	162	167	172	177	183	189	196
Other Revenue	-	7,823	7,493	7,907	8,311	8,559	8,805	9,079	9,104	9,489	10,017	10,368
Gain on Disposal of Assets	-	174	180	184	189	194	199	154	-	-	-	-
Investment (Gains)/Losses	-	146	142	158	173	189	214	235	258	293	324	358
Development Contributions	-	646	-	-	-	-	-	-	-	-	-	-
Vested Assets	-	887	-	-	-	-	-	-	-	-	-	-
Total Revenue	-	42,922	44,739	47,897	50,797	53,280	55,055	57,309	59,400	61,119	63,394	65,618
Expenditure												
Employee benefit Expenses	-	8,142	9,341	9,877	10,307	10,531	10,774	11,018	11,283	11,573	11,872	12,195
Finance Costs	-	3,405	3,900	4,870	5,402	5,775	6,268	6,384	6,406	6,273	6,042	5,908
Depreciation & Amortisation	-	12,518	11,720	12,125	13,085	13,409	13,761	14,951	15,132	15,233	16,627	16,751
Loss on Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-	-
Loss on revaluations	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in landfill provision		102	-	-	-	-	-	-	-	-	-	-
Other Expenses	-	21,565	20,914	21,089	21,632	21,822	22,543	23,334	24,387	25,697	26,047	26,483
Total Expenditure	-	45,732	45,875	47,960	50,426	51,538	53,346	55,687	57,209	58,777	60,587	61,338
Operating surplus (deficit) before taxation	-	(2,810)	(1,136)	(63)	372	1,743	1,709	1,622	2,191	2,342	2,807	4,280
Other Comprehensive Income												
Revaluation of Assets	-	-	-	36,411	-	-	44,997	-	-	62,184	-	-
Gain / (Loss) on Financial Assets	-	-	-	-	-	-	-	-	-	-	-	-
Total Other Comprehensive Income	-	-	-	36,411	-	-	44,997	-	-	62,184	-	-
Total Comprehensive Income attributable to Horowhenua District Council	-	(2,810)	(1,136)	36,348	372	1,743	46,706	1,622	2,191	64,526	2,807	4,280

Forecast Statement of Financial Position

Forecast Statement of Financial Position	Annual Plan					Forecast					
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
ASSETS											
Current Assets											
Cash & Cash Equivalents	3,940	5,661	5,473	5,736	5,454	5,798	5,516	5,691	5,847	5,894	5,878
Debtors & Other Receivables	6,481	6,481	6,333	6,177	5,996	5,793	5,583	5,338	5,076	4,829	4,548
Assets held for sale	393	393	393	393	393	393	393	393	393	393	393
Other Financial Assets	10	10	10	10	10	10	10	10	10	10	10
Total Current Assets	10,824	12,545	12,210	12,316	11,853	11,994	11,503	11,432	11,326	11,126	10,829
Non-Current Assets											
Biological Assets	575	680	696	714	733	755	780	806	836	870	907
Intangible Assets	1,911	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819	1,819
Investment Property	6,188	5,901	6,043	6,198	6,367	6,559	6,770	7,001	7,264	7,554	7,875
Council Controlled Organisations	116	116	117	118	119	120	121	122	123	124	125
Other Financial Assets	1,786	1,786	1,785	1,784	1,783	1,782	1,781	1,780	1,779	1,778	1,777
Operational Assets	48,397	41,190	42,004	40,707	41,200	44,271	47,019	47,130	50,785	50,744	49,938
Infrastructural Assets	479,072	403,380	441,492	449,382	459,406	501,265	501,398	501,940	554,851	556,214	557,474
Restricted Assets	45,302	42,595	45,041	44,384	43,198	46,538	45,393	44,613	48,732	47,837	46,944
Total Non-Current Assets	583,347	497,467	538,997	545,106	554,625	603,110	605,080	605,212	666,190	666,941	666,860
TOTAL ASSETS	594,171	510,012	551,207	557,422	566,478	615,104	616,583	616,644	677,515	678,068	677,690

Forecast Statement of Financial Position (cont)

Forecast Statement of Financial Position	Annual Plan					Forecast						
	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June	30 June
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
LIABILITIES												
Current Liabilities												
Creditors & Other Payables	8,438	8,439	8,285	8,130	7,943	7,862	7,719	7,589	7,434	7,180	7,022	
Employee Benefit Liabilities	585	585	585	585	585	585	585	585	585	585	585	
Provisions	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	1,003	
Borrowings	2,000	-	11,000	-	14,000	-	19,000	5,000	5,000	5,000	5,000	
Total Current Liabilities	12,026	10,027	20,874	9,718	23,531	9,450	28,307	14,177	14,023	13,768	13,610	
Non-Current Liabilities												
Employee Benefit Liabilities	224	224	224	224	224	224	224	224	224	224	224	
Provisions	3,004	3,004	3,004	3,004	3,004	3,004	3,004	3,004	3,004	3,004	3,004	
Borrowings	74,000	78,000	72,000	89,000	82,500	98,500	79,500	91,500	88,000	86,000	81,500	
Total Non-Current Liabilities	77,228	81,229	75,229	92,229	85,729	101,729	82,729	94,729	91,229	89,229	84,729	
TOTAL LIABILITIES	89,254	91,256	96,102	101,946	109,260	111,179	111,036	108,906	105,251	102,997	98,338	
Net Assets	504,917	418,756	455,104	455,476	457,219	503,925	505,547	507,738	572,264	575,071	579,351	
EQUITY												
RatePayers Equity	266,527	264,938	264,626	264,637	266,017	267,452	268,725	270,724	272,975	275,579	279,680	
Revaluation Reserves	231,405	147,447	183,859	183,859	183,859	228,856	228,856	228,856	291,040	291,040	291,040	
Trust Funds	-	-	-	-	-	-	-	-	-	-	-	
Special Funds	6,985	6,371	6,620	6,981	7,343	7,617	7,966	8,158	8,250	8,452	8,631	
TOTAL EQUITY	504,917	418,756	455,104	455,476	457,219	503,925	505,547	507,738	572,264	575,071	579,351	

Forecast Cash Flow Statement

Forecast Cash Flow Statement	Annual Plan			Forecast							
	2014/2015	2015/2016	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024	2024/2025
Cashflow from Operating Activities											
Cash was provided from:											
Rates Revenue	30,182	32,421	35,099	37,448	39,129	40,827	42,702	44,285	45,728	47,211	47,917
Finance Income	96	150	154	158	162	167	172	177	183	189	196
Other Revenue	11,437	11,846	12,451	12,986	13,787	13,851	14,256	14,924	15,178	15,916	17,428
	41,715	44,418	47,703	50,592	53,079	54,845	57,130	59,386	61,089	63,316	65,541
Cash was disbursed to:											
Payments Staff & Suppliers	29,706	30,255	31,119	32,094	32,540	33,397	34,495	35,801	37,426	38,173	38,836
Finance Costs	3,405	3,900	4,870	5,402	5,775	6,268	6,384	6,406	6,273	6,042	5,908
Net GST Movement	-	-	-	-	-	-	-	-	-	-	-
	33,111	34,155	35,989	37,497	38,315	39,666	40,879	42,207	43,698	44,215	44,745
Net Cashflow from Operating Activity	8,604	10,263	11,714	13,095	14,764	15,179	16,251	17,179	17,391	19,102	20,796
Cashflow from Investing Activities											
Cash was provided from:											
Proceeds Sale of Assets	474	2,640	2,703	1,721	689	709	547	-	-	-	-
Proceeds from Investments	10	-	-	-	-	-	-	-	-	-	-
	484	2,640	2,703	1,721	689	709	547	-	-	-	-
Cash was disbursed to:											
Purchase of Assets	29,714	25,830	19,605	20,554	23,235	17,544	17,080	15,005	13,735	17,054	16,313
Purchase of Investments	272	-	-	-	-	-	-	-	-	-	-
	29,986	25,830	19,605	20,554	23,235	17,544	17,080	15,005	13,735	17,054	16,313
Net Cashflow from Investing Activity	(29,502)	(23,190)	(16,901)	(18,833)	(22,545)	(16,835)	(16,533)	(15,005)	(13,735)	(17,054)	(16,313)
Cashflow from Financing Activities											
Cash was provided from:											
Loans Raised	30,000	15,000	5,000	17,000	7,500	16,000	-	17,000	1,500	3,000	500
	30,000	15,000	5,000	17,000	7,500	16,000	-	17,000	1,500	3,000	500
Cash was disbursed to:											
Loan Repayments	10,750	2,000	-	11,000	-	14,000	-	19,000	5,000	5,000	5,000
	10,750	2,000	-	11,000	-	14,000	-	19,000	5,000	5,000	5,000
Net Cashflow from Financing Activity	19,250	13,000	5,000	6,000	7,500	2,000	-	(2,000)	(3,500)	(2,000)	(4,500)
Net Increase (Decrease) in Cash Held	(1,648)	73	(188)	263	(282)	344	(282)	174	156	47	(16)
Add Opening Cash brought forward	5,588	5,588	5,661	5,473	5,736	5,454	5,798	5,516	5,691	5,847	5,894
Closing Cash Balance	3,940	5,661	5,473	5,736	5,454	5,798	5,516	5,691	5,847	5,894	5,878
Closing Balance made up of Cash and Cash Equivalents	3,940	5,661	5,473	5,736	5,454	5,798	5,516	5,691	5,847	5,894	5,878

Benchmarks Disclosure Statement

For the 10 years 2015-25

The purpose of this statement is to disclose the Council's planned financial performance in relation to various benchmarks - rates affordability, debt affordability, balanced budget, essential services and debt servicing.

The Council is required to include this statement in its Long Term Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014.

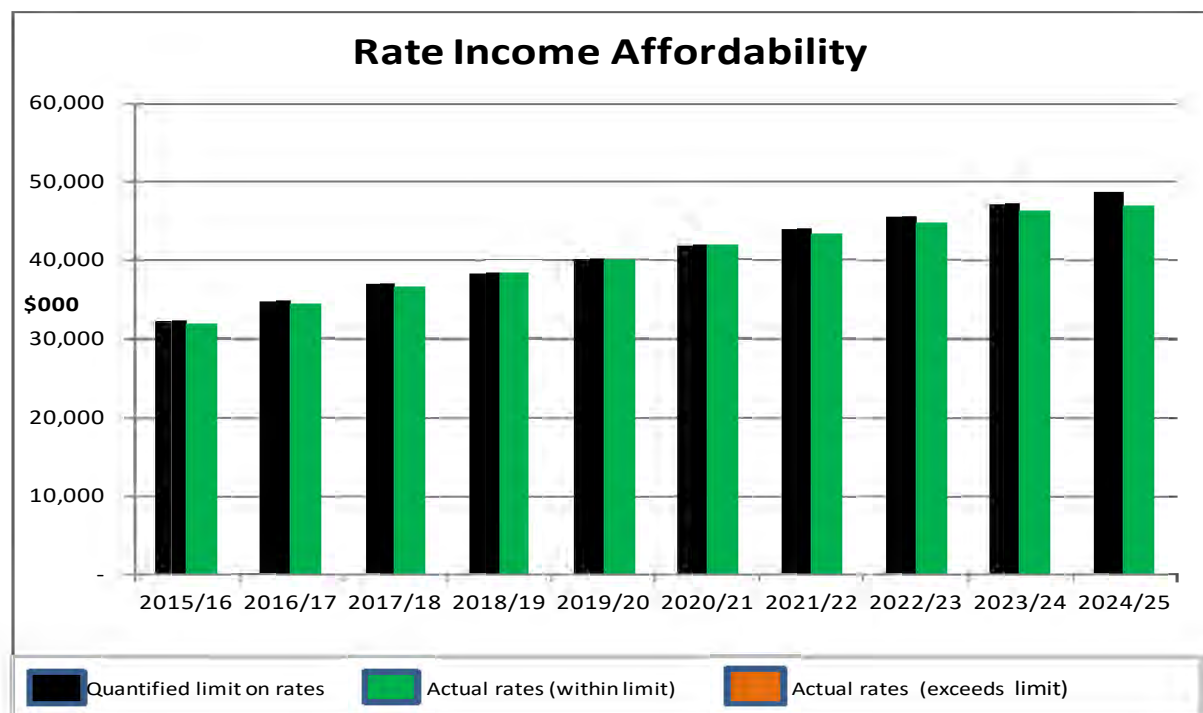
Rates Affordability Benchmarks

The Council meets the rates affordability benchmark if it's:

- Actual or planned rates for the year equals or is less than each quantified limit on rates; and
- Actual or planned Rates increases for the year equal or are less than each quantified limit on rates increases.

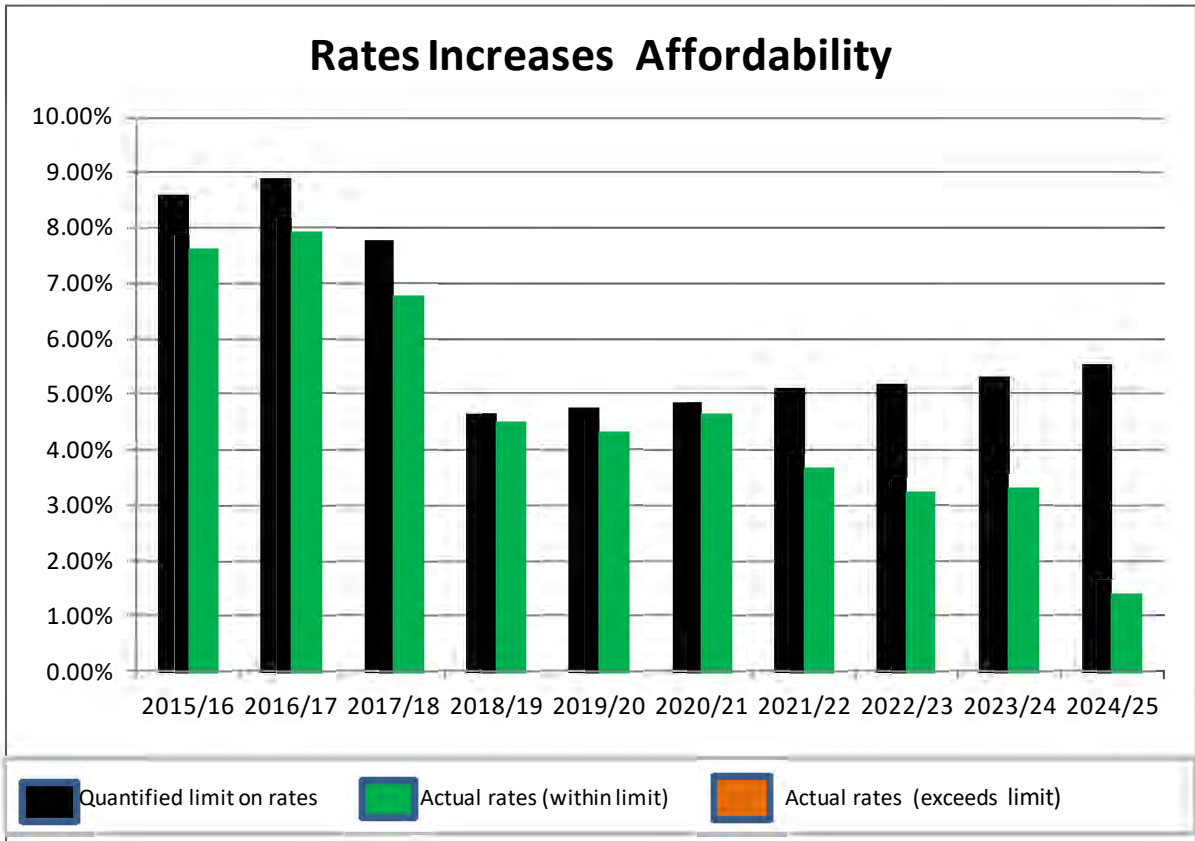
Rates (Income) affordability

The following graph compares the Council's proposed rates income for the years 2015-25 with a quantified limit on rates contained in the Financial Strategy included in the Council's Long Term Plan 2015-2025. All limits are based on the previous years proposed rates income adjusted for the projected maximum rates increases noted in the Rates Income Affordability benchmark.



Rates Increases Affordability

The following graph compares the Council's proposed rate increase for the years 2015-25 with a quantified limit on rates increases contained in the Financial Strategy included in the Council's Long Term Plan 2015-2025.



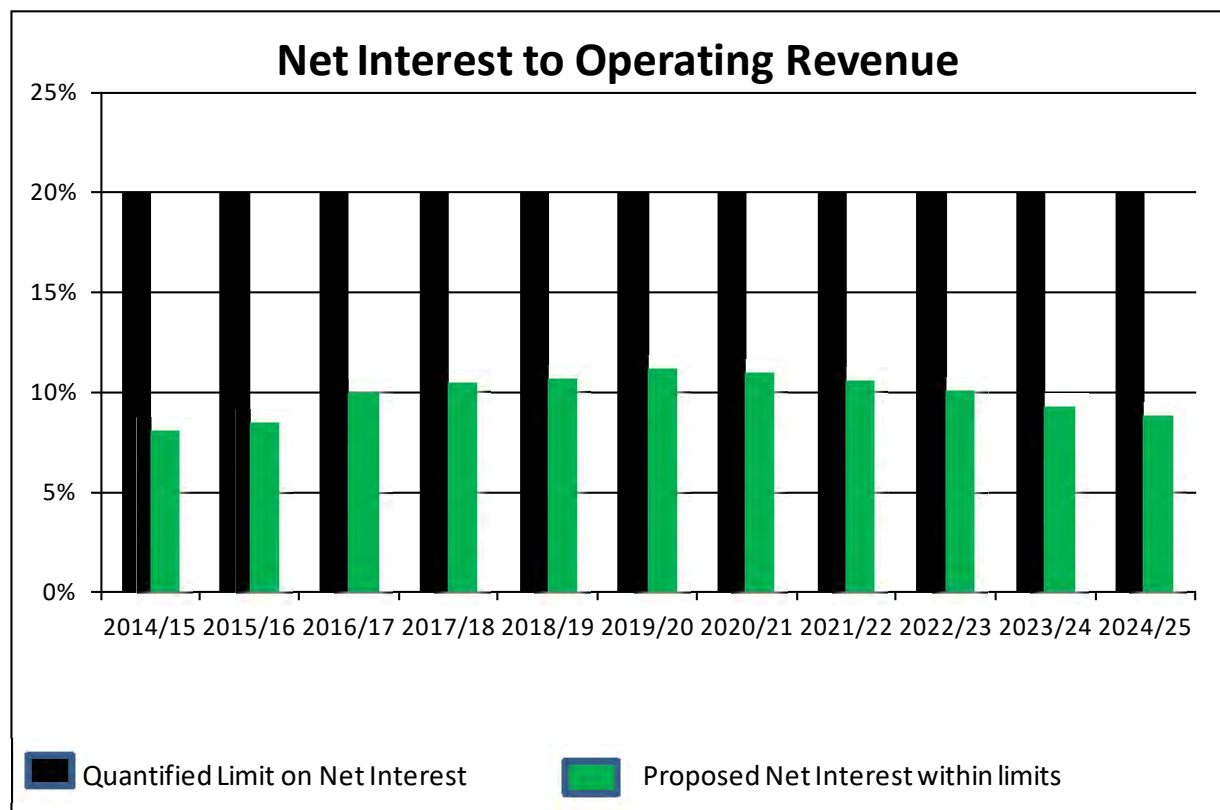
Debt Affordability Benchmarks

The Council meets the debt affordability benchmarks if actual or planned borrowing for the year is within each quantified limit on borrowing.

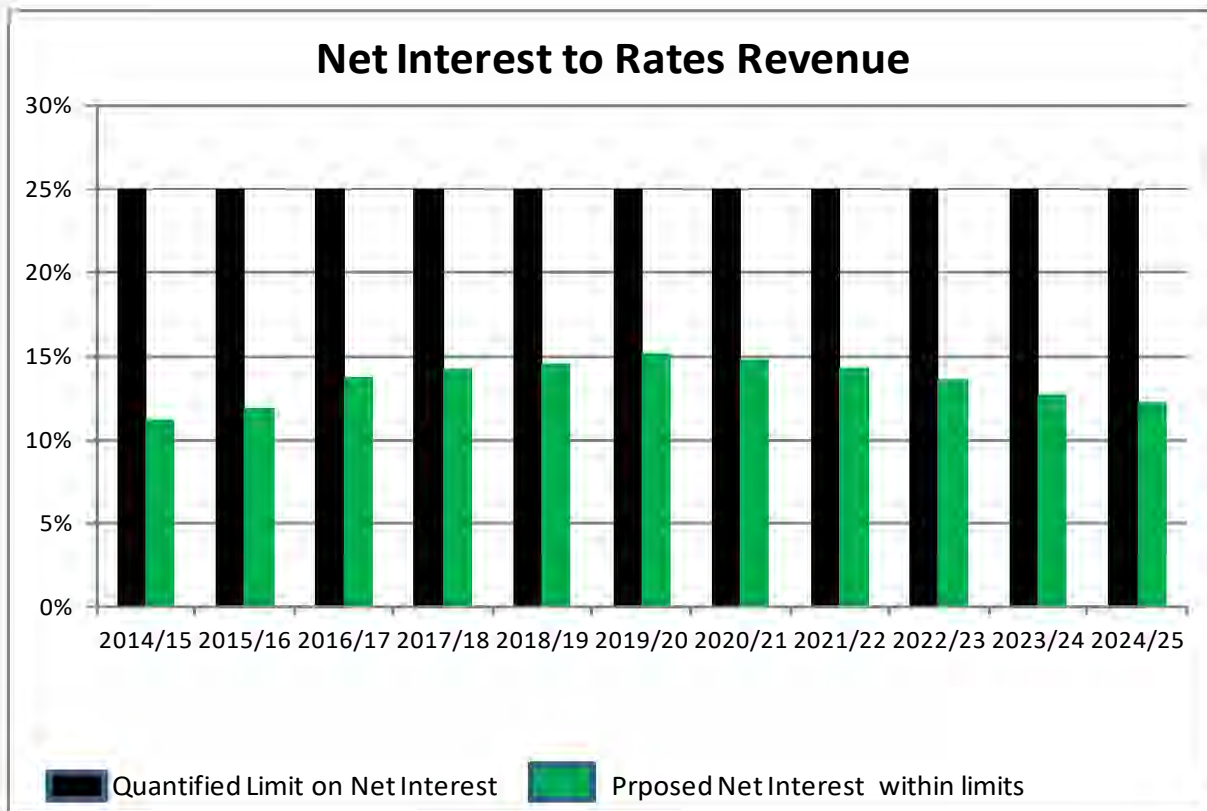
The Council quantified limits on borrowing are found in the Liability Management Policy in this Long Term Plan. The limits are as follows:

- Net annual interest costs do not exceed 20% of the total annual operating revenue
- Net annual interest costs do not exceed 25% of total annual rates revenue
- Net debt does not exceed 175% of operating revenue.

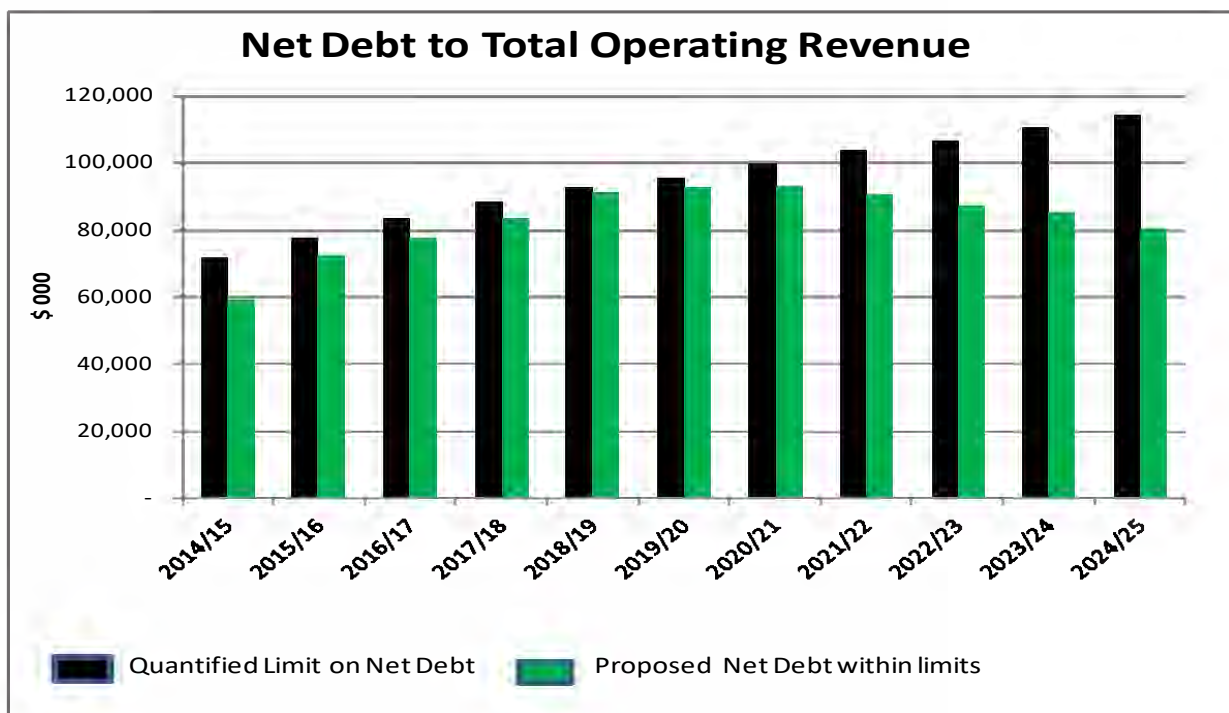
The following graph compares the Council's forecast net annual interest costs to total operating revenue.



The following graph compares the Council's forecast net annual interest costs to total annual rates revenue.



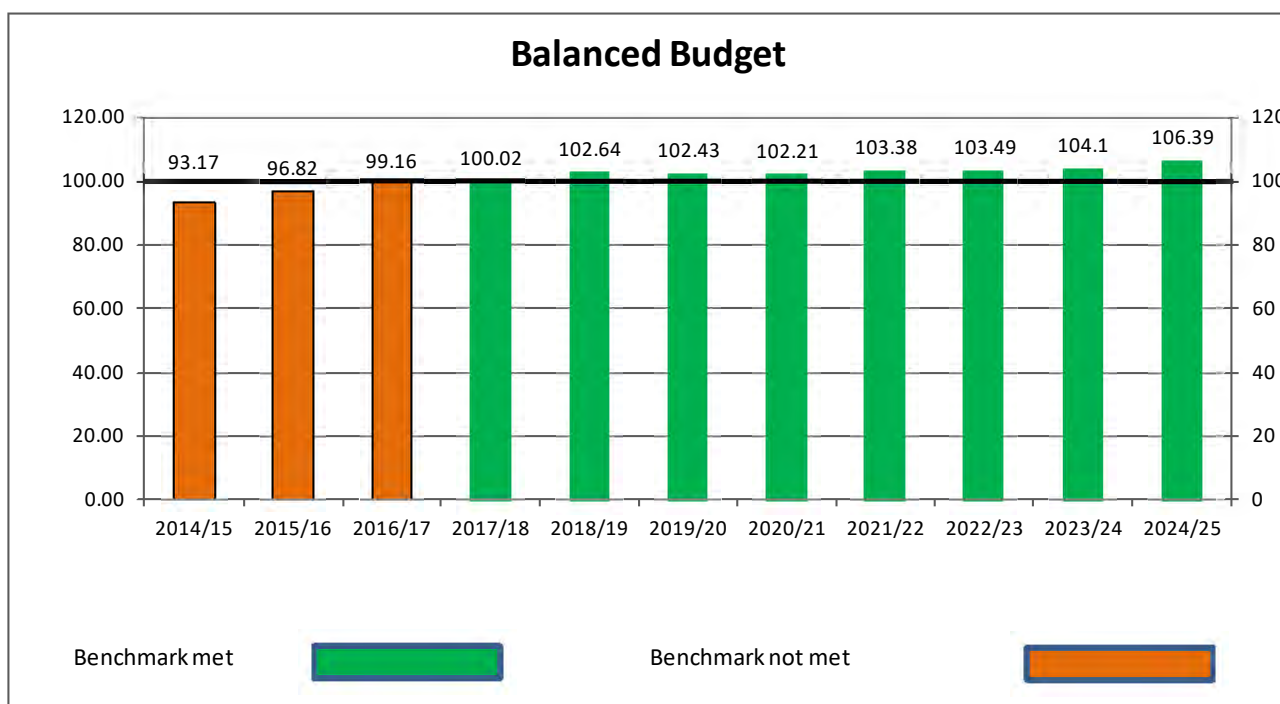
The following graph compares the Council's forecast net debt to total operating revenue.



Balanced Budget Benchmark

The following graph displays the Council's forecast revenue - excluding development contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant and equipment, as a proportion of operating expenses - excluding losses on derivative financial instruments and revaluations of property, plant and equipment.

The Council meets this benchmark if it's revenue equals, or is greater than, it's operating expenses.

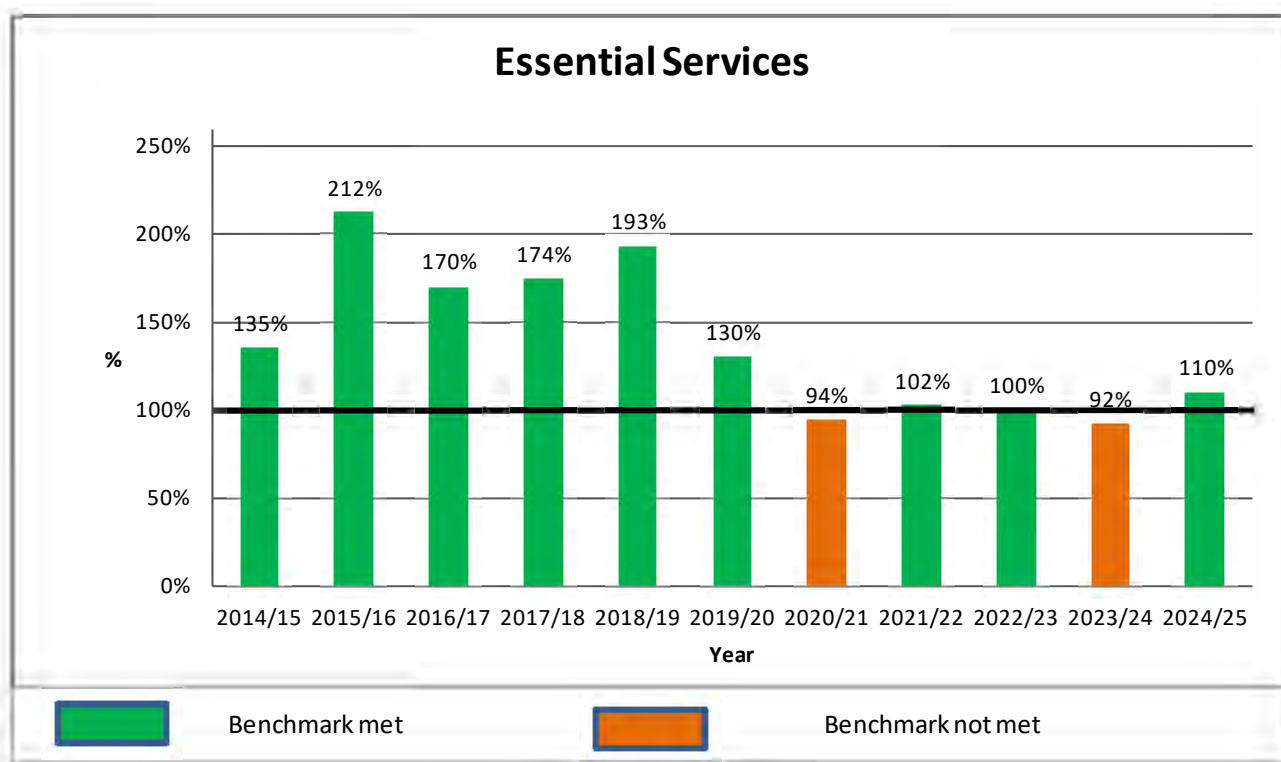


Essential Services Benchmark

The following graph displays the Council's forecast expenditure on network services as a proportion of depreciation on network services. Capital work includes both renewals of existing infrastructure and new capital works undertaken.

The Council meets this benchmark if it's capital expenditure on network services equals or is greater than depreciation on it's network services.

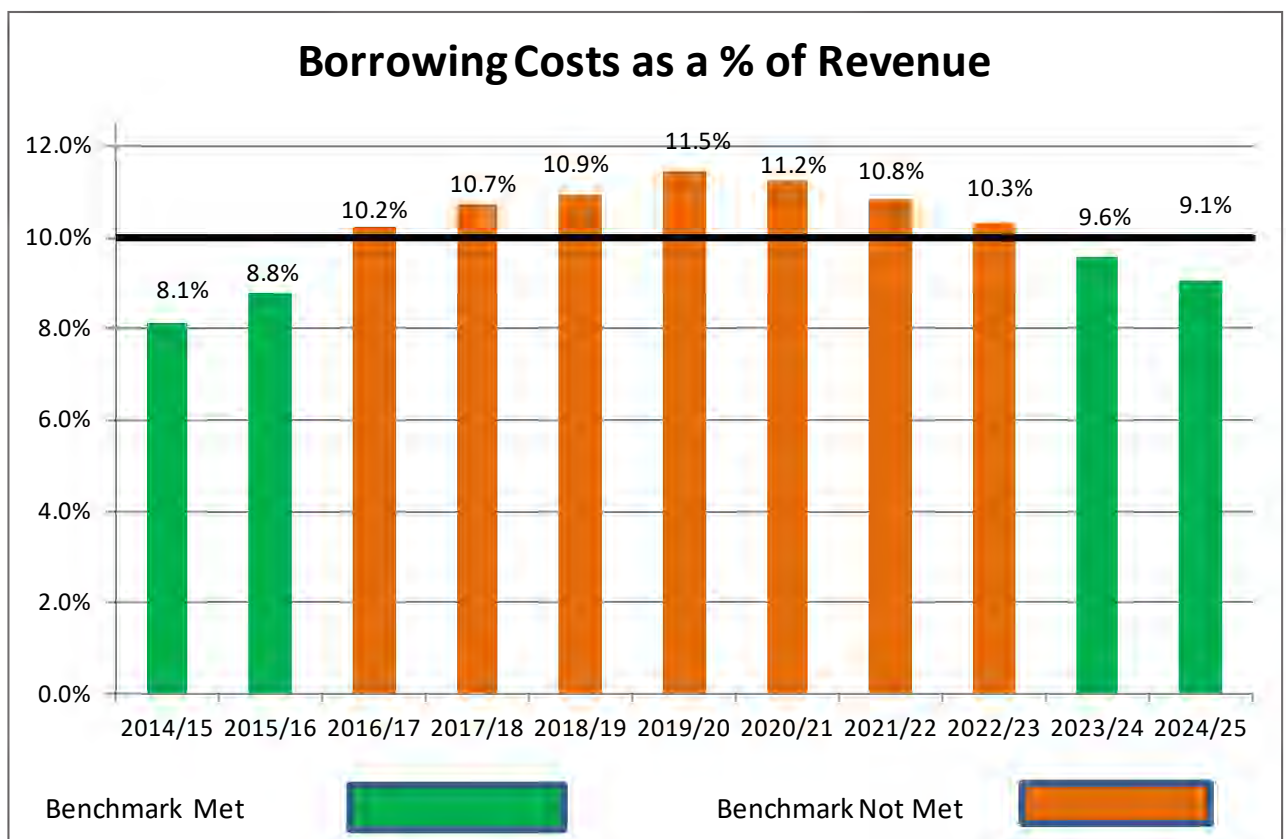
Network services is defined in the regulations as infrastructure relating to water supply, sewage and the treatment and disposal of sewage, storm water drainage, flood protection and control works and the provision of roads and footpaths. The Council owns no infrastructure relating to flood protection and control work.



Debt Servicing Benchmark

The following graph displays the Council's forecast borrowing costs as a proportion of forecast revenue, excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of plant property and equipment.

Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate it meets the debt control benchmark if its forecast borrowing costs are equal to or less than 10% of its forecast revenue - excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of plant, property and equipment.



Balancing of the Operating Budget

Legislative context

In accordance with section 100(1) of the Local Government Act (LGA) 2002 the Council *must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.*

However, section 100(2) of the LGA allows Council to resolve that it is financially prudent to set projected operating revenues at levels less than would be required to meet projected operating costs, having regard to the following:

- (a) *The estimated expenses of achieving and maintaining the predicted levels of service provision set out in this LTP, including the estimated expenses of maintaining the service capacity and integrity of assets throughout their useful life;*
- (b) *The projected revenue available to fund those expenses;*
- (c) *The equitable allocation of responsibility for funding the provision of and maintenance of assets throughout their useful life; and*
- (d) *The funding and financial policies adopted under section 102 of the Local Government Act 2002.*

Balancing the budget for this LTP period

For the 10 year period of this LTP the Council will be working towards achieving a surplus by year 4 (2018/19). Council considers that in the long-term operating revenues should be set at levels to cover all operating costs, as this is a necessary condition for prudent financial management.

However, the Council considers (and has resolved) that for the purposes of this LTP, pursuant to section 100(2) of the LGA, it is financially prudent to set projected operating revenues at levels:

- In some cases less than would be required to meet projected operating costs, where such costs are being met from reserves and where the full funding of depreciation may be phased in without compromising the service capacity or integrity of assets throughout their useful life; and
- In some cases more than would be required to meet projected operating costs where operating revenues are also required to set aside incomes tagged for special purposes, to meet the costs of capital expenditure, to build up reserves for future loan repayments, and to contribute to asset replacement funds.

The specific circumstances in which projected operating costs have not been funded by operating revenues have been in year 1 and 2; using the Balanced Budget benchmark under the Local Government (Financial Reporting and Prudence) Regulations 2014:

- 1) where it is planned to fund particular operating costs from existing reserves rather from rates or other revenue; and
- 2) where it has been decided to phase in the funding of increased levels of

depreciation on infrastructural assets.

There is no compromise to the replacement, restoration or renewal of assets during the whole term of this LTP.

In all cases the reason for not balancing the operating budget has been to keep projected rate increases within reasonable bounds to ensure that the increases are affordable for our Community.

The implication of Council's decision is that it will fund some renewals of assets using debt instead of rates. This will increase debt and subsequently interest costs on that debt as discussed in the Financial Strategy.

Revenue and Financing Policy and Funding Impact Statement

1. Purpose

To allow Council to adopt the Revenue and Financing policy and associated Funding Impact Statement.

2. Executive Summary

- 2.1 Council is legally obliged to develop and adopt a Revenue and Financing Policy (RFP). The RFP sets out Council's policies on why and how funding sources are used to fund operational and capital expenditure. It is the first step in the process for setting rates, development contributions and Financial Contributions.
- 2.2 The policy must also show how the selection of funding sources complies with the funding policy process laid out in s101(3) of the LGA. The RFP is one of two policies that must be included in the LTP document.
- 2.3 The Funding Impact Statement (FIS) records the sources and applications of the Council's funds. It also informs the ratepayers exactly what types of rates and charges will be required and how these will be calculated. The FIS supports the Revenue and Financing Policy and are the second step in the rate setting process.

3. Recommendation

- 3.1 That Report 15/57 Revenue and Financing Policy and Funding Impact Statement be received.
- 3.2 That this decision is recognised as significant in terms of S76 of the Local Government Act
- 3.3 That the Draft Revenue and Financing policy be adopted for consultation as part of the LTP consultation process.
- 3.4 That the Funding Impact Statement be adopted and form part of the LTP supporting documentation for the Consultation Document

4. Background / Previous Council Decisions

- 4.1 Council must develop and adopt an RFP. The RFP is where Council discloses any policies it may have regarding the selection of particular funding instruments. It should also explain the construction of Council's differential rating categories and the rationale for these. The overriding purpose of an RFP is to show who pays for what and why.
- 4.2 The FIS supports the RFP by providing predictable and certain estimates of future funding requirements. It should also tell ratepayers how the revenue and financing policy will affect them personally i.e. what rates and charges they are likely to have to pay. The FIS must be in sync with and give effect to the Revenue and Financing Policy. It cannot have rates and charges that are not laid out in the RFP

5. Discussion

- 5.1 The RFP is a core foundation document for Council. The RFP sets out who pays for what and why. If a funding source is not stated in this policy you cannot use it. Such a document

must be written in such a way that it covers all eventualities, is transparent, easily understood, robust (clean set of funding/financial principles underpinned by sound analysis), fair and equitable, durable and realistic.

- 5.2 Funding mechanism choice must be guided by s101(3) analysis and must be consistent with, and give effect to, the Financial Strategy and Infrastructural Strategy and any other strategic policy or decision of Council, e.g. the Property Strategy.
- 5.3 It is basic industry norm that to give effect to s101(3)(iii) (the intergenerational equity principle) that asset renewals tend to be funded from rates while new assets are funded from borrowing and those assets that service growth from either development or financial contributions.
- 5.4 The s101(3) analysis guides Council into assessing the level of private benefit and, therefore that portion of each activity that should be funded from fees and charges rather than rates. These proportions should be expressed as thresholds using ranges to avoid the absolute precision that is impossible to achieve using some funding sources that are influenced by the economic environment.
- 5.5 FIS is the next step in the rate setting process. A mistake in the FIS can be sufficient to invalidate a rate. This is so especially if that rate has not already been described in the Revenue and Financing policy. The FIS needs to completely and accurately describe the types of rate Council proposes to set. It should also describe how these rates will be calculated so a ratepayer can work out what rate they are likely to be levied.
- 5.6 The RFP must be consulted on, we choose to include it in the Consultation Document but it could have its own consultation process. The FIS does not need to be consulted on as it is giving effect to the RFP. The FIS however, is very prescriptive and part of it is set by regulation as to the form and content. It is a vitally important process in the rates setting process. Many rating systems have been overturned through the Courts by errors in the FIS.

6. Options

Council's options are limited. The non adoption of the RFP and FIS would only occur if Council was to completely change its mind with regard to the rating and funding system it proposes to use for the LTP.

6.1 Cost

There is no cost other than that cost associated with producing the LTP which has been budgeted for.

6.1.1 Rate Impact

There is no rate impact as the, mainly labour, cost of producing these documents have been budgeted for in the current financial year

6.2 Community Wellbeing

There is no impact on community wellbeing of producing these documents other than the wider community wellbeing of implementing the LTP itself. Also, each activity section of the RFP contains a statement relating to the Community outcome to which that part of the policy advances.

6.3 Consenting Issues

There are no consenting issues.

6.4 LTP Integration

These documents will form part of the next LTP for 1 July 2015 to 30 June 2025 and so do not impact on the current LTP.

7. Consultation

Consultation will occur with the promulgation of the Consultation Document for the LTP. These documents form part of a suite of documents supporting the Consultation Document. Of course, one of the main issues in the consultation document is the change from Land Value based rating to Capital Value based rating which the RFP gives effect too.

8. Legal Considerations

S101 Local Government Act 2002 Financial management

- (1) A local authority must manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community.
- (2) A local authority must make adequate and effective provision in its long-term ... plan and in its annual plan (where applicable) to meet the expenditure needs of the local authority identified in that long-term ... plan and annual plan.
- (3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—
 - (a) in relation to each activity to be funded,—
 - (i) the community outcomes to which the activity primarily contributes; and
 - (ii) the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
 - (iii) the period in or over which those benefits are expected to occur; and
 - (iv) the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
 - (v) the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
 - (b) the overall impact of any allocation of liability for revenue needs on the ... community.

S102 Funding and financial policies

- (1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection [\(2\)](#).
- (2) The policies are—
 - (a) a revenue and financing policy; and
 - (b) a liability management policy; and
 - (c) an investment policy; and
 - (d) a policy on development contributions or financial contributions; and
 - (e) a policy on the remission and postponement of rates on Māori freehold land ; and

- (f) in the case of a unitary authority for a district that includes 1 or more local board areas, a local boards funding policy.
- (3) A local authority may adopt either or both of the following policies:
 - (a) a rates remission policy:
 - (b) a rates postponement policy.
- (4) A local authority—
 - (a) must consult on a draft policy in a manner that gives effect to the requirements of section [82](#) before adopting a policy under this section:
 - (b) may amend a policy adopted under this section at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of section [82](#).
- (5) However, subsection [\(4\)](#) does not apply to—
 - (a) a liability management policy:
 - (b) an investment policy.
 - (c)

S 103 Revenue and financing policy

- (1) A policy adopted under section [102\(1\)](#) must state—
 - (a) the local authority's policies in respect of the funding of operating expenses from the sources listed in subsection [\(2\)](#); and
 - (b) the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection [\(2\)](#).
- (2) The sources referred to in subsection [\(1\)](#) are as follows:
 - (a) general rates, including—
 - (i) choice of valuation system; and
 - (ii) differential rating; and
 - (iii) uniform annual general charges:
 - (b) targeted rates:
 - (ba) lump sum contributions:]
 - (c) fees and charges:
 - (d) interest and dividends from investments:
 - (e) borrowing:
 - (f) proceeds from asset sales:
 - (g) development contributions:
 - (h) financial contributions under the [Resource Management Act 1991](#):
 - (i) grants and subsidies:
 - (j) any other source.
- (3) A policy adopted under section [102\(1\)](#) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section [101\(3\)](#).

- (4) If a local authority amends its revenue and financing policy under section [93\(4\)](#), only a significant amendment to the policy is required to be audited in accordance with sections [93D\(4\)](#) and [94](#).

Schedule 10 Part 1 Clause 15

Funding impact statement

- (1) A long-term plan must include a funding impact statement in relation to each year covered by the plan.
- (2) The funding impact statement must be in the prescribed form and must identify—
- (a) the sources of funding to be used by the local authority; and
 - (b) the amount of funds expected to be produced from each source; and
 - (c) how the funds are to be applied.
- (3) If the sources of funding include a general rate, the funding impact statement must—
- (a) include particulars of the valuation system on which the general rate is to be assessed; and
 - (b) state whether a uniform annual general charge is to be included and, if so,—
 - (i) how the charge is to be calculated; and
 - (ii) the local authority's definition of a separately used or inhabited part of a rating unit, if the charge is to be calculated on that basis; and
 - (c) state whether the general rate is to be set differentially and, if so,—
 - (i) the categories of rateable land, within the meaning of section [14](#) of the Local Government (Rating) Act 2002, to be used; and
 - (ii) the objectives of the differential rate, in terms of the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category.
- (4) If the sources of funding include a targeted rate, the funding impact statement must—
- (a) specify the activities or groups of activities for which the targeted rate is to be set; and
 - (b) include particulars of the category, or categories, of rateable land, within the meaning of section [17](#) of the Local Government (Rating) Act 2002, to be used; and
 - (c) for each category, state—
 - (i) how liability for the targeted rate is to be calculated; and
 - (ii) the local authority's definition of a separately used or inhabited part of a rating unit, if the rate is to be calculated on that basis; and
 - (d) if the targeted rate is set differentially, state the total revenue sought from each category of rateable land or the relationship between the rates set on rateable land in each category; and
 - (e) state whether lump sum contributions will be invited in respect of the targeted rate.
- (5) If the sources of funding include a general rate or a targeted rate, the funding impact statement must, for the first year covered by the long-term plan, include examples of the impact of the rating proposals in subclauses [\(3\)](#) and [\(4\)](#) on the rates assessed on different categories of rateable land with a range of property values.
- (6) If the same source of funding is to be used in more than 1 of the years covered by the long-term plan, in order to comply with subclauses [\(2\)\(a\)](#), [\(3\)](#), and [\(4\)](#) with respect to that source, it is sufficient—
- (a) to comply with those subclauses in relation to 1 of those years; and

- (b) for the funding impact statement to specify the other years in respect of which that source is to be used.

Schedule 10 Part 1 Clause 15A

Rating base information

A long-term plan must state, for each year covered by the plan, the projected number of rating units within the district or region of the local authority at the end of the preceding financial year.

9. Financial Considerations

There is no financial impact of adopting these documents

10. Other Considerations

These documents will form part of the final LTP due for adoption in June. They will be made available to members of the public who may want to research issues raised in the Consultation Document

11. Next Steps

These documents may need to be updated to reflect any decisions Council may make in relation to consultation feedback from submitters to the LTP

12. Supporting Information

Strategic Fit/Strategic Outcome

These documents together form the basis of all Council's funding mechanisms for the period of the LTP and set Council's rating policy direction for at least the first three years of the LTP.

Decision Making

The RFP must be consulted on and Council proposes to do this contemporaneously with the LTP consultation procedures.

Consistency with Existing Policy

These documents become the Council's funding/rating policy for the next 3 years at least; modified if necessary following consultation.

Funding

The funding of the LTP is in the current year's Annual Plan


Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

13. Appendices

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Approved by	David Clapperton Chief Executive	
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Revenue and Financing Policy

1. Introduction

Section 102(1) of the Local Government Act 2002 requires the adoption of policies that outline how operating and capital expenditure for each activity will be funded. The policies are aimed at providing predictability and certainty about sources and levels of funding.

In deciding the most appropriate funding source for each activity Council has taken into account:

- the Community Outcomes to which the activity primarily contributes;
- the distribution of benefits between the community as a whole, any identifiable part of the community and individuals;
- the period in or over which those benefits are expected to occur;
- the extent to which the actions or inactions of particular persons or a group contribute to the need to undertake the activity;
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities; and
- the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the Community.

2. Funding Sources Available

2.1 General rates

General rates are used when there is general benefits to the District as a whole, where there is typically a high public benefit in the services funded from the rate, when Council considers the Community as a whole should meet the costs of those services, and when the Council is unable to meet its user charge targets. The General rate will fund both operating and capital expenditure for all activities other than those funded by targeted rates.

All ratepayers are assessed a General rate, but this rate is set differentially, in order to set the rates in proportion to the relative benefits generated by Council's expenditure. Council has decided to have a Business Differential and a District Wide Other Differential

1. Business differential – those rating units identified as Arable, Commercial, Dairy, Forestry (except protected forestry), Horticultural, Industrial, Mining, Pastoral, Specialist livestock and Utilities. Properties will be identified in the District valuation

Role (DVR) using the “Property Category” codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General.

2. District Wide Other – those rating units identified as Lifestyle, Residential and Other. Properties will be identified in the DVR using the “Property Category” codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General.

The General rates set in each of the categories based on Capital Value. Services provided by Council are primarily delivered to individuals. Rates are a tax on property values.

Council is not setting a Uniform Annual General Charge (under s15 of the Local Government (Rating) Act 2002 (LG(R)A)) preferring to rate targeted rates set as fixed amounts for Libraries, Representation and Governance, Solid Waste and Swimming pools (refer below)

2.2 Targeted Rates

Targeted rates are set to cover, in a transparent manner, the operating and capital expenditure for the following major activities. Targeted rates are used when Council considers that transparency is important, or where location or the method of rating make the use of a targeted rate more appropriate and more fair and equitable.

Activity	Rating Area	Rating Method
Solid Waste	District wide where by all Rural rating units pay 20% and all Urban rating units pay 80% of the net solid waste costs.	SUIPs
Water Supplies	District wide on all connected properties. Availability charge to those rating units that are able to be connected.	SUIPs and metered supply where applicable
Wastewater	District wide on all connected properties. Availability charge to those rating units that are able to be connected.	SUIPs
Land Transport	District wide on the same basis and differential categories as the General rate.	Capital Value
Libraries and Community Centres	District wide.	SUIPs

Representation and Community Leadership	District wide.	SUIPs
Stormwater	Urban rating units.	Capital Value
Aquatic Centre	District wide.	SUIPs

2.3 Fees and Charges

Fees and charges are set so as to recover the costs from users of Council facilities where there is a high private benefit accruing to those individuals or users groups.

In a small number of cases it is also possible and appropriate to recover the private benefit of capital expenditure (e.g. water connections, sewer connections, and subdivision infrastructure).

2.4 Interest and Dividends

The interest earned from the investment of special funds is added to those special funds, to help fund future expenditures.

Dividends and other interest earnings are used to offset General rates, rather than being used to fund particular expenditures.

2.5 Borrowing

Borrowing is used to fund capital expenditure where other sources of funding are not available or not appropriate, in order to spread the incidence of the expenditure over both current and future beneficiaries. Policies in relation to borrowing are presented in the Liability Management Policy. Loan servicing costs are (both internal and external borrowing) are borne by the activity requiring the loan funding.

2.6 Proceeds from Asset Sales

The proceeds of asset sales are used to reduce or avoid borrowing.

2.7 Development Contributions/Financial Contributions

The Council has cancelled its Development Contributions Policy and from 1 July 2015 will no longer charge development contributions. The Council has opted to replace its Development Contributions Policy with a Financial Contributions Policy that would introduce financial contributions for new development in identified growth areas through a change to the District Plan.

2.8 Grants and Subsidies

Most grants and subsidies are primarily sourced from Central Government and typically related to specific activities. Council seeks to maximize the opportunity and use is made of grants and subsidy funding whenever and where ever they are available:

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- a. Roading subsidies are tied to specific operating and capital expenditures;
 - b. Petrol tax distributions are used to offset the roading targeted rate; and
 - c. Other grants and subsidies tend to be tied to particular expenditures, for relatively small sums, and of insecure tenure according to the policies of Central Government.

3. Funding of Operating Expenses

The Council's policies and practices as regards to the funding of its operating expenses are set to ensure that the policies comply with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of revenue sources to meet operating expenses, the major sources being rates, grants and subsidies, and fees and charges.

The following sources of funding are used to finance operating expenses:

Activity Group	General Rates	Targeted Rates	Grants and Subsidies	Reserves	Fees and Charges
Regulatory Services	✓			✓	✓
Community Facilities and Services	✓	✓ Library and Community Centres Aquatics Centres	✓	✓	✓
Land Transport		✓	✓	✓	
Water Supply		✓		✓	✓
Wastewater Disposal		✓		✓	✓
Solid Waste		✓	✓	✓	✓
Stormwater		✓		✓	
Property	✓			✓	✓
Community Support	✓		✓	✓	✓
Representation and Community Leadership		✓		✓	

4. Funding of Capital Expenditure

The Council's policies and practices as regards the funding of its capital expenditure are set to ensure that it complies with applicable legislation and generally accepted accounting practice.

In general terms it will use a mix of funding sources to meet capital expenditure, the major sources being rates, reserves, and borrowing. Sources of funding for capital expenditure will generally be sought in the sequence below.

The following sources of funding are used to finance capital expenditure:

- The first sources of financing capital expenditure that will be considered will always be third party sources that relieve the burden on ratepayers generally. These are not commonly available, but would include any government subsidies for water and wastewater schemes, and third party donations.
- The second source considered will be rates. This reflects a prudent propensity on the Council's part to ensure that special purpose reserves are only utilised on a selective basis on relatively significant works in the context of long term planning, rather than on minor works over a shorter term, and a prudent reluctance to increase loan indebtedness unless necessary.
- The third source considered will be reserves, and in particular funds that may be held for larger capital works in specific activities. Examples include water, wastewater, roading and property works financed from the Foxton Beach Freeholding Fund, cemetery extensions financed from the Capital Projects Fund, vehicle purchases financed from the Plant Depreciation Fund.
- The final source considered for the financing of capital expenditure will be borrowing. This reflects a prudent reluctance to increase loan indebtedness unless necessary. Although it is the last option considered, the LTP provides for substantial new borrowing to achieve an element of intergenerational equity in the financing of a range of major capital expenditure works. Loan funding is also used for infrastructural asset renewals where the rate generated reserves are inadequate due to the level of renewals in any one year.

Activity group	General Rates	Targeted Rates	Subsidies	Reserves	Borrowing	Financial Contributions
Regulatory services	✓			✓		
Community Facilities and Services	✓	✓ Library and Community Centres, Aquatics Centres		✓	✓	✓
Land Transport	✓		✓	✓	✓	✓
Water Supply		✓	✓	✓	✓	✓
Stormwater		✓		✓	✓	✓
Wastewater		✓	✓	✓	✓	✓
Solid waste		✓			✓	
Property	✓			✓	✓	
Community support	✓			✓	✓	
Representation and Community Leadership		✓		✓	✓	

5. Depreciation Reserves

Depreciation reserves have generally been funded in previous years from rates (or other funding). Depreciation reserves are only used to fund replacements and renewals of operational and infrastructural assets.

6. Funding Allocations between Ratepayers and Users

Regulatory Services

Resource Consent Applications

Processing applications within the confines of the Resource Management Act 1991 and the Horowhenua District Plan.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The Sustainable Environment Community Outcome is supported by means of managing development within the confines of the District Plan and Resource Management Act (RMA) 1991.
<i>Who Benefits</i>	<p>The benefits are primarily a private good. Planning consents are undertaken within the confines of the RMA. The guiding principle, as stated in section 2 of the RMA is “to promote the sustainable management of natural and physical resources”. In the RMA sustainable management is defined as “managing the use, development, and protection of natural and physical resources in a way, or at a rate, which enable people and communities to provide for their social, economic and cultural wellbeing and for their health and safety”</p> <p>It is possible to directly charge the primary beneficiaries i.e. the applicant. The wider public however also benefits since they are protected from “unsustainable practices” and have the opportunity to participate in the decision making process either via the District Plan development or the notification process</p> <p>The service protects the applicant, the resident and the national economy in that one of the important aims is the protection of high class soils which is a national asset.</p>
<i>Period of Benefit</i>	At the time the consent is processed.
<i>Whose acts create a need</i>	The applicant for resource consent benefits the most directly from resource consent, although the public at large also benefits in certain instances.
<i>Separate funding</i>	A large degree of private benefit makes user charging feasible

Funding Source	Public good - General rate: 30% - 40% Private Benefit - Fees and Charges: 60% - 70%
Rationale	Although primarily a private benefit the RMA exists to protect the wider environment for the benefit of all residents

Regulatory Services

Resource Management Policy, District Plan, Enforcement

The development and review of a District Plan and enforcement of it as required.

Matters that must be considered under the Local Government Act 2002.

Community Outcomes	The “sustainable environment” and “healthy local economy and a district that is growing” Community Outcomes are supported by means of managing development within the confines of the District Plan and RMA.
Who Benefits	All residents are given the opportunity to participate in realising the future of the District via the development of District Plans. The activity contributes to a well organised community and sustainable environment in which all residents have the opportunity to participate in formulating the desired outcomes.
Period of Benefit	This activity should be funded over the life of the District Plan. Public enquiry and enforcement should be funded in the year the work was carried out.
Whose acts create a need	Those who create the need for enforcement. However, the enforcement action protects the wider community by enforcing consent conditions.
Separate funding	No private benefit exists from this activity
Funding Source	Public good - General rate: 100% Private Benefit: 0%
Rationale	This activity is strategic in nature and is primarily involved in protection of the environment for the benefit of the wider Community. The activity also aids in public understanding and compliance with the RMA.

Regulatory Services

Building Consents

The provision of services as required under the Building Act 2004 and associated legislation. To ensure that building work undertaken in the District is done with an approved consent and inspection process that ensures standards are met.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is supported as everyone needs to be able to assume that the buildings in the District are not dangerous or unsanitary.
<i>Who Benefits</i>	It is possible to directly charge the primary beneficiaries i.e. the applicant. The wider public however also benefits since they are protected from “unsustainable practices” and poor building practice especially in relation to commercial buildings. Potential buyers of property benefit from surety around previous work undertaken.
<i>Period of Benefit</i>	At the time the permit is processed.
<i>Whose acts create a need</i>	The applicant for building permits benefits the most directly from the permitting process.
<i>Separate funding</i>	A large degree of private benefit makes user charging feasible.
<i>Funding Source</i>	Public good- General rate: 10% - 20% Private Benefit - Fees and Charges: 80% - 90%
<i>Rationale</i>	Although primarily a private benefit the Building Act exists to protect the wider community from poor building practices.

Regulatory Services

Building Policy, Accreditation, Public liaison

The provision of services as required under the Building Act 2004 and associated legislation. To ensure that building work undertaken in the District is done with an approved consent and inspection process that ensures standards are met.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is supported as everyone needs to be able to assume that the buildings in the District are not dangerous or unsanitary.
<i>Who Benefits</i>	The wider public since they are protected from “unsustainable practices” and poor building practice especially in relation to commercial buildings. Potential buyers of property benefit from surety around previous work undertaken.
<i>Period of Benefit</i>	Over the period of the accreditation.
<i>Whose acts create a need</i>	The economic activity that leads to the need for building permits activity to be undertaken and for the need for standards to be set.
<i>Separate funding</i>	No private benefit exists from this activity
<i>Funding Source</i>	Public good - General rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	Although the building consenting activity is a private benefit, the Building Act and the accreditation process exists to ensure standards set by regulatory agencies are met to protect the wider community from poor building practices.

Regulatory Services

Health Licensing

To provide an inspection and licensing of premises service to ensure hygiene and other regulatory standards are met for the health and safety of users.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is supported as Council will monitor and mitigate problems, nuisances and threats to public health.
<i>Who Benefits</i>	The Public, as the purpose of licensing is to enforce legal provisions under the Health Act and Bylaws for the wider benefit of the public. Give users of premises surety around hygiene and food standards. The activity is a statutory requirement. The provision of the service provides direct health benefits to the community.
<i>Period of Benefit</i>	Over the period of the licence.
<i>Whose acts create a need</i>	Premises operators will incur direct costs in not complying and such costs should be passed on to them to ensure standards set are established and maintained.
<i>Separate funding</i>	A large degree of private benefit makes user charging feasible.
<i>Funding Source</i>	Public good – General rate: 65% - 75% Private Benefit - Fees and Charges: 25% - 35%
<i>Rationale</i>	The activity is serviced by specifically qualified staff with direct responsibility for licensing, inspections and work associated with enquiries and complaints in relation to public health matters for which the Council is responsible. The general ratepayer is the widest beneficiary of the service which is a statutory requirement.

Regulatory Services

Dog and Animal Control

To meet the Council's obligations under the Dog Control Act 1996 and associated legislation and Bylaws. Provision of service in respect of animals, particularly dogs, for the general safety and wellbeing of the Community.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The "safe, resilient and healthy communities" Community Outcome is supported. The public has concerns about risks associated with dogs. There are also risks associated with wandering livestock i.e. danger to people, traffic and flora.
<i>Who Benefits</i>	By legislation, dog owners are required to register their dog. Other residents benefit from dog and animal control services by having dog and stock rangers to ensure public safety. Any person may require the service.
<i>Period of Benefit</i>	Over the period the service is rendered.
<i>Whose acts create a need</i>	Animal owner who offends.
<i>Separate funding</i>	User charging for stock has proven ineffectual; the cost is not so significant as to warrant a separate rate.
<i>Funding Source</i>	Public good - General rate: 20% - 30% Private Benefit - Fees and Charges: 70% - 80%
<i>Rationale</i>	Although primarily a private benefit the Dog Control Act exists to protect the wider Community from errant dogs.

Regulatory Services

Parking Enforcement

The service exists to carry out the enforcement of parking restrictions that apply, including traffic safety policing but also ensuring vehicle car park turnover i.e. the public availability of parking.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “healthy local economy and a district that is growing” Community Outcome is supported by ensuring that parking is made available for retailers in the Commercial Business District.
<i>Who Benefits</i>	Shopkeepers ensuring parking turnover availability to their premises. And the wider public to ensure convenient available car parking.
<i>Period of Benefit</i>	Continuously as wardens carry out their duties.
<i>Whose acts create a need</i>	The errant motorist who overstays the permitted time.
<i>Separate funding</i>	Being predominantly self-funding there is no need for separate rating mechanisms.
<i>Funding Source</i>	Public good - General rate: 0 -10% Private Benefit - Fees and Charges: 90 - 100%
<i>Rationale</i>	Predominantly funded from exacerbators.

Regulatory Services

Liquor Licensing

As the District Licensing Authority, consider/approve/decline liquor licence applications.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is supported by insuring there are controls on availability and appropriate controls on the sale of liquor.
<i>Who Benefits</i>	The wider public by ensuring that licencees are reliable and public health and safety are maintained by compliance with the statutory standards.
<i>Period of Benefit</i>	Continuously as licences are issued.
<i>Whose acts create a need</i>	Licencee of Clubs, premises etc, fees set by legislation.
<i>Separate funding</i>	Being of relatively small cost there is need for separate rating mechanisms.
<i>Funding Source</i>	Public good - General rate: 50-60% Private Benefit - Fees and Charges: 40-50%
<i>Rationale</i>	Licence fees are set by regulation and cannot be altered by Council.

Regulatory Services

Health and Liquor Policy and Public liaison

The provision of services as required under the health and sale of alcohol legislation. To ensure that Council is able to react to changes in legislation and policy and to enable public education and liaison.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is supported as everyone needs to be able to assume that there are appropriate general and legislatively required policies in place to regulate health and liquor licensing activities
<i>Who Benefits</i>	The wider public.
<i>Period of Benefit</i>	As changes in legislation occur and public liaison occurs.
<i>Whose acts create a need</i>	The need to educate the public and react to changes in legislation results in the public at large creating the need.
<i>Separate funding</i>	No private benefit exists from this activity.
<i>Funding Source</i>	Public good - General rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	This activity is entirely for the benefit of the public at large and should therefore be funded from the General rate.

Regulatory Services

General Inspection services

Regulatory activities required to be provided for which the user generally cannot be identified e.g. Bylaw/Policy Reviews/Enforcement, Abandoned Vehicles, Noise, Litter, Gaming machine Venue consents).

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is supported by ensuring a clean environment from litter, abandoned vehicles, noise etc.
<i>Who Benefits</i>	The wider public.
<i>Period of Benefit</i>	Continuously as the inspections and enforcement actions occur
<i>Whose acts create a need</i>	Offenders, noise, abandoned vehicles, litterers etc.
<i>Separate funding</i>	Being of relatively small cost there is need for separate rating mechanisms.
<i>Funding Source</i>	Public good - General rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	It is not practicable to charge the beneficiaries of the service as they are not the cause of the need for the service.

Community Support

Emergency Management (including Rural Fire response)

To meet Council's obligation under the Civil Defence Emergency Management Act 2002. To access resources, co-ordinate support and assist welfare and recovery measures in the Community.

Provision of urban and rural fire services as defined by legislation and Bylaws and to meet Council's obligations in respect of the management of hazardous substances.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The "safe, resilient and healthy communities" Community Outcome is supported by this activity. Preparing the Community under the 4Rs 'Readiness, Reduction, Response and Recovery'. Protecting life and property and removing potential fire hazards.
<i>Who Benefits</i>	The emergency management activity is carried out for and on behalf of the public. The rural fire activity is primarily for the public good i.e. for the rural sector. Private good is for the landowner where fire occurs.
<i>Period of Benefit</i>	Continuously as the service is predominantly to ensure public education and preparedness.
<i>Whose acts create a need</i>	In certain circumstances costs may be recovered from landowner where culpability exists.
<i>Separate funding</i>	Being of relatively small cost there is no need for separate rating mechanisms.
<i>Funding Source</i>	Public good- General rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	With emergency management there is limited ability to secure external funding except for minor annual subsidises on expenditure. As a community activity, fees and charges cannot be charged. The rural fire activity relies on public goodwill and volunteers. It would be impractical to rely on private good to fund the activity. However, where a person is shown to be culpable they will be charged a separate cost recovery for a rural fire event.

Community Support

Community Grants and Funding

Grants for; maintenance of community halls, general grants, grants of \$10k to \$100k towards sporting, environmental or cultural developments of a capital nature, artistic and cultural products and events, Beach wardens , one off grants, lifesaving and international representation.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “community of knowledge, culture and diversity where people are proud to live” Outcome has been identified as being enhance through the provision of community grants funding.
<i>Who Benefits</i>	It is possible to identify those receiving the grants but to charge those people would defeat the purpose of making the grant. Only qualifying Community groups or individuals are eligible for grants.
<i>Period of Benefit</i>	Continuously the grant pool is available and replenished each year.
<i>Whose acts create a need</i>	None exist, unless the applicants themselves are considered exacerbators but to charge those people would defeat the purpose of making the grant.
<i>Separate funding</i>	Being of relatively small cost there is no need for separate rating mechanisms.
<i>Funding Source</i>	Public good - General rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	The activity should be funded as a true tax with no user charge element.

Community Support

Community Development

The function of Council's Community Development activity includes coordination, facilitation and advocacy for Community organisations and it aims to improve the wellbeing of our community. This activity includes the implementation of Council's Youth, Positive Ageing, Arts, Culture and Heritage, Education, Disability, and Pride and Vibrancy Action Plans.

Matters that must be considered under the Local Government Act 2002.

Community Outcomes	The "healthy local economy and a District that is growing", "Safe, resilient and healthy communities", "community of knowledge, culture and diversity where people are proud to live" and "Positive leadership and effective partnerships" Outcomes are being supported by the community development activity.
Who Benefits	All residents and ratepayers of the Horowhenua District.
Period of Benefit	Immediate and ongoing, however, these benefits cannot be easily quantified. The effect of Council's expenditure is indeterminate.
Whose acts create a need	None exist.
Separate funding	Being of relatively small cost there is no need for separate rating mechanisms.
Funding Source	Public good - General rate: 100% Private Benefit - Fees and Charges: 0%
Rationale	The activity should be funded as a true tax with no user charge element.

Community Support

District Communications and Marketing

These activities help keep residents and ratepayers informed of the Council's activities, and promote Horowhenua as a valued destination to visit, work in, live in and play in. This function also supports Council's legislative requirements surrounding consultation and emergency management.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	All Community Outcomes are being supported as all areas of Council are supported by the provision of this function.
<i>Who Benefits</i>	All residents and ratepayers of Horowhenua District benefit from this activity as well as local businesses and industries.
<i>Period of Benefit</i>	Ongoing, but difficult to quantify.
<i>Whose acts create a need</i>	No specific acts create a need.
<i>Separate funding</i>	Being of relatively small cost there is no need for separate rating mechanisms.
<i>Funding Source</i>	Public good - General rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	The activity should be funded as a true tax with no user charge element.

Community Support

Economic Development and Visitor Information

To fund a broad range of proactive strategies to encourage new investment and strengthen present industries to provide greater economic security for the district and lower levels of unemployment. There is a focus on encouraging down- stream processing of primary produce.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “healthy local economy and a district that is growing” Community Outcome has been identified as being enhance through the provision of this activity.
<i>Who Benefits</i>	The private benefit of providing assistance and advice is outweighed by the wider economic security of the District as a whole. The benefits are difficult to assign to any one industrial group or group of individuals.
<i>Period of Benefit</i>	Cost incurred may have long term benefits. However, these benefits cannot be easily quantified. Increased economic activity is created from a number of factors. The effect of Council's expenditure is indeterminate.
<i>Whose acts create a need</i>	None exist.
<i>Separate funding</i>	Relatively low costs suggests there is no particular need for separate funding to achieve greater transparency or accountability.
<i>Funding Source</i>	Public good - General rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	The activity should be funded as a true tax with no user charge element.

Community Facilities and Services

Library and Community Centres

The operational cost of Libraries and community centres throughout the District to provide for the social and cultural wellbeing of the Community.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The following Community Outcome is enhanced with the provision of libraries and community centres, "A community of knowledge, culture and diversity where people are proud to live".
<i>Who Benefits</i>	Only library card users are able to use the Library. Books can only be borrowed and used by one library card holder at a time. Often people are willing to pay for a library to ensure they have access even if they are not current users. Libraries are seen as core business and an essential service that needs to be preserved for the main urban centres of the Horowhenua District. Educational costs to other institutions such as universities and schools are lowered due to the resources held in the library.
<i>Period of Benefit</i>	Benefits accrue in the year the costs are incurred. Capital expenditure will benefit future periods in line with resultant asset lives. The capital costs will be evenly allocated to operating expenditure over the life of the asset by use of loan interest and repayments costs and straight line depreciation costs.
<i>Whose acts create a need</i>	Borrowers who retain items issued from the libraries beyond the loan period are exacerbators, since they are limiting access to other potential readers. Renewal and overdue fees are charged as well as the cost of lost books.
<i>Separate funding</i>	A Targeted rate would aid in the transparency and accountability to residents of the District. Through a targeted rate using a fixed charge to every used or inhabited part of any rating unit across the District. Capital expenditure for the new facilities will be funded by loan with interest payments funded through the Fixed Charge rate. Book renewals, asset renewals and loan capital repayments will be funded from the Targeted rate overtime.

Funding Source	<p>Public good- Targeted rate: 75-85%</p> <p>Private Benefit - Fees and Charges: 15-25%</p> <p>However the private benefit is retained by the Te Horowhenua Trust to offset the cost Council's grant to the Trust. Council will therefore fund the Library grant and asset/debt costs 100% from a Targeted rate.</p>
Rationale	<p>A fixed charge rate better matches the benefit to individual households than a value based rate. High levels of user fees and charges have proven to be a barrier to participation and accessibility, especially among low income groups to which the services is targeted. Also the Local Government Act (LGA) 2002 has the following section.</p> <p>S142 of the LGA 2002 - Obligation to provide free membership of libraries:</p> <p><i>"If a local authority or a council-controlled organisation provides a library for public use, the residents in the district or region are entitled to join the library free of charge."</i></p>

Representation and Community Leadership

Representation and Community Leadership

All costs of operating the Council including those costs associated with Elections and Foxton Community Board. The ability of all residents and ratepayers to participate in the democratic process through the LTP, Annual Plan, Annual Report process and the advocacy offered by Council on issues affecting the local Community of the Horowhenua District.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The Outcome of “positive leadership and effective partnerships” is served by this activity.
<i>Who Benefits</i>	No one can legally be excluded from participating in the democratic process. All residents and ratepayers are identified as beneficiaries of this process. No one can legally be excluded from the voting process. All residents and ratepayers are identified as beneficiaries of the electoral process.
<i>Period of Benefit</i>	Given that the costs are incurred year by year with no variation no intergenerational equity issues exist. The cost of running an election are incurred once in every three years and will be smoothed over the remaining two years of each triennium.
<i>Whose acts create a need</i>	None exist. The right to participate in the democratic process is universal.
<i>Separate funding</i>	All residents and ratepayers gain equal benefit regardless of the value attributable to their properties. Some residents may not even have property. As residents and ratepayers live in houses and often conduct their businesses from separate premises a rating mechanism that targets separately used or inhabited portions of a rating unit is more appropriate.
<i>Funding Source</i>	Public good - Targeted Rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	A fixed charge rated based on separately used or inhabited portions of each rating unit over the whole District would be most appropriate.

Land Transport

Land Transport

The land transport activity includes all roading activity that attracts a government subsidy plus unsubsidised roading, footpaths, car parks, street cleaning and any main street developments.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” and “healthy local economy and District that is growing” Community Outcomes are enhanced through having a good land Transport network.
<i>Who Benefits</i>	<p>All residents derive a benefit to access schools, their place of employment and to pursue recreational and social opportunities. However, there is a high reliance on our network by businesses to enable them:</p> <ul style="list-style-type: none"> • To maintain and carry their network assets (in the case of utility companies); • To enable customers to access their shops (in the case of businesses in CBD): and • To enable product to be delivered to markets (farmers and manufacturers). <p>Although primarily located in urban centres the footpaths and car parks are used by all residents and motorists. Most residents will pay for the roading network to enable recreational and business interests to be facilitated even if they currently have no need to use the network.</p>
<i>Period of Benefit</i>	Any new roading development will be loan funded with loan charges recouped over time. However, most renewals are done in a cyclic manner where the costs are evenly spread year by year and will be funded from rates into available depreciation reserves.
<i>Whose acts create a need</i>	<p>Some high density users such as dairying or forestry can cause localised deterioration of the roading network. Council has no formal policy on user compensation but has successfully negotiated a contribution from forestry owners in the past depending on the situation and circumstance. Where no residents are affected it is possible to negotiate successfully however if residents are affected the negotiation is less effective.</p> <p>Petrol Tax revenue should off sett roading costs (not treated as</p>

	<p>revenue offsetting General Rates) as the revenue is sourced from road users.</p> <p>Financial Contributions will be used to fund roading capital expenditure necessitated by new developments in identified growth areas in the District Plan.</p>
Separate funding	<p>All residents and ratepayers gain equal benefit regardless of the value attributable to their properties. Some residents may not even have property. The capital value of a rating unit reflects the sale value. In the case of business this would also have a correlation to the use of the roading network. It is therefore appropriate to rate fund this activity separately using the capital value of the rating unit.</p>
Funding Source	<p>Public good - Targeted Rate: 100%</p> <p>Private Benefit - Fees and Charges: 0%</p>
Rationale	<p>Land Transport is council's single largest cost. For this reason Council has a targeted rate for land transport to enhance transparency and accountability. Rating for such a large expenditure item is practicable.</p>

Stormwater

Stormwater

To provide effective drainage and disposal to enable the roading network to function and protect people and property from water damage during rain events. To mitigate the environmental effects of contamination of the Stormwater discharge.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities”, a “healthy local economy and District that is growing” and “the sustainable environment” Community Outcomes are enhanced through this activity.
<i>Who Benefits</i>	<p>Primarily urban property owners who gain benefits from the mitigation of flooding events and urban road users. The stormwater kerb and channel and piped network is only located in urban areas.</p> <p>Stormwater drainage in rural areas is primarily part of the roading expenditure or, when the water drains into streams, they become a Regional Council responsibility.</p> <p>Most residents will pay for the stormwater network to enable recreational and business interests to be facilitated even if they currently have no need to use the network.</p>
<i>Period of Benefit</i>	Any new stormwater development will be loan funded with loan charges recouped over time. However, most renewals are done in a cyclic manner where the costs are evenly spread year by year and will be funded from rates using available depreciation reserves.
<i>Whose acts create a need</i>	<p>Exacerbators include the rural hinterland surrounding the urban areas subject to flooding. Horizons Regional Council rates such properties for their river control schemes.</p> <p>Financial Contributions will be used to fund stormwater capital expenditure necessitated by new developments in identified growth areas in the District Plan.</p>

<i>Separate funding</i>	All urban residents and ratepayers and road users gain a benefit related in part to the size of the house on the rating units serviced by the network. And as the Capital Value of the property bears some relationship to the size of the house Capital Value rating was seen as an appropriate mechanism. It is not practicable to charge a fee for such a service as it is equally available to all urban ratepayers.
<i>Funding Source</i>	Public Good - Targeted Rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	As the stormwater system and network is primarily an urban service to protect urban rating units Council decided to set a Targeted rate for stormwater to enhance transparency and accountability. Rating for such a large expenditure item is practicable.

Solid Waste

Solid Waste Landfills and Waste Transfer Stations

The provision of a waste disposal network available to all residents. Also any aftercare costs of closed landfills to ensure clean and sanitary towns and lack of fly tipping in the rural areas.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “sustainable environment” and “safe, resilient and healthy communities” Community Outcomes are enhanced from this activity.
<i>Who Benefits</i>	Waste transfer facilities are only be accessed through a gateway. The landfill is not open to the public. Central Government health costs would undoubtedly increase if transfer stations were not available.
<i>Period of Benefit</i>	The immediate benefit accrues to those able to dispose of refuse. The capital cost of the facility needs to be spread over its useful life by way of an annual depreciation charge. Initial funding of new "cells" will be by way of loan with loan charges spread over time. The after care costs of landfills are also valued and spread evenly each year.
<i>Whose acts create a need</i>	Those who create the need for the service are the users and beneficiaries.
<i>Separate funding</i>	User fees are those charged to dispose District refuse into the transfer station and from there through to the Landfill. Any unrecovered cost to be included in the Solid Waste rate. This rate is currently (and proposed to be) set as a fixed charge per SUIP (Separately Used or Inhabited Part) of each rating unit. It also has a differential of 80% Urban and 20% Rural. The differential is justified recognising that rural residents tend to make relatively less use of solid waste management facilities.
<i>Funding Source</i>	Public Good - Targeted Rate: 30% - 40% Private Benefit - Fees and Charges: 60% - 70%
<i>Rationale</i>	Council is proposing to retain the Targeted rate for solid waste to enhance transparency and accountability.

Solid Waste

Refuse Collection

Collection of refuse from street by use of bags.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “sustainable environment” and “safe, resilient and healthy communities” Community Outcomes are enhanced from this activity.
<i>Who Benefits</i>	Households who choose to use the service. Only the official bags will be collected.
<i>Period of Benefit</i>	The immediate benefit accrues to those able to dispose of refuse.
<i>Whose acts create a need</i>	Those who create the need for the service are the users and beneficiaries.
<i>Separate funding</i>	<p>Bag fees used to cover the private benefit. One could argue for full cost recovery. However, the existence of alternative providers reduces the economies of scale by reducing the numbers using bags. To simply increase the bag price to cover full costs may be counter-productive.</p> <p>Often reducing the costs can achieve greater participation and greater cost recovery. Any unrecovered cost should be included in the Solid Waste rate. This rate is currently set as a fixed charge per SUIP of each rating unit. It also has a differential of 80% Urban and 20% Rural recognising that rural residents tend to make relatively less use of solid waste management facilities.</p>
<i>Funding Source</i>	<p>Public Good :- Targeted Rate: 0% - 15%</p> <p>Private Benefit - Fees and Charges 85% - 100%</p>
<i>Rationale</i>	<p>Currently Council has a Solid Waste rate that covers the costs of all the public good elements relating to the solid waste activity.</p> <p>Council is proposing to retain the Targeted rate for solid waste to enhance transparency and accountability.</p>

Solid Waste

Waste minimisation and recycling

The public benefit costs of waste minimisation education and providing for recycling initiatives. To achieve a reduction in refuse that needs to be disposed of while increasing public awareness and education to reduce the waste stream.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “sustainable environment” and “safe, resilient and healthy communities” Community Outcomes are enhanced from this activity.
<i>Who Benefits</i>	The public generally in the education service while those using the recycling will contribute through the collection service costs once the kerbside recycling initiative begins.
<i>Period of Benefit</i>	The immediate benefit accrues to those able to dispose of refuse.
<i>Whose acts create a need</i>	Those who create the need for the service are the users and beneficiaries.
<i>Separate funding</i>	All cost should be included in the Solid Waste rate. This rate is currently set as a fixed charge per SUIP of each rating unit. It also has a differential of 80% Urban and 20% Rural recognising that rural residents tend to make relatively less use of solid waste management facilities.
<i>Funding Source</i>	Public good - Targeted Rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	Currently Council has a Solid Waste rate that covers the costs of all the public good elements relating to the solid waste activity. Council is proposing to retain the Targeted rate for solid waste to enhance transparency and accountability.

Community Facilities and Services

Passive Recreation Reserves and Street Beautification

The provision of passive reserves and beautification of District streets.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is enhanced by this activity.
<i>Who Benefits</i>	The public generally the reserves tend to be available to all unless congested. However there are occasions where reserves are used to hold events where the public is charged entry. Ratepayers generally are prepared to pay for the option of using reserves for recreation while others would be prepared to pay rates to ensure the continued existence of reserves. Most Districts and towns of any size would be expected to have reserves. Some reserves are iconic and attract visitors from outside the District. Preservation of such reserves for future generations is worth paying for.
<i>Period of Benefit</i>	Most reserves have been in existence for some time and only incur yearly operational costs. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 25 years.
<i>Whose acts create a need</i>	Vandals are seen as the most likely exacerbator. However, it is notoriously difficult to obtain any funding from those who commit the crimes. Financial Contributions in the form of land will be used to provide esplanade reserves where subdivision developments occur adjacent to Priority Water Bodies identified in the District Plan.
<i>Separate funding</i>	A separate Targeted rate is probably not necessary as reserves are generally located throughout the District and can be used by the public and visitors alike.
<i>Funding Source</i>	Public Good - General Rate: 95% - 100% Private Benefit - Fees and Charges: 0% - 5%
<i>Rationale</i>	As reserves are able to be used by anyone and any charge or fee would limit accessibility and participation the general rate is the most appropriate method of funding passive reserves.

Community Facilities and Services

Cemeteries

The provision of cemeteries is a legal obligation of Council.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is enhanced by this activity.
<i>Who Benefits</i>	The estate and family of the deceased as no one can be buried without being allocated a plot, once occupied a plot cannot be used again. Wider benefits accrue to public health providers as the costs to District Health Board's (DHB) would undoubtedly increase without the existence of cemeteries.
<i>Period of Benefit</i>	Most cemeteries have been in existence for some time and only incur yearly operational costs. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 25 years. The provision of new concrete berms does not occur every year but are relatively immaterial in costs.
<i>Whose acts create a need</i>	Vandals are seen as the most likely exacerbator. However, it is notoriously difficult to obtain any funding from those who commit the crimes.
<i>Separate funding</i>	A separate Targeted rate is probably not necessary as cemeteries are generally located throughout the District and can be used by the public and visitors alike. Burial fees and plot charges will continue to be charged.
<i>Funding Source</i>	Public Good - General Rate: 40% - 50% Private Benefit - Fees and Charges: 50% - 60%
<i>Rationale</i>	Cemeteries have a degree of private benefit the true cost of burials has never been able to be collected and it would be onerous for some families to bear the full cost.

Community Facilities and Services

Aquatic Centres (Swimming Pools)

The provision of safe hygienic, pools for recreation and sporting activities. Public swimming pools are located at Levin and Foxton. The Levin pool is available all year while the Foxton pool is available for summer period only.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is enhanced by this activity
<i>Who Benefits</i>	The public who use the facility, although people are prepared to pay for the option of using the service, while others are prepared to pay to ensure the pool's continued existence. Every resident is able to use the facilities.
<i>Period of Benefit</i>	Benefits accrue in the year the costs are incurred. Capital expenditure will benefit future periods in line with resultant asset lives. The capital costs will be evenly allocated to operating expenditure over the life of the asset by use of loan interest and repayments costs and straight-line depreciation costs.
<i>Whose acts create a need</i>	None identified, apart from those who use the pool and swimming clubs and learn to swim classes that are charges a fee for usage.
<i>Separate funding</i>	A Targeted rate would aid in the transparency and accountability to residents of the District. Through a Targeted rate using a fixed charge to every used or inhabited part of any rating unit across the District. Capital expenditure will be funded by loan with interest payments funded through the Fixed Charge rate.
<i>Funding Source</i>	Public Good - Targeted Rate: 65% - 70% Private Benefit - Fees and Charges: 30% - 35%
<i>Rationale</i>	Providing swimming pools are regarded as core business of Council. They are not self-funding. To charge the full cost of the facility to the users would dramatically impact on use and participation and deny accessibility by the public.

Community Facilities and Services

Sports Grounds

The provision of sports grounds that can be utilised by individuals and sporting organisations for the health and wellbeing of the Community. Sports grounds have a dual purpose in that they are available for passive and active recreation.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcome is enhanced by this activity
<i>Who Benefits</i>	Residents, sports people and groups, and visitors recognised sporting codes when booked for recognised events. Most of the time they are available for passive recreation. The particular sporting codes where the grounds are specifically marked for a particular sport and cannot be used (other than passively) for any other sport especially when games are scheduled.
<i>Period of Benefit</i>	Most grounds have been in existence for some time and only incur yearly operational costs. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 20 years.
<i>Whose acts create a need</i>	None identified apart from those sporting codes that use the grounds and are charges a fee for usage.
<i>Separate funding</i>	The most efficient and transparent method of funding capital is through the general rate (depreciation charge). Operational expenditure should be funded by all ratepayers. Rents and leases are arranged where there are opportunities to recover the private good component.
<i>Funding Source</i>	Public Good - General Rate: 95% - 100% Private Benefit - Fees and Charges: 0% - 5%
<i>Rationale</i>	Providing sports grounds is regarded as core business of Council. They are not self-funding and are used extensively for passive recreation. To charge the full cost of the facility to the users would dramatically impact on use and participation and deny accessibility by the public. The grounds are unavailable at peak times during the weekends but remain available during the week for passive recreational use. The funding mechanism reflects the fact that sports grounds are unavailable to the public at those peak times.

Community Facilities and Services

Halls and Community Buildings (under direct Council management)

Incidental uneconomic property holdings that are being reviewed as to whether they should be held for some strategic reason or sold including but not limited to public halls, rental houses, the Levin town clock, the Surf Lifesaving buildings at Waitarere and Foxton Beach, Thompson house and adjacent pottery club building, the Shannon Railway station. Excludes the Civic Building these are treated as an overhead and the costs are allocated against all activities.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” Community Outcomes is supported by this activity.
<i>Who Benefits</i>	The Community at large benefit from the variety of halls and meeting venues throughout the District. The users of the community property assets. Council's involvement is largely historical.
<i>Period of Benefit</i>	Depreciation funding is used to cover cyclic maintenance. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 20 years.
<i>Whose acts create a need</i>	None identified a part from those organisations that use the facilities and are charged a rental for usage. As the size and composition of communities change so does the extent of the usage of the facilities.
<i>Separate funding</i>	The most efficient and transparent method of funding capital is through the General rate (depreciation charge) Operational expenditure should be funded by all ratepayers. Rents and leases are arranged where there are opportunities to recover the private good component.
<i>Funding Source</i>	Halls: Public Good - General Rate: 70% - 85% Private Benefit - Fees and Charges: 15% - 30% Community Buildings: Public Good - General Rate: 65% - 80% Private Benefit - Fees and Charges: 20% - 35%
<i>Rationale</i>	These facilities are an integral part of the communities that they are located in. Attempts to recover higher levels of rental income from users would reduce usage dramatically which would be counterproductive in trying to foster usage.

Property

Commercial Property and Endowment property

This activity includes all commercially tenanted property within the District owned by Horowhenua District Council as well as the Endowment Property held at Foxton Beach.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “healthy local economy and District that is growing” Outcome is supported through the provision of a building for a business to occupy.
<i>Who Benefits</i>	The tenants occupying the land and buildings, as tenants are excluded unless they have a current lease agreement. The rental space can only be occupied by one tenant at a time
<i>Period of Benefit</i>	Depreciation funding is used to cover cyclic maintenance. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 20 years. All such costs to be funded from rents received or sale of land holdings.
<i>Whose acts create a need</i>	None identified, apart from the tenants themselves.
<i>Separate funding</i>	No separate funding mechanism is used other than rents and land sales.
<i>Funding Source</i>	Public Good - General Rate: 0% Private Benefit - Fees and Charges: 100%
<i>Rationale</i>	Total private good to the leases.

Community Facilities and Services

Public Toilets

This activity provides for clean public toilets for the benefit of the District and travelling public.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy” Community Outcome is supported by provision of public toilets.
<i>Who Benefits</i>	The people using the toilets and possibly the retail shops in the facility. Although technically able to charge for use, most toilets are set up free of charge to ensure towns remain sanitary and healthy.
<i>Period of Benefit</i>	Depreciation funding is used to cover cyclic maintenance. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 20 years.
<i>Whose acts create a need</i>	None identified, apart from the users and possibly vandals.
<i>Separate funding</i>	The most efficient and transparent method of funding capital is through the General rate (depreciation charge). Operational expenditure should be funded by all ratepayers.
<i>Funding Source</i>	Public Good - General Rate: 100% Private Benefit - Fees and Charges: 0%
<i>Rationale</i>	Not practicable or desirable to charge for the use of public toilets when usage is to be encouraged for the wider Community benefit. Funding should be by General rate as the toilets are used by visitors to towns primarily which would include country residents as well as out of District residents. Town's folk gain benefit from the toilets aiding in keeping towns clean and sanitary. It could be argued that toilets could benefit shop owners in the CBD as when people stop to use toilets they quite often take a break and use cafes etc. The benefit is not easily measurable and could be seen as negligible.

Property

Housing for the Elderly

This activity involves the provision of housing for the elderly for the benefit of residents.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	A “healthy local economy and District that is growing” Outcome will be supported through the provision of housing for elderly folk to occupy.
<i>Who Benefits</i>	The tenants occupying the housing at affordable rentals, as tenants are excluded unless they have a current lease agreement, the rental space can only be occupied by one tenant at a time
<i>Period of Benefit</i>	Rental income funding is used to cover cyclic maintenance with any annual shortfall loan funding. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 25 years. All such costs to be funded from rents received.
<i>Whose acts create a need</i>	None identified, apart from the tenants themselves.
<i>Separate funding</i>	No separate funding mechanism is used other than rents.
<i>Funding Source</i>	Public Good - General Rate: 0% Private Benefit - Fees and Charges: 100%
<i>Rationale</i>	Total private good to the leasees.

Property

Motor camps owned and/or operated by Council

This activity involves the provision of low cost holiday accommodation.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	A “healthy local economy and District that is growing” Outcome will be supported.
<i>Who Benefits</i>	The campers who are able to be charged for the space or facilities used or occupied. Or lessees who operate the Levin and Waitarere camping grounds.
<i>Period of Benefit</i>	Depreciation funding is used to cover cyclic maintenance. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 20 years. All such costs to be funded from rents received. Pinewood motor camp capital development may be funded from the Foxton Freeholding Fund.
<i>Whose acts create a need</i>	None identified, apart from the campers themselves.
<i>Separate funding</i>	No separate funding mechanism is used other than fees and charges.
<i>Funding Source</i>	Public Good - General Rate: 0% Private Benefit - Fees and Charges: 100%
<i>Rationale</i>	Total private good to the campers or lessees of the camps.

Wastewater

Wastewater (Sewer) Systems

The supply of wastewater networks to urban communities including reticulated networks that render the effluent less harmful and more environmentally acceptable to dispose.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” and “sustainable environment” Outcomes have been identified as benefactors of the provision of this service.
<i>Who Benefits</i>	<p>Those people who have effluent to dispose and the people who wish to ensure the preservation of a healthy environment. All rating units connected can be identified only those rating units connected can use the service.</p> <p>Some industries place increased demand on the treatment system due to the nature of the effluent they wish to dispose of. Benefits accrue to health providers in Council's provision of a wastewater disposal service as well as the wider benefit to the environment.</p>
<i>Period of Benefit</i>	<p>For operational costs there are no intergenerational equity issues. Capital projects for improvements should be loan funded to spread costs over the next generation.</p> <p>Renewals of assets will be rate funded in the first instance, any annual shortfall will be loan funded.</p>
<i>Whose acts create a need</i>	<p>Industries can place extra burden on the treatment plant. Such users should pay for their disposal on a user pays basis.</p> <p>Financial Contributions will be used to fund wastewater capital expenditure necessitated by new developments in identified growth areas in the District Plan.</p>
<i>Separate funding</i>	<p>Ideally the funding mechanism should be fully user pays by use of volumetric charging. The ability to charge in such a manner is not available as yet. A</p> <p>Targeted rate for wastewater is proposed. Council does charge industries that are connected using the Trade Waste Bylaw provisions and this will be retained.</p>
<i>Funding Source</i>	<p>Public Good -Targeted Rate: 80% - 90%</p> <p>Private Benefit - Fees and Charges: 10% - 20%</p>

Rationale

Wastewater was traditionally charged as a fixed charge Targeted rate which has been determined using the cost structure for each individual scheme.

This approach favours those communities that have larger populations and greater economies of scale. The converse is that small communities pay more for the same service which can lead to affordability issues for small communities.

Council has since 2009 set a fixed rate on each SUIP of each rating unit or for each connection, whichever is the greater, across the District as one uniform charge.

An availability charge on vacant sections will be charged 50% of this Targeted rate.

Water Supply

Urban Water Supply

The supply of potable water to urban communities and surrounding hinterland. Council also administers some small water race supplies to rural communities.

Matters that must be considered under the Local Government Act 2002.

<i>Community Outcomes</i>	The “safe, resilient and healthy communities” and “sustainable environment” Outcomes have been identified as benefactors of the provision of this service.
<i>Who Benefits</i>	Those people residing on the rating units supplied with a reticulated water supply. All rating units connected can be identified only those rating units connected can use the service.
<i>Period of Benefit</i>	For operational costs there are no intergenerational equity issues. Capital projects for improvements should be loan funded to spread costs over the next generation. Renewals of assets will be rate funded in the first instance, any annual shortfall will be loan funded.
<i>Whose acts create a need</i>	High users can place extra burden on the supply necessitating greater storage capacity etc. Such users should pay for their supply on a user pays basis. Vacant sections and unconnected rating units benefit from the provision of firefighting capacity and should be charged an availability charge. Financial Contributions will be used to fund water supply capital expenditure necessitated by new developments in identified growth areas in the District Plan.
<i>Separate funding</i>	Ideally the funding mechanism should be fully user pays by use of universal water meters. However the cost of providing meters to each household outweighs the benefits of using this charging mechanism. Water meters should be used, however, for high users and anyone that is supplied outside the designated network area (being that area where houses are obliged to connect or have a right to connect). Universal volumetric charging only occurs in the Foxton Beach Community. A Targeted rate for water supply is proposed for all other communities and to cover the fixed cost component of the Foxton Beach supply. Council does charge extraordinary users that are connected by use of a charge per cubic meter consumed. Currently metered users are charged a fixed charge enabling them to use up to a cubic meter a day (90m ³ a quarter) and are charged regardless of whether they use this or not.

Funding Source	Public Good -Targeted Rate: 70% - 80% (fixed charge) Private Benefit - Fees and Charges: 20% - 30% (water by meter)
Rationale	Water Supply was traditionally charged as a fixed charge Targeted rate which has been determined using the cost structure for each individual scheme. This approach favours those communities that have larger populations and greater economies of scale. The converse is that small communities pay more for the same service which can lead to affordability issues for small communities. Council has since 2009 set a fixed rate on each SUIP of each rating unit or for each connection, whichever is the greater, across the District as one uniform charge. Vacant sections will be levied 50% of this Targeted rate. As an availability charge to cover fixed costs and the provision of firefighting hydrants.

Funding Impact Statement

1. Revenue and Financing Sources Generally

The following revenue mechanisms will be used in 2015/16 and throughout the term of this LTP:

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

2. Funding Mechanisms

The following financing mechanisms will be used in 2015/16 and throughout the term of this LTP:

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

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

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

Several of the rates listed below are assessed on the basis of the number of SUIPs there are on a property.

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 and section 15(1)(b) allows SUIPs to be used as the basis for UAGCs as well.

Where rates are calculated on each separately used or inhabited part of a rating unit, the following definitions will apply:

- Any part of a rating unit that is used or occupied by any person (or is capable of occupation by any person), other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement.
- Any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

For clarity, separately used or inhabited parts include:

- On a residential property, each separately occupiable unit, flat, or house or

apartment each of which is separately inhabited or is capable of separate habitation.

- On a commercial property, each separate shop or other retail or wholesale outlet, which is operated as a separate business or is capable of operation as a separate business.
- In an office block, each set of offices that is used by a different business or which is capable of operation as separate businesses.

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

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

- A hotel room with or without kitchen facilities;
- A motel room with or without kitchen facilities; and
- A non-residential property, where one residential unit that is an integral part of the commercial operation and is used for the commercial operation i.e. not separately tenanted (e.g. one house in conjunction with a farm or a motel or a corner dairy).

4. Rates for the Ten Years Ending 30 June 2025

4.1 General Information

Rating period: The rates described below are for the financial years 1 July 2015 to 30 June 2025.

Goods and services tax: The rates described below include GST. The revenues required are net of GST.

Rating information database: The information held to determine the liability for rates in 2015/26 are available for inspection at Council's office at 126-148 Oxford Street, Levin during normal office hours. This information includes the rating valuations as at 1 August 2013 which form the basis of rating in 2014/15 (and the subsequent first two years of this LTP) 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. The activities funded from the general rates include:

- Regulatory Services (liquor, health and safety licensing, building consents, resource consents, district plan development, 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 fields, cemeteries,

halls and community buildings, and public toilets);

- Community Support (emergency management and rural fire, community engagement, visitor information, and economic development);
- Property (commercial property, general property, Council buildings); and
- Treasury activities (investment and borrowing activities).

General rates are proposed to be set using capital values ("CV"). Capital values are assessed every 3 years and were last assessed in 2013, and these values will form the basis of rating from 1 July 2014.

The general rates levied on CV are set differentially, so as to maintain the incidence of the rates between the categories of property. Council is proposing (as part of the Revenue and Financing Policy review for the 2015/25 LTP) to have two differential categories; being the Business differential and the District Wide Other differential.

Therefore;

- The Business differential will contribute 30% of general rates and applies to those rating units identified as Arable, Commercial, Dairy, Forestry (except protected forestry), Horticultural, Industrial, Mining, Pastoral, Specialist Livestock and Utilities. Properties will be identified in the District Valuation Role (DVR) using the "Property Category" codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General.
- A District Wide Other differential will contribute 70% of general rates and applies those rating units identified as Lifestyle, Residential and "Other". Properties will be identified in the DVR using the "Property Category" codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General.

Council is not setting a Uniform Annual General Charge (under s15 of the Local Government (Rating) Act 2002 (LG(R)A)) preferring instead to rate targeted rates set as fixed (uniform) amounts for Libraries, Representation and Governance, Solid Waste and Swimming pools (refer below)

4.3 Targeted Rates for Roothing

This rate funds all 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 proposed to be set using CV which are assessed every 3 years and these were last assessed in 2013, which are the values that will form the basis of rating from 1 July 2014.

This rate is levied on a similar basis as the general rate with the same differential classes.

Therefore;

- The Business differential will contribute 35% of Roothing rate and applies to those rating units identified as Arable, Commercial, Dairy, Forestry (except protected

forestry), Horticultural, Industrial, Mining, Pastoral, Specialist livestock and Utilities using the “Property Category” codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General.

- A District Wide Other differential will contribute 65% of Roding rate and applies to those rating units identified as Lifestyle, Residential and Other using the “Property Category” codes from Appendix F of the Valuation Rules 2008, promulgated by the Valuer General.

4.4 Targeted Rates for Stormwater

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

This rate is proposed 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, Waitarere Beach, Hokio Beach, Ohau, Waikawa Beach and Manakau as shown on the maps available defining those areas for rating purposes held at the Levin Office.

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 separately used or inhabited parts (SUIP) of each rating unit.

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 and advocacy, and elections).

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

4.7 Targeted Rates for Aquatic centres (Swimming Pools).

This 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 SUIP of each rating unit.

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 assessed as a fixed charge of a uniform amount on the basis of the number of SUIP of each rating unit using the urban and rural differential categories.

For all rating units located in the urban areas a differential of 80% of the solid waste costs. Urban rating units are defined as those rating units within the towns of Levin, Foxton, Shannon, Tokomaru, Foxton Beach, Waitarere Beach, Hokio Beach, Ohau, Wikawa Beach and Manakau as shown on the maps available defining those areas for rating

purposes held at the Levin Office.

For all rating units located in the rural area a differential of 20% of 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 potable water to various communities within this District.

Connected Differential

Council levies a fixed-sum rate for all rating units across the District for which connection to a reticulated potable water supply is available. This does not include Mutual, Waikawa or Kuku schemes, which are not potable supplies. A reticulated potable water supply is available to rating if a lateral or laterals exist for the purpose of delivering water from the trunkmain to the rating unit, where there is a connection from the land within the rating unit to the lateral/s or trunkmain.

Liability for the fixed-sum rate will be assessed;

- (a) Per rating unit, or
- (b) Per each SUIP of each rating unit, or
- (c) Per connection

whichever is the greater.

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

Serviceable Differential

A fixed –sum rate on any rating unit that is not connected to a reticulated potable water supply but is within 100 metres of a trunkmain. A reticulated potable water supply is available to rating if a lateral or laterals exist for the purpose of delivering water from the trunkmain to the rating unit, or if no lateral exists, 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 Foxton Beach) the additional fees for metered supplies are subject to an allowance of 91 cubic metres (m³) per quarter. A charge per m³ will be made for water consumed in excess of 91m³ per quarter on any rating unit connected to any water supply; except Foxton Beach where a meter is used to measure consumption on the network.

The charge per m³ of water consumed in excess of 1m³ per day on any rating unit connected to the Shannon untreated bore water supply where a metre is used to measure consumption on the network during the period will be half that charged for treated water.

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

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

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

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

4.10 Targeted Rates for Wastewater Disposal

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

Connected Differential

Council levies a fixed-sum rate for all rating units across the District for which connection to a reticulated wastewater disposal system is available. A reticulated wastewater disposal system is available to a rating unit if a lateral or laterals exist for the purposes of accepting wastewater from the rating unit to the wastewater trunkmain, where there is a connection from the land within the rating unit to the lateral/s or trunkmain.

Liability for the fixed-sum rate will be assessed;

- (a) Per rating unit, or
- (b) Per SUIP of each rating unit, or
- (c) Per connection

whichever is the greater.

Serviceable Differential

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

Rating Mechanisms

Rating Mechanisms												
Rate												
	Rating	In the \$ GST Incl	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
	Basis	2012/13	30 June 2016	31 June 2017	30 June 2018	30 June 2019	30 June 2020	30 June 2021	30 June 2022	30 June 2023	30 June 2024	30 June 2025
General Rate												
Business Use Differential	Capital Value	0.00128541	2,422.792	2,458	2,534	2,598	2,623	2,700	3,006	3,136	2,905	2,833
District Wide Other Differential	Capital Value	0.00189347	5,653.180	5,736	5,913	6,062	6,121	6,300	7,013	7,318	6,778	6,609
Total General Rate			8,076	8,194	8,447	8,660	8,744	9,001	10,019	10,454	9,683	9,442
Roading Rate												
Business Use Differential	Capital Value	0.00072712	1,371	1,619	1,706	1,693	1,707	1,824	1,774	1,768	1,933	1,866
District Wide Other Differential	Capital Value	0.00085249	2,545	3,007	3,168	3,144	3,169	3,388	3,294	3,284	3,589	3,465
Total Roading Rate			3,916	4,626	4,873	4,838	4,876	5,213	5,067	5,052	5,522	5,331
Stormwater Rate	Capital Value	0.00040535	902	1,274	1,498	1,476	1,577	1,714	1,768	1,824	1,975	2,029
Library and Community Centre Rate	SUIP	200.60	3,099	3,204	3,175	3,193	3,241	3,296	3,354	3,420	3,494	3,574
Representation and Community Leadership Rate	SUIP	191.40	2,956	3,019	3,296	3,166	3,238	3,536	3,410	3,500	3,840	3,716
Aquatic Centre Rate	SUIP	148.10	2,287	2,452	2,560	2,611	2,653	2,750	2,802	2,854	2,974	3,041
Solid Waste Rate												
Rural Differential	SUIP	14.10	58	100	102	100	97	110	120	126	123	152
Urban Differential	SUIP	20.40	231	401	407	400	388	439	479	504	493	608
Total Solid Waste Rate			289	501	508	500	485	549	598	630	616	760
Water Supply District Wide Connected (excl Foxton Beach)												
Water Supply District Wide Availability	SUIP	395.20	3,882	4,077	4,574	4,828	4,829	4,883	5,123	5,362	5,529	5,836
Foxton Beach Connected	SUIP	197.60	59	61	68	72	72	72	76	79	81	85
Foxton Beach Availability	SUIP	318.00	402	461	529	563	561	567	598	629	650	691
Total Water Supply Rate			159.00	16	17	20	21	21	22	23	23	24
Total Water Supply Rate			4,359	4,617	5,191	5,483	5,483	5,543	5,818	6,093	6,283	6,636
Waste Water District Wide Connected	SUIP	554.70	5,834	6,335	6,987	8,227	9,490	10,027	10,314	10,718	11,618	12,113
Waste Water District Wide Availability	SUIP	277.35	104	114	125	147	169	177	181	188	203	210
Total Wastewater Rate			5,938	6,449	7,112	8,374	9,659	10,204	10,496	10,906	11,820	12,323
Total Rates Required			31,821	34,336	36,661	38,300	39,956	41,806	43,333	44,734	46,208	46,853

Rating Mechanisms (continued)

Penalties			600	615	631	648	667	687	708	731	756	784
Rates as per Statement of Comprehensive Income			32,421	34,951	37,292	38,948	40,623	42,492	44,041	45,465	46,964	47,636
Water - by - meter rates			1,138	1,215	1,251	1,291	1,334	1,380	1,431	1,486	1,545	1,610
Total Rates income			33,560	36,166	38,543	40,239	41,957	43,873	45,472	46,951	48,510	49,247
Rate Income Increase			7.61%	7.90%	6.77%	4.47%	4.32%	4.63%	3.65%	3.23%	3.30%	1.40%
Horowhenua portion of the Statutory Fixed Charge Cap of 30%			26.21%	25.26%	24.63%	23.42%	22.86%	22.92%	22.08%	21.85%	22.31%	22.05%
% of Fixed Charge based targeted Rates			58.92%	58.39%	59.00%	60.28%	61.31%	61.26%	60.46%	60.61%	62.16%	63.46%
Total Rates GST inclusive			36,594,471	39,486,144	42,159,635	44,045,171	45,949,791	48,076,353	49,832,442	51,443,831	53,139,159	53,880,855
Rateable Rating Units			17,754	17,889	18,024	18,159	18,294	18,429	18,564	18,699	18,834	18,969
Average rates			2,061	2,207	2,339	2,426	2,512	2,609	2,684	2,751	2,821	2,840
Total number of rating units LGA Schedule 10 Part 1 Clause 15A			18,075	18,210	18,345	18,480	18,615	18,750	18,885	19,020	19,155	19,290

Forecast Funding Impact Statement (whole of Council)

Overall FIS	Year -1	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Horowhenua District Council : Funding impact statement for the years 2014/15 to 2024/25 (whole of Council)											
	Annual Plan	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast	Forecast
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	8,394	8,676	8,809	9,078	9,308	9,411	9,687	10,727	11,186	10,439	10,226
Targeted Rates	22,728	24,883	27,357	29,464	30,932	32,546	34,185	34,745	35,765	38,070	39,021
Subsidies & Grants for Operating purposes	947	1,367	1,395	1,422	1,536	1,566	1,595	1,755	1,787	1,819	2,026
Fees & Charges	5,027	4,880	5,205	5,543	5,697	5,867	6,047	5,982	6,269	6,681	6,910
Interest and dividends from investment	96	150	154	158	162	167	172	177	183	189	196
Local authorities fuel tax, fines, infringement fees and other receipts	2,791	2,613	2,702	2,769	2,862	2,937	3,032	3,122	3,220	3,337	3,458
Total Operating Funding (A)	39,983	42,569	45,622	48,434	50,497	52,494	54,718	56,508	58,410	60,535	61,837
Applications of Operating Funding											
Payments to staff and suppliers	29,708	30,255	30,965	31,939	32,354	33,316	34,352	35,671	37,271	37,918	38,678
Finance Costs	3,405	3,900	4,870	5,402	5,775	6,268	6,384	6,406	6,273	6,042	5,908
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	33,113	34,155	35,835	37,341	38,129	39,584	40,736	42,077	43,544	43,960	44,586
Surplus (deficit) of operating funding (A - B)	6,870	8,414	9,787	11,093	12,368	12,910	13,982	14,431	14,866	16,575	17,251
Sources of capital funding											
Subsidies and grants for capital expenditure	1,088	1,848	1,934	2,002	2,401	2,147	2,202	2,634	2,416	2,535	3,424
Development and financial contributions	646	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	20,898	12,958	5,216	5,770	7,808	1,824	381	(2,026)	(3,491)	(2,023)	(4,326)
Gross proceeds from sale of assets	474	2,640	2,703	1,721	689	709	547	-	-	-	-
Total sources of capital funding (C)	23,106	17,446	9,853	9,493	10,898	4,680	3,130	608	(1,075)	512	(902)

Forecast Funding Impact Statement (continued)

Applications of capital funding											
Capital Expenditure											
- to meet additional demand	3,568	1,703	1,380	667	1,363	1,866	2,122	969	828	3,143	374
- to improve the level of service	16,861	14,364	8,598	9,619	11,510	4,168	4,689	2,152	2,486	2,305	2,997
- to replace existing assets	9,285	9,762	9,626	10,269	10,362	11,510	10,269	11,884	10,420	11,607	12,942
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	262	31	34	32	32	45	32	34	57	32	35
Total applications of capital funding (D)	29,976	25,860	19,638	20,587	23,267	17,589	17,112	15,039	13,791	17,087	16,348
Surplus (deficit) of capital funding (C-D)	(6,870)	(8,414)	(9,785)	(11,094)	(12,369)	(12,909)	(13,982)	(14,431)	(14,866)	(16,575)	(17,250)
Funding Balance ((A-B)+(C-D))	-	-	2	(1)	(1)	1	-	-	-	-	1
Depreciation	12518	11,720	12,125	13,085	13,409	13,761	14,951	15,132	15,233	16,627	16,751

Indicative Rates on Select Properties (GST inclusive)

Locality	Existing	Land Value \$	Capital Value \$	2014/15	Proposed	Indicative Rates 2015/16										Increase					
	Differential Category			Total \$	Differential Category	General \$	Roading \$	Library \$	Rep & Gov \$	Pools \$	Solid Waste \$	Stormwater \$	Water \$	Sewer \$	IndicTotal \$	Policy effect \$	Budget effect \$	Total \$	Policy effect %	Budget effect %	Total %
Hokio Bch	Tow nship	58,000	89,000	764	District Wide Other	169	76	201	191	148	20	36	-	-	841	25	52	77	3.3%	6.8%	10.1%
Waikaw a Bch	Tow nship	155,000	260,000	1,312	District Wide Other	492	222	201	191	148	20	105	-	-	1,379	(2)	69	67	-0.1%	5.3%	5.1%
Waikaw a Bch	Tow nship	240,000	355,000	1,794	District Wide Other	672	303	201	191	148	20	144	-	-	1,679	(195)	80	(115)	-10.9%	4.5%	-6.4%
Ohau	Tow nship	146,000	385,000	1,578	District Wide Other	729	328	201	191	148	20	156	395	-	2,168	428	162	590	27.1%	10.3%	37.4%
Manakau	Tow nship	220,000	490,000	1,681	District Wide Other	928	418	201	191	148	20	199	-	-	2,105	328	95	424	19.5%	5.7%	25.2%
Waitarere Bch	Tow nship	78,000	180,000	1,415	District Wide Other	341	153	201	191	148	20	73	-	555	1,682	189	78	267	13.3%	5.5%	18.9%
Waitarere Bch	Tow nship	108,000	220,000	1,584	District Wide Other	417	188	201	191	148	20	89	-	555	1,809	141	84	225	8.9%	5.3%	14.2%
Waitarere Bch	Tow nship	295,000	315,000	2,643	District Wide Other	596	269	201	191	148	20	128	-	555	2,108	(629)	94	(535)	-23.8%	3.5%	-20.3%
Foxton Bch	Tow nship	64,000	137,000	1,728	District Wide Other	259	117	201	191	148	20	56	318	555	1,865	(2)	138	137	-0.1%	8.0%	7.9%
Foxton Bch	Tow nship	90,000	155,000	1,875	District Wide Other	293	132	201	191	148	20	63	318	555	1,921	(94)	140	46	-5.0%	7.5%	2.4%
Foxton Bch	Tow nship	310,000	530,000	3,122	District Wide Other	1,004	452	201	191	148	20	215	318	555	3,104	(199)	181	(18)	-6.4%	5.8%	-0.6%
Foxton Bch	Tow nship	68,000	195,000	1,751	District Wide Other	369	166	201	191	148	20	79	318	555	2,047	152	144	296	8.7%	8.2%	16.9%
Tokomaru	Tow nship	53,000	195,000	1,589	District Wide Other	369	166	201	191	148	20	79	395	555	2,124	377	158	535	23.7%	10.0%	33.7%
Tokomaru	Tow nship	70,000	240,000	1,685	District Wide Other	454	205	201	191	148	20	97	395	555	2,266	418	163	581	24.8%	9.7%	34.5%
Vacant lifestyle	Rural Business	102,000	107,000	681	District Wide Other	203	91	201	191	148	14	-	-	-	848	106	61	167	15.6%	9.0%	24.5%
Rural	Rural Business	660,000	1,150,000	2,058	Business	1,478	836	201	191	148	14	810	-	-	2,868	588	222	810	28.5%	10.8%	39.3%
Rural	Rural Business	410,000	420,000	1,441	Business	540	305	201	191	148	14	-	-	-	1,399	(149)	107	(42)	-10.3%	7.4%	-2.9%
Rural	Rural Business	960,000	1,150,000	2,799	Business	1,478	836	201	191	148	14	-	-	-	2,868	(153)	222	69	-5.5%	7.9%	2.5%
Rural business	Rural Business	360,000	1,280,000	1,318	Business	1,645	931	201	191	148	14	1,812	-	-	3,130	1,569	243	1,812	119.1%	18.4%	137.5%
Rural	Rural Business	1,930,000	2,110,000	5,194	Business	2,712	1,534	201	191	148	14	-	-	-	4,800	(768)	374	(394)	-14.8%	7.2%	-7.6%
Rural	Rural Business	2,800,000	2,900,000	7,342	Business	3,728	2,109	201	191	148	14	-	-	-	6,391	(1,450)	499	(951)	-19.7%	6.8%	-13.0%
Rural	Rural Business	5,975,000	6,970,000	16,466	Business	8,959	5,068	804	764	592	56	-	-	-	16,243	(1,486)	1,263	(223)	-9.0%	7.7%	-1.4%
Lifestyle	Rural Residential	147,000	270,000	1,181	District Wide Other	511	230	201	191	148	14	-	-	-	1,295	26	88	114	2.2%	7.5%	9.7%
Lifestyle	Rural Residential	310,000	510,000	2,331	District Wide Other	966	435	201	191	148	14	-	395	-	2,350	(190)	209	19	-8.2%	9.0%	0.8%
Lifestyle	Rural Residential	155,000	750,000	1,538	District Wide Other	1,420	639	201	191	148	14	-	395	-	3,008	1,221	250	1,470	79.4%	16.2%	95.6%
Utility	Rural Business	0	12,470,000	429	Business	16,029	9,067	201	191	148	14	-	-	-	25,650	23,218	2,003	25,221	5412.1%	466.9%	5879.0%
Levin - business	Urban	29,000	75,000	1,692	Business	96	55	201	191	148	21	30	395	555	1,692	(145)	145	0	-8.6%	8.6%	0.0%
Levin Vacant	Urban	88,000	91,000	2,229	District Wide Other	172	78	201	191	148	21	37	198	278	1,323	(1,033)	127	(906)	-46.4%	5.7%	-40.6%
Levin	Urban	57,000	160,000	1,947	District Wide Other	303	136	201	191	148	21	65	395	555	2,015	(87)	155	68	-4.5%	7.9%	3.5%
Levin	Urban	79,000	180,000	2,147	District Wide Other	341	153	201	191	148	21	73	395	555	2,078	(226)	157	(69)	-10.5%	7.3%	-3.2%
Levin	Urban	94,000	195,000	2,283	District Wide Other	369	166	201	191	148	21	79	395	555	2,125	(316)	158	(158)	-13.9%	6.9%	-6.9%
Levin - business	Urban	265,000	1,000,000	3,837	Business	1,285	727	201	191	148	21	405	395	555	3,929	(139)	231	91	-3.6%	6.0%	2.4%
Levin	Urban	210,000	580,000	3,338	District Wide Other	1,098	494	201	191	148	21	235	395	555	3,338	(199)	199	0	-6.0%	6.0%	0.0%
Levin - business	Urban	250,000	730,000	3,701	Business	938	531	201	191	148	21	296	395	555	3,276	(631)	206	(425)	-17.0%	5.6%	-11.5%
Foxton	Urban	40,000	94,000	1,793	District Wide Other	178	80	201	191	148	21	38	395	555	1,807	(134)	148	14	-7.5%	8.2%	0.8%
Foxton	Urban	55,000	145,000	1,929	District Wide Other	275	124	201	191	148	21	59	395	555	1,969	(115)	155	40	-6.0%	8.0%	2.1%
Foxton	Urban	86,000	210,000	2,210	District Wide Other	398	179	201	191	148	21	85	395	555	2,173	(197)	160	(37)	-8.9%	7.3%	-1.7%
Shannon	Urban	33,000	116,000	1,589	District Wide Other	220	99	201	191	148	21	47	395	555	1,877	138	150	288	8.7%	9.5%	18.1%
Shannon	Urban	59,000	96,000	1,825	District Wide Other	182	82	201	191	148	21	39	395	555	1,814	(160)	149	(11)	-8.8%	8.2%	-0.6%
Shannon	Urban	48,000	149,000	1,725	District Wide Other	282	127	201	191	148	21	60	395	555	1,980	101	154	255	5.9%	8.9%	14.8%

Draft Financial Contributions Policy

File No.: 15/43

1. Purpose

The purpose of this report is to present to Council the Draft Financial Contribution Policy and Development Contribution Discussion Paper for adoption

2. Recommendation

- 2.1 That Report 15/43 on Draft Financial Contributions Policy be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That Council adopts the Draft Financial Contributions Policy to be consulted on as part of the Long Term Plan 2015-2025 consultation process.
- 2.4 That Council adopts the Development Contribution Discussion Paper to be included as supporting information to the Long Term Plan 2015-2025 consultation process.

3. Background/Previous Council Decisions

- 3.1 Horowhenua District Council ("HDC") adopted a Development Contributions Policy as part of its Long Term Plan in 2006. HDC reviews the development contribution charges every three years with reviews being undertaken in 2009 and 2012.
- 3.2 Over the last nine months Council have been participating in extensive briefings in preparation for the Long Term Plan 2015-2025.
- 3.3 A key focus has been the consideration of development contributions and in particular what future focus the Development Contributions policy should have.
- 3.4 At its meeting on 3 December, Council considered a report that provided a comprehensive analysis on future options for Development Contributions. The options presented were as follows:
 - (a) Cancellation of the Development Contributions Policy;
 - (b) Suspension of development contributions;
 - (c) Harmonised development contribution funding for the whole district;
 - (d) Moderated development contributions to market affordable levels;
 - (e) Recalculate development contributions under the current Development Contributions Policy.
- 3.5 Council resolved that the Horowhenua District Council consults on the cancellation of the HDC Development Contributions Policy and furthermore that officers prepare a Draft Financial Contribution Policy to be consulted on as part of the Long Term Plan 2015-2025 consultation process. The Draft Financial Contribution Policy recognises the requirement for a financial contribution to be made in areas of new growth.

4. Issues for Consideration

- 4.1 Council is required by law to have adopted a policy on development contributions or financial contributions. This is clearly set out in section 102 of the Local Government Act 2002 ("LGA02"), which states, as far as is relevant:

- “(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).
 - (2) The policies are –
 - (d) A policy on development contributions or financial contributions.”
- 4.2 Given Council’s decision to consult on cancelling the existing HDC Development Contribution Policy, a draft Financial Contribution Policy is required.
- 4.3 The Discussion Paper attached provides in detail the options considered by Council and will be provided to the public to provide additional information. ,

Attachments



No.	Title	Page
A	Draft Financial Contributions Policy	155
B	Discussion Document	165
C	LTP 2015-2025 - Financial Contribution Map Areas Levin N	193
D	LTP 2015-2025 - Financial Contribution Map Areas Waitarere Beach	194
E	LTP 2015-2025 - Financial Contribution Map Areas Foxton Beach	195
F	LTP 2015-2025 - Financial Contribution Map Areas Foxton	196
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M	LTP 2015-2025 - Financial Contribution Map Areas Shannon	203

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

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Approved by	David Clapperton Chief Executive	



FINANCIAL CONTRIBUTION POLICY

DRAFT

1. Introduction

Section 102(4) of the Local Government Act 2002 requires the Council to adopt a policy on development contributions (money or land required from developers under the provisions of the Local Government Act 2002) or financial contributions (money or land required from developers under the provisions of the Resource Management Act 1991 and the Horowhenua District Plan). The Act states:

- “(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).*
- (2) The policies are –*
- (d) A policy on development contributions or financial contributions.”*

As part of its Long Term Plan 2015-2025 consultation, Horowhenua District Council has proposed that it does not have a Development Contributions Policy. This is a result of low forecast growth as well as Council's desire to lead an enabling and progressive role in Horowhenua, where economic development and growth is encouraged. This Financial Contributions Policy would replace the Development Contributions Policy (2012).

While rates are set to meet the needs of the community, they are not considered appropriate to recover the additional costs of growth brought about by new development.

The Resource Management Act 1991 requires Council to manage the effects of subdivision and development in a manner that promotes the sustainable management of the district's natural and physical resources. Council intends to use financial contributions to offset the effects of development activities.

Those undertaking activities such as building or subdivision expect to directly benefit from their efforts; however, these activities can affect the wider community. The Horowhenua District Plan requires the developer to pay for the full and actual costs of works directly related to their activity. However in the absence of Development Contributions it becomes necessary for this Financial Contributions Policy and the District Plan to recognise that development in new growth areas should also contribute a portion of costs to compensate for adverse environmental effects. In doing so the wider community does not unduly subsidise these private development activities.

The purpose of this Financial Contributions Policy is to enable contributions in areas that are identified as new growth areas.

2. What are Financial Contributions?

Financial contributions provide a means of offsetting, avoiding, remedying or mitigating the adverse effects of such activities. Section 108 of the Resource Management Act 1991 sets out the circumstances under which conditions may be imposed on applications for resource consents. A consent condition may include a financial contribution as set out in Section 108(9). Financial contributions (whether money, land, or a combination of both) may be required from developers where the cost of providing or upgrading the public infrastructure or utility service can be attributed to a development.

Financial contributions and conditions on resource consents can be applied for the following reasons:

- To compensate for the situation where development leads to a demand for additional infrastructural services or leads to the deterioration of the existing infrastructure
- As a means to avoid, remedy or mitigate adverse effects of activities on the environment caused by the development.

Requiring developers to pay the actual costs of extending services is considered to be an appropriate method of encouraging an efficient, consolidated and compact pattern of land use (where new development is connected to existing development).

Currently the district is not experiencing, nor forecasted to experience, demand for public infrastructure generated by growth, therefore no allowance has been made for capital expenditure to be funded from financial contributions during the term of the Long Term Plan 2015-2025. With Council having recently identified and rezoned areas in the district for future growth, the potential exists for development to occur in these identified growth areas creating the demand for public infrastructure before any infrastructure has been provided.

3. Policy for Charging Financial Contributions

Financial contributions (whether money, land, or a combination of both) may be required as conditions of land use and subdivision consents in relation to the matters below. It should be noted that the amount or value of contributions (if any) will depend upon the circumstances of each resource consent application.

The purpose, circumstances and maximum amount of financial contributions that may be imposed by the Council as a condition of consent is specified below:

Land Transport

Provision of new roads and streets - Required where access to the site cannot be provided from existing streets. Maximum amount is the actual cost of building the road, and connecting the site to road network including the value of the land.

Upgrading and widening of existing roads - Required where development would result in the need to upgrade the road or the capacity of the existing road to serve the development. Maximum amount is the actual cost of the work.

Off-street vehicle parking/loading spaces - Where on-site parking is required by the District Plan but cannot be provided to meet the requirements, Council may require a financial contribution to provide and maintain nearby public car parks. Maximum amount is \$2,000 per car parking/loading space.

Street lighting - Council may require the upgrading of street lighting where, as a result of a proposed development, it is deemed necessary. Maximum amount is the actual cost of the work.

Water Supply

Water Supply - To ensure that a satisfactory supply of water is provided to a development, Council may require a potable water supply to be established or connection to reticulated services to be made. Maximum amount is the actual cost of the work.

Wastewater Disposal

Wastewater Disposal - Council may require either connection to an existing reticulated system, the upgrading of the system, or the establishment of on-site wastewater collection, treatment and disposal system for the waste water generated by the development. Maximum amount is the actual cost of the work.

Stormwater

Surface Water Disposal (Stormwater) - Council may require drainage facilities to reduce the adverse effects of uncontrolled run-off of stormwater from new developments. Maximum amount is the actual cost of the work.

Community Facilities & Services

Esplanade reserves/strips/accessways - Where a subdivision development (excluding boundary adjustments) is proposed along the margins of watercourses/waterbodies that are identified in the Horowhenua District Plan as priority water bodies, the Council may require the provision of an esplanade reserve, esplanade strip or access strip.

Exceptions

Financial contributions will not be taken where any new allotment is to be vested in Council or the Crown, or is to be used exclusively as an access lot or for a network utility structure.

4. Capital Expenditure Funding Sources

The Council has identified in the LTP 2015-25 to incur capital expenditure of \$14,415,000 for community facilities (reserves, network infrastructure, or community infrastructure) to meet increased demand resulting from growth.

During the Long Term Plan period 2015-25, Council has assumed that there would be no development in the identified growth areas that would require payment of financial contributions. The total cost of capital expenditure identified in the Long Term Plan would therefore be 100% funded by rates, loans and capital subsidies as set out below.

Year	Total Capital Expenditure	Development Contributions	Financial Contributions	Other Sources
Year 2015/16	\$1,703,000	0%	0%	100%
Year 2016/17	\$1,380,000	0%	0%	100%
Year 2017/18	\$667,000	0%	0%	100%
Year 2018/19	\$1,363,000	0%	0%	100%
Year 2019/20	\$1,866,000	0%	0%	100%
Year 2020/21	\$2,122,000	0%	0%	100%
Year 2021/22	\$969,000	0%	0%	100%
Year 2022/23	\$828,000	0%	0%	100%
Year 2023/24	\$3,143,000	0%	0%	100%
Year 2024/25	\$374,000	0%	0%	100%
TOTAL	\$14,415,000	0%	0%	100%

Land Transport

Community Outcomes	The “safe, resilient and healthy communities” and “healthy local economy and District that is growing” Community Outcomes are enhanced through having a good land Transport network.
Who Benefits	<p>All residents derive a benefit to access schools, their place of employment and to pursue recreational and social opportunities. However, there is a high reliance on our network by businesses to enable them:</p> <ul style="list-style-type: none"> To maintain and carry their network assets (in the case of utility companies);

	<ul style="list-style-type: none"> To enable customers to access their shops (in the case of businesses in CBD): and To enable product to be delivered to markets (farmers and manufacturers). <p>Although primarily located in urban centres the footpaths and car parks are used by all residents and motorists. Most residents will pay for the roading network to enable recreational and business interests to be facilitated even if they currently have no need to use the network.</p>
Period of Benefit	Any new roading development will be loan funded with loan charges recouped over time. However, most renewals are done in a cyclic manner where the costs are evenly spread year by year and will be funded from rates into available depreciation reserves.
Whose acts create a need	<p>Some high density users such as dairying or forestry can cause localised deterioration of the roading network. Council has no formal policy on user compensation but has successfully negotiated a contribution from forestry owners in the past depending on the situation and circumstance. Where no residents are affected it is possible to negotiate successfully however if residents are affected the negotiation is less effective.</p> <p>Petrol Tax revenue should offset roading costs (not treated as revenue offsetting General Rates) as the revenue is sourced from road users.</p> <p>Financial Contributions will be used to fund roading capital expenditure necessitated by new developments in identified growth areas (refer Appendix 1).</p>
Separate funding	All residents and ratepayers gain equal benefit regardless of the value attributable to their properties. Some residents may not even have property. The capital value of a rating unit reflects the sale value. In the case of business this would also have a correlation to the use of the roading network. It is therefore appropriate to rate fund this activity separately using the capital value of the rating unit.
Funding Source	<p>Public good - Targeted Rate: 100%</p> <p>Private Benefit - Fees and Charges: 0%</p>
Rationale	Land Transport is Council's single largest cost. For this reason Council has a targeted rate for land transport to enhance transparency and accountability. Rating for such a large expenditure item is practicable.

Water Supply

Community Outcomes	The “safe, resilient and healthy communities” and “sustainable environment” Community Outcomes have been identified as benefactors of the provision of this service.
Who Benefits	Those people residing on the rating units supplied with a reticulated water supply. All rating units connected can be identified and only those rating units connected can use the service.
Period of Benefit	For operational costs there are no intergenerational equity issues. Capital projects for improvements should be loan funded to spread costs over the next generation. Renewals of assets will be rate funded in the first instance, any annual shortfall will be loan funded.
Whose acts create a need	High users can place extra burden on the supply necessitating greater storage capacity etc. Such users should pay for their supply on a user pays basis. Vacant sections and unconnected rating units benefit from the provision of firefighting capacity and should be charged an availability charge. Financial Contributions will be used to fund water supply capital expenditure necessitated by new developments in identified growth areas (refer Appendix 1).
Separate funding	Ideally the funding mechanism should be fully user pays by use of universal water meters. However the cost of providing meters to each household outweighs the benefits of using this charging mechanism. Water meters should be used, however, for high users and anyone that is supplied outside the designated network area (being that area where houses are obliged to connect or have a right to connect). Universal volumetric charging only occurs in the Foxton Beach Community. A Targeted rate for water supply is proposed for all other communities and to cover the fixed cost component of the Foxton Beach supply. Council does charge extraordinary users that are connected by use of a charge per cubic meter consumed. Currently metered users are charged a fixed charge enabling them to use up to a cubic meter a day (90m3 a quarter) and are charged regardless of whether they use this or not.
Funding Source	Public Good -Targeted Rate: 70% - 80% (fixed charge) Private Benefit - Fees and Charges: 20% - 30% (water by meter)
Rationale	Water Supply was traditionally charged as a fixed charge Targeted rate which has been determined using the cost structure for each individual scheme. This approach favours those communities that have larger populations and greater economies of scale. The converse is that small communities pay more for the same service which can lead to affordability issues for small communities. Council has since 2009 set a fixed rate on each SUIP of each rating unit or for each connection, whichever is the greater, across the District as one uniform charge. Vacant sections will be levied 50% of this Targeted rate. As an availability charge to cover fixed costs and the provision of firefighting hydrants.

Wastewater

Community Outcomes	The “safe, resilient and healthy communities” and “sustainable environment” Community Outcomes have been identified as benefactors of the provision of this service.
Who Benefits	<p>Those people who have effluent to dispose and the people who wish to ensure the preservation of a healthy environment. All rating units connected can be identified and only those rating units connected can use the service.</p> <p>Some industries place increased demand on the treatment system due to the nature of the effluent they wish to dispose of. Benefits accrue to health providers in Council's provision of a wastewater disposal service as well as the wider benefit to the environment.</p>
Period of Benefit	<p>For operational costs there are no intergenerational equity issues. Capital projects for improvements should be loan funded to spread costs over the next generation.</p> <p>Renewals of assets will be rate funded in the first instance, any annual shortfall will be loan funded.</p>
Whose acts create a need	<p>Industries can place extra burden on the treatment plant. Such users should pay for their disposal on a user pays basis.</p> <p>Financial Contributions will be used to fund wastewater capital expenditure necessitated by new developments in identified growth areas (refer Appendix 1).</p>
Separate funding	<p>Ideally the funding mechanism should be fully user pays by use of volumetric charging. The ability to charge in such a manner is not available as yet.</p> <p>Targeted rate for wastewater is proposed. Council does charge industries that are connected using the Trade Waste Bylaw provisions and this will be retained.</p>
Funding Source	<p>Public Good -Targeted Rate: 80% - 90%</p> <p>Private Benefit - Fees and Charges: 10% - 20%</p>
Rationale	<p>Wastewater was traditionally charged as a fixed charge Targeted rate which has been determined using the cost structure for each individual scheme.</p> <p>This approach favours those communities that have larger populations and greater economies of scale. The converse is that small communities pay more for the same service which can lead to affordability issues for small communities.</p> <p>Council has since 2009 set a fixed rate on each SUIP of each rating unit or for each connection, whichever is the greater, across the District as one uniform charge.</p> <p>An availability charge on vacant sections will be charged 50% of this Targeted rate.</p>

Stormwater

Community Outcomes	The “safe, resilient and healthy communities”, a “healthy local economy and District that is growing” and “the sustainable environment” Community Outcomes are enhanced through this activity.
Who Benefits	<p>Primarily urban property owners who gain benefits from the mitigation of flooding events and urban road users. The stormwater kerb and channel and piped network is only located in urban areas.</p> <p>Stormwater drainage in rural areas is primarily part of the roading expenditure or, when the water drains into streams, they become a Regional Council responsibility.</p> <p>Most residents will pay for the stormwater network to enable recreational and business interests to be facilitated even if they currently have no need to use the network.</p>
Period of Benefit	Any new stormwater development will be loan funded with loan charges recouped over time. However, most renewals are done in a cyclic manner where the costs are evenly spread year by year and will be funded from rates using available depreciation reserves.
Whose acts create a need	<p>Exacerbators include the rural hinterland surrounding the urban areas subject to flooding. Horizons Regional Council rates such properties for their river control schemes.</p> <p>Financial Contributions will be used to fund stormwater capital expenditure necessitated by new developments in identified growth areas (refer Appendix 1).</p>
Separate funding	All urban residents and ratepayers and road users gain a benefit related in part to the size of the house on the rating units serviced by the network. And as the Capital Value of the property bears some relationship to the size of the house Capital Value rating was seen as an appropriate mechanism. It is not practicable to charge a fee for such a service as it is equally available to all urban ratepayers.
Funding Source	<p>Public Good - Targeted Rate: 100%</p> <p>Private Benefit - Fees and Charges: 0%</p>
Rationale	As the stormwater system and network is primarily an urban service to protect urban rating units Council decided to set a Targeted rate for stormwater to enhance transparency and accountability. Rating for such a large expenditure item is practicable.

Passive Reserves and Beautification

Community Outcomes	The “safe, resilient and healthy communities” Community Outcome is enhanced by this activity.
Who Benefits	The public generally the reserves tend to be available to all unless congested. However there are occasions where reserves are used to hold events where the public is charged entry. Ratepayers generally are prepared to pay for the option of using reserves for recreation while others would be prepared to pay rates to ensure the continued existence of reserves. Most Districts and towns of any size would be expected to have reserves. Some reserves are iconic and attract visitors from outside the District. Preservation of such reserves for future generations is worth paying for. Esplanade Reserves are provided to maintain public access to water bodies.
Period of Benefit	Most reserves have been in existence for some time and only incur yearly operational costs. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 25 years.
Whose acts create a need	Vandals are seen as the most likely exacerbator. However, it is notoriously difficult to obtain any funding from those who commit the crimes. Financial Contributions in the form of land will be used to provide esplanade reserves where subdivision developments occur adjacent to Priority Water Bodies identified in the District Plan.
Separate funding	A separate Targeted rate is probably not necessary as reserves are generally located throughout the District and can be used by the public and visitors alike.
Funding Source	Public Good - General Rate: 95% - 100% Private Benefit - Fees and Charges: 0% - 5%
Rationale	As reserves are able to be used by anyone and any charge or fee would limit accessibility and participation the general rate is the most appropriate method of funding passive reserves.

5. Enforcing the Policy

The provisions that relate to the contents of a financial contributions policy are set out at section 106(2) and (4) of the Local Government Act 2002 ("LGA02"). In section 106(2)(f) it states that the policy must, if financial contributions will be required, "summarise the provisions that relate to financial contributions in the District Plan". The Horowhenua District Plan does not currently include any specific provisions for financial contributions.

A consent authority must not include a condition in a resource consent requiring a financial contribution unless the condition is imposed in accordance with the purposes specified in the District Plan and the level of contribution is determined in the manner described in the District Plan.

This Financial Contributions Policy will not be able to be implemented until such time as a plan change to the District Plan has been initiated and become operative. Until a plan change to the District Plan requiring financial contributions has been adopted there would be a period where no development contributions or financial contributions are charged. Once the Financial Contributions Plan Change has been adopted, financial contributions would be charged against developments in the new growth areas of the District.

Under this Policy no development contributions would be charged for new developments from 1 July 2015. Historic developments that have not already been invoiced for a development contribution would not need to pay a development contribution even if they were previously liable to pay a contribution. There will be no refunds for contributions previously paid in good faith under Council's previous Development or Financial Contribution Policies

6. Reviewing the Policy

Council is required to review its Development Contributions or Financial Contributions Policy every three years.

Should circumstances change once operative and there becomes an identified need to make changes to the financial contribution provisions of the District Plan then this policy would be amended through the special consultative processes identified in Section 83 of the Local Government Act 2002. This would follow with a District Plan change.

Notwithstanding the above, this Policy will be reviewed at least three yearly as part of the review of the Long Term Plan where the appropriateness of this policy will be assessed and changes recommended to Council when considered necessary. Council is entitled to review the Policy earlier if it determines it necessary using the special consultative process.

Discussion Paper Long Term Plan 2015-2025

Key Issue: Development Contributions

1. Purpose

- 1.1 The purpose of this Discussion Paper is to provide to Ratepayers and Residents the information that was presented to Council, which resulted in a decision to identify Development Contributions as a key issue for the Long Term Plan Consultation Document 2015-2025. After considering the information outlined below, Council recommended that Council consult on Cancelling the Development Contributions Policy and implementing a Financial Contributions Policy as part of the Long Term Plan 2015-2025.

2. Executive Summary

- 2.1 Horowhenua District Council ("HDC") adopted a Development Contributions Policy as part of its Long Term Plan in 2006. HDC reviews the Development Contribution Policy and charges every three years with the previous reviews being undertaken in 2009 and 2012.
- 2.2 There is an argument in the Horowhenua context that as a mechanism for collecting a small amount of revenue, development contributions do not evaluate well as an alternative revenue source. It is expensive to administer relative to revenue, it impacts on the behaviour of the payers and it does not have a broad base.
- 2.3 The financial arguments for keeping development contributions as a mechanism are also not strong. It does not yield a significant amount of revenue and imposes risks on the organisation due to the uncertainty of it as an income system.
- 2.4 This discussion paper outlines the information given to Council when considering which option they would consult on regarding development contributions, as part of the Long Term Plan 2015-2025. The following five options were considered:
 1. Cancellation of the Development Contributions Policy and introduction of financial contributions;
 2. Suspension of development contributions;
 3. Harmonised development contribution funding for the whole district;
 4. Moderated development contributions to market affordable levels;
 5. Status Quo update current Development Contributions Policy.

Council agreed their preferred recommendation was to consult on the cancellation of the Development Contributions Policy an introduction of financial contributions (Option 1).

3. Background

- 3.1 HDC has committed to creating an enabling environment to encourage economic growth in the in the Horowhenua district. Part of that commitment is the review of HDC's position on development contributions and how they may be a disincentive to economic growth. Reviewing HDC's position on development contributions is one area Council can influence in the short to medium term, the stimulation of economic growth in the district.
- 3.2 A number of factors indicate that it is a good time to consider whether development contributions should be retained as a funding tool in the Horowhenua district. These factors include:
- Whether development contributions should be remitted to encourage economic development
 - The Local Government Amendment Act has introduced clauses which make development contributions clearer and of lesser scope in regards to services for which they can apply
 - Analysis of Council financial information indicates development contributions are not yielding the budgeted revenue indicating growth is not at expected levels
 - The difficulty of implementing and managing development contributions in a consistent manner
 - Better Council asset management information identifying capacity of existing infrastructure to handle forecasted growth in the district
- 3.3 The Local Government Act 2002 (LGA 2002) introduced development contributions as a mechanism for Territorial Authorities to obtain funding for community infrastructure and public amenities. Development contributions are an optional source of funding and throughout New Zealand, 43 Territorial Authorities currently charge development contributions and 20 do not. In the last two years both Rotorua District Council and Hutt City Council have made decisions to discontinue or exempt development contributions for certain types of development in order to assist the stimulation of growth in their respective areas. With the recent changes to the Local Government Act other Councils may also be using this LTP process to contemplate changing their use of development contributions.
- 3.4 The purpose of development contributions is to fund the costs of infrastructure, reserves or other community facilities arising from new housing or commercial developments. A financial contribution can be imposed as a condition of a resource consent for a purpose set out in the District Plan. HDC ceased using financial contributions when development contributions were introduced. A plan change (Plan Change 23) was undertaken in 2009 to remove the financial contribution requirements from the Operative Horowhenua District Plan.

- 3.5 Development contributions in simple terms are the cost of capital expenditure for network and community infrastructure where a share of that cost is attributed to a unit of demand created by growth.

Legislative Changes

- 3.6 In 2013, the Ministry of Internal Affairs instigated a review of development contributions which resulted in changes to the LGA 2002. Of particular note, the review concluded that development contributions can be an appropriate method of funding infrastructure except for public amenities e.g. civic buildings and museums. It was also concluded that it is widely accepted that improvements should be made to both the legislation and the way development contributions are applied across New Zealand. These improvements have been included in the Local Government Act 2002 Amendments Bill No.3. An extract from the explanatory note to that Bill stated:

“A 2013 government review of development contributions identified difficulties associated with the current legislative framework and how it is being implemented by Councils. For example, development contributions are being used to fund types of infrastructure that may be better funded from general revenue sources, and the degree of transparency in apportionment of the costs and benefits of infrastructure is variable. There are also limited mechanisms for resolving challenges to development contribution charges and opportunities to encourage greater private provision of infrastructure.”

The Bill provides a new purpose for development contributions and principles to direct and guide how they are used by Councils. Secondly, there are provisions that clarify and narrow the range of infrastructure that can be financed by development contributions. Thirdly, the Bill introduced a development contribution objection process, with decisions made by independent commissioners. In addition, the Bill encourages greater private provision of infrastructure through the use of Development agreements and includes provisions to improve the transparency of Council's Development Contribution policies.”

4. Discussion

Development Contributions in the Horowhenua district - Discussion on Effective Funding and Implications on Growth

- 4.1 Horowhenua District Council adopted a Development Contributions Policy as part of its Long Term Plan in 2006. HDC reviews the development contribution charges every three years, reviews have been undertaken in 2009 and 2012.
- 4.2 The 2006 Development Contribution Policy did not include charges for commercial development. This was introduced by Council in 2009.
- 4.3 Council currently collects development contributions to support the following activities:

Network Infrastructure	Community Infrastructure
Roading	Reserves
Water Supply	Public and civic amenities
Wastewater	

- 4.4 Under each of these activities are a number of specific projects included in the Development Contribution Policy which is formally adopted as part of the Long Term Plan.
- 4.5 The development contribution amount triggered by a development is calculated by using units of demand on infrastructure.
- 4.6 For residential development, each allotment in addition to the original allotment is assessed as one unit of demand. For residential development on existing sites, any additional residential dwelling (as defined in the District Plan) over and above that on the site is assessed as one unit of demand.
- 4.7 Non-residential developments are assessed on the demand that they create. The number of units of demand generated by the development is determined by using a conversion function based on gross floor area of the development.
- 4.8 Development contributions are charged over a 15-20 year period to cover the incremental growth of increased demand on Council's infrastructure over time. This lengthy period was intended to achieve a situation where the costs are apportioned between the community and the developer.
- 4.9 Whether a development attracts a development contribution depends on the type of activity and use, and development contribution's can be charged for developments of all types and scales. For instance, a one into two lot subdivision, an extension to an industrial workshop and a comprehensive commercial development will commonly attract a development contribution.
- 4.10 Accessory buildings (as defined in the District Plan) associated with primary production activities in the rural zone is not liable for a development contribution unless a new connection to the Council water, wastewater or stormwater infrastructure is imposed as a condition of the Resource or Building Consent or is requested by the applicant.
- 4.11 Essentially, any development or change of land use that can generate more demand on infrastructure than the current use of the land will attract a development contribution.
- 4.12 In regard to keeping scale and type of development in mind, it is important to outline that 'developers' and developments relate to a range of people and scales. The point is that 'development' in general is the holistic growth of the district and the accumulation of both small and large developments. Development contributions are

charges to the developer, but ultimately, the cost is passed on to businesses and tenants or capitalised in the price of the development.

- 4.13 In the Horowhenua district context, HDC receives feedback about development contributions being a disincentive to business development and new residential development. In the current low population growth, average economic growth, below average employment growth Horowhenua environment, the issues surrounding development contribution's are amplified in particular where the application of a development contribution to a Brownfield or even Greenfield type development can be the tipping point between investment or not. This is of particular relevance when the property market is fairly flat as the risk of over capitalisation is a very real risk when investments are considered in relation to other markets with increasing property prices.
- 4.14 There are two major schools of thought in regards to development contributions. The proponents state that the Local Government Act funding principles support that the developer as exacerbator and beneficiary of costs, incurred by council to support growth, should pay for a portion of those costs as the people causing and or benefiting from that expenditure. The logic flow looks something like:
1. Council provides infrastructure and community facilities for the community
 2. Those services have restrictions around capacity to service a constrained number of users
 3. New developments use up existing service capacity and require the Council to increase the scale of the service to cope with increased users
 4. New developments pick up a benefit from being able to use the existing service which has been funded by existing properties
 5. Therefore, a logical extension is that new developments should contribute to the additional costs that growth will impose on the Council and other rate payers
- 4.15 The opponents take a slightly different view. They typically do not refute that growth imposes costs. Their logic flow looks something like this:
1. There is no growth in the Horowhenua district
 2. As there is no growth in the district, the new developments are not using up existing infrastructure capacity
 3. Council is keen to see growth in the community as more ratepayers share a largely fixed cost of service
 4. New ratepayers who come into the community, even if they do pick up a share of the unutilised capacity, lower the average cost for all ratepayers
 5. New ratepayers also pick up a proportionate share of existing debt which is often incurred on capital items that were not designed to meet growth requirements. In doing so they lower the average cost for existing ratepayers
 6. Development contributions are an uncertain mechanism for recovery and attributing costs, and this uncertainty impacts on decisions by developers

7. Development contributions are an obstacle to development

4.16 Development contributions are an important part of the Local Government funding toolkit. However, they are a tool to be selected with some care. In reality, there is a strong logic for both charging and not charging development contributions. So there is no right or wrong stance to take.

4.17 While there is a perception that the imposition of development contributions restricts development. This has not been clearly established to be true or false.

Analysis

4.18 The analysis of development contributions should be undertaken from the viewpoint not of the tool but of the circumstances for the community. In this type of analysis, important elements to consider are:

- Understanding the actual costs of growth, whether these costs are necessary for growth or drivers by growth
- Identifying the reality of growth in the context of the services and assets
- Understanding the revenue and funding impacts and the costs of the alternatives

4.19 Analysis of the Long Term Plan capital programme and projected revenue from development Contributions reveals:

- The 10 year costs of growth for capital are \$27.477m of a total capital budget of \$172.355m
- Development contributions revenue is budgeted at \$15.965m

4.20 For the last three years Council's Annual Reports show the following breakdowns of growth capital expenditure against budget:

(\$000)	Budget	Actual collected from previous year's collected but not expended	Variance
2011/12	1,738	537	(1,201)
2012/13	1,759	1,745	(14)
<u>2013/14</u>	<u>1,714</u>	<u>1,040</u>	<u>(674)</u>
Total	5,211	3,322	(1,889)

4.21 The following table shows actual development contributions revenue against budget:

(\$000)	Budget	Actual	Variance
2012/13	1,366	784	(582)
2013/14	1,366	463	(903)
Budget 2014/15	1,461	646*	(815)
Total	4,193	1,893	(2,300)

* as at December 2014

4.22 Two major things stand out in regards to the above:

Firstly, the level of growth related expenditure is 36% below forecasted expenditure, indicating a deferral of growth related capital expenditure

The second item is that the revenue from development contributions is significantly below budget. The revenue from this source accounts for 1.2% of actual total revenue. As such, the Development Contributions Policy and its management are not strong contributors to the revenue or the indebtedness of Council.

- 4.23 Another consideration with regard to development contributions is that it is a complex and expensive process for obtaining income. The cost of preparing the policy, reviewing and implementing is estimated to be on average \$83,000 per annum. This has not been precisely calculated but is a reasonable estimate based on staff time for reviewing, calculating development contributions, debtors and debt recovery administration, CEO and Mayor time dealing with complaints and the time taken for appeals. This point becomes more important when considering funding sources. The cost of the administration is set as an operational cost and is funded from operational revenue. However the revenue from development contributions is set as a capital funding source which reduces operations funding to the extent of the interest component as cost of funds. Therefore, the operating costs of Council are lower by approximately \$104,000 over the last three years through the interest effect, while the operating costs are more than double that sum through the costs of administering the policy.
- 4.24 There is an argument in the Horowhenua context that as a mechanism for collecting a small amount of revenue, development contributions do not evaluate well as an alternative revenue source. It is expensive to administer relative to revenue, it impacts on the behaviours of the payers and it does not have a broad base. The financial arguments for keeping it as a mechanism are also not strong. It does not yield a significant amount of revenue and imposes risks on the organisation due to the uncertainty of it as an income system.

Methodology and Calculations as at 1 May 2012

Development Contributions Key Logic

- 4.25 What follows outlines the key logic relating to the Development Contributions Policy and the methodology behind the calculation of development contributions.

(i) Household Equivalent Units and Growth

As part of its Long Term Plan 2012/22, Council decided to equalize rates across all of its water and wastewater schemes in recognition of the high unit costs of upgrading those schemes serving smaller communities. However, legislation requires that developers pay only for the projected growth related components of the scheme to which the proposed development is connected. Consequently, for small schemes where upgrading costs are high and growth is slow, the resulting development contributions are inordinately high.

Development contributions have generally been calculated based on the growth projects as set out in the 2008 Growth Strategy occurring over a 10 year period. However, growth is projected to be slow in some smaller communities so in order to encourage development across all parts of the district the following has been assumed in calculating the number of HEUs (household equivalent units).

- Where the proposed growth rate for a town or development areas is 5 or more allotments per annum then the number of HEUs used to determine the appropriate development contribution, shall be calculated over a 10 year period.
- Where the proposed growth rate for a town or development area is less than 5 allotments per annum then the number of HEUs used to determine the appropriate development contribution, shall be calculated over a fifty year period.

(ii) Development Contribution Fee

Stage 1 – Fee Development

Three drivers are used to assess whether projects meet Council's objectives – growth, levels of service, or renewal. Some projects have only one driver, while others have all three as drivers. When a project is included in Council's LTP as assessment is made as to the extent to which each of the drivers relates to the project cost. Development contribution fees were calculated based on the assessed percentage of project cost allocated to the growth driver only. The resulting development contribution fees are presented in the following table:

Development Contribution Fees - Unmoderated

	Water \$	Wastewater \$	Roads \$	Reserves \$	Community \$	Total (ex GST) \$
Tokomaru	2,325	100	2,348	645	1,104	6,522
Tokomaru Development Area	2,325	0	2,348	645	1,104	6,422
Shannon	4,836	15,625	2,348	645	1,104	24,558
Foxton	9,190	20,815	2,348	645	1,104	34,102
Foxton Development Area 1	700	16,759	2,348	645	1,104	21,556
Foxton Development Area 2	700	16,769	2,348	645	1,104	21,566
Foxton	1,728	17,864	2,348	645	1,104	23,689

Beach						
Foxton Beach Development Area 1	2,957	19,291	2,348	645	1,104	26,345
Levin	7,906	4,262	2,348	645	1,104	16,265
Levin Development Area 1	7,906	4,262	2,348	645	1,104	16,265
Levin Development Area 2	7,171	2,904	2,348	645	1,104	14,172
Levin Development Area 3	9,428	6,086	2,348	645	1,104	19,611
Ohau	7,906	0	2,348	645	1,104	12,003
Waitarere Beach	0	3,896	2,348	645	1,104	7,993
Waitarere Beach Development Area 1	0	3,761	2,348	645	1,104	7,858
Waitarere Beach Development Area 2	0	3,896	2,348	645	1,104	7,993
All Other Rural & Urban Areas	0	0	2,348	645	1,104	4,097

Stage 2 – Development Contribution Fee Moderation

The development contribution fees were then moderated. The moderated fees in the following table were presented to Council for inclusion in the Long Term Plan 2012/22. It is important to note that the moderation was carried out on actual fees and not on the projects or logic behind the calculation.

Development Contribution Fees - Moderated

	Water \$	Wastewater \$	Roads \$	Reserves \$	Community \$	Total (ex GST) \$
Tokomaru	476	15	3,675	656	1,134	5,956
Tokomaru Development Area	476	15	3,675	656	1,134	5,956
Shannon	1,895	4,168	3,675	656,	1,134	11,528
Foxton	1,750	1,886	3,675	656,	1,134	9,101
Foxton Development Area 1	1,750	1,886	3,675	656,	1,134	9,101
Foxton Development Area 2	1,750	1,886	3,675	656,	1,134	9,101
Foxton Beach	1,378	7,114	3,675	656,	1,134	13,957
Foxton Beach Development Area 1	2,607	8,540	3,675	656,	1,134	16,612
Levin	5,001	4,329	3,675	656,	1,134	14,795
Levin Development Area 1	5,001	4,329	3,675	656,	1,134	14,795
Levin Development Area 2	6,677	6,152	3,675	656,	1,134	18,294
Levin Development Area 3	4,846	4,329	3,675	656,	1,134	14,640
Ohau	6,719	0	3,675	656,	1,134	12,184
Waitarere Beach	0	1,038	3,675	656,	1,134	6,503
Waitarere Beach Development Area 1	0	1,038	3,675	656,	1,134	6,503
Waitarere Beach Development Area 2	0	1,038	3,675	656,	1,134	6,503
All Other Rural & Urban Areas	0	0	3,675	656,	1,134	5,465

5. Options

Council considered the following options:

1. Cancellation of the Development Contributions Policy and introduction of financial contributions;
2. Suspension of development contributions;
3. Harmonised development contribution funding for the whole district;
4. Moderated development contributions to market affordable levels;
5. Status Quo update current Development Contributions Policy.

OPTION 1 (PREFERRED OPTION)

CANCELLATION OF THE DEVELOPMENT CONTRIBUTIONS POLICY & INTRODUCTION OF FINANCIAL CONTRIBUTIONS

Subject to consultation, if Council resolves to cancel development contributions, this would result in no development contributions from any residential or non-residential development in the district from a date identified by Council, likely to be 1 July 2015.

With this option Council would need to reintroduce a Financial Contributions for development in new growth areas of the district, under the provisions of the Resource Management Act 1991 ("RMA").

Section 102(4) of the Local Government Act 2002 requires the Council to adopt a policy on development contributions (money or land required from developers under the provisions of the Local Government Act 2002) or financial contributions (money or land required from developers under the provisions of the Resource Management Act 1991 and the Horowhenua District Plan). The Act states:

- "(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).*
- (2) The policies are –*
- (d) A policy on development contributions or financial contributions."*

If Council opts for financial contributions to the exclusion of development contributions, it will also need to set in motion the process to make the necessary changes to the District Plan.

Cost

Current projections for growth over the next 10 years in the district have resulted in an estimate of \$4.8m in development contributions being collected over that period.

Should Council decide to cancel the Development Contributions Policy, it would be required to fund this amount for infrastructure development and renewals through loan funding, less any amount collected through Financial Contributions, should Council decide to introduce Financial Contributions.

The cost of borrowing over the period of the LTP of the \$4.8m or \$400,000 per annum accumulating over the 10 years is estimated as follows:

	<u>Total Borrowing</u>	<u>Cumulative Annual Interest</u>
Year 1	\$400,000	\$24,000
2	\$800,000	\$49,440
3	\$1,200,000	\$74,966
4	\$1,600,000	\$100,498
5	\$2,000,000	\$126,030
6	\$2,400,000	\$151,562
7	\$2,800,000	\$177,094
8	\$3,200,000	\$202,626
9	\$3,600,000	\$228,158
10	\$4,000,000	\$253,689

Rate Impact

The rate impact of funding infrastructure development and renewals through loan funding rather than development contributions would be a 0.08% average increase on current rates revenue income or 0.80% over a period of 10 years.

LTP Integration

Whilst some would argue that cancelling development contributions would increase development in the district, thus increasing the number of ratepayers and lowering the average cost of infrastructure service delivery, no amendment has been made to growth projections in the 2015-25 draft LTP based on this occurring.

The draft LTP 2015-25 Consultation Document, the Revenue and Financing Policy and the Financial Strategy have all been based on this option.

OPTION TWO

SUSPEND DEVELOPMENT CONTRIBUTIONS

Subject to consultation, if Council resolves to suspend development contributions for a defined period, this would result in no development contributions being collected for residential and non-residential development until Council decides to reinstate them.

With this option Council could choose to reintroduce financial contributions for development in new growth areas of the district under the provisions of the RMA. This would require Council to make the necessary changes to the District Plan.

Cost

Higher administration costs would apply for a suspension of development contributions compared to the cancelling of financial contributions until such time as Council decides to lift the suspension of development contributions.

Rate Impact

The rate impact of suspending development contributions and funding infrastructure development and renewals through loan funding rather than development contributions would be an average of 0.08% increase on current rates revenue per annum depending on interest rates.

LTP Integration

If following submissions on the draft LTP 2015-25 Consultation Document Council chooses this option, then the Revenue and Financing Policy would need to be amended. If the decision was made to introduce financial contributions the Revenue and Financing Policy a further amendment may be necessary to reflect the financial contribution estimates for the growth areas.

OPTION THREE

HARMONISED DEVELOPMENT CONTRIBUTION FUNDING FOR THE WHOLE DISTRICT

Presently harmonized (universal) development contributions across the whole District is applied for the following infrastructure types:

Roading	\$3,675
Community	\$1,134
Reserves	\$656

Despite water and wastewater rates being harmonized across the district, these two infrastructure types do not have their development contributions harmonised.

Development contributions for water and wastewater have been calculated using estimated growth, renewal and development costs, and planned plant upgrades for each township with these utilities.

Should a harmonised development contribution be applied across all infrastructure types across the district, the following development contributions would be charged compared to the current development contributions for each township, not including development areas.

	Water \$	Wastewater \$	Roads \$	Reserves \$	Community \$	Total (ex GST)
<u>Universal DC</u>	4,439	4,458	3,675	656	1,134	14,362
<u>Current DCs</u>						
Tokomaru	475	15	3,675	656	1,134	5,956
Shannon	1,895	4,168	3,675	656	1,134	11,528
Foxton	1,750	1,886	3,675	656	1,134	9,101
Foxton Beach	1,378	7,114	3,675	656	1,134	13,957
Levin	5,001	4,329	3,675	656	1,134	14,795
Ohau	6,719	-	3,675	656	1,134	5,465
Waitarere Beach	-	1,035	3,675	656	1,134	6,500
All other rural & urban areas	-	-	3,675	656	1,134	5,465

Cost

Should Council decide to harmonise development contributions across all infrastructure activities, it is estimated that slightly less than \$400,000 per annum will be collected in development contributions compared to the current budget of \$400,000 per annum.

Rate Impact

There is very little rate impact with this option as no additional loan funding would be required.

LTP Integration

If following submissions on the draft LTP 2015-25 Consultation Document the Council chooses this option, then the Revenue and Financing Policy would need to be amended to refer to the development contributions being charged and the projected contributions. The current Development Contributions Policy would need to be recalculated and updated taking into account updated costs for projects and new assumptions. The Development Contributions Policy would need to be amended to harmonise development contributions across all infrastructure activities.

OPTION FOUR

MODERATE DEVELOPMENT CONTRIBUTIONS TO MARKET AFFORDABLE LEVELS

Council could choose to moderate development contributions to around \$7,500 for urban residential and the roading component only for rural, \$3,675, which still enables a development contribution but does not tip the development to be unviable. If rural properties were connected to either of Council's water or sewerage network an additional DC charge could apply.

The theory behind the roading component being retained for rural development is that each new unit will generate additional vehicular traffic on rural roads.

There is anecdotal evidence from some developers in the district that development contributions are justified and understood. However, the quantum of current development contributions relative to lower market values of new housing in the Horowhenua, compared to say Kapiti and Manawatu, means margins are being squeezed with the current development contributions charged. Some developers have suggested to the Chief Executive that they would be comfortable to pay \$7,000-\$8,000 in development contributions if Council retained the Development Contributions Policy.

Cost

Should Council decide to moderate the development contributions to say \$7,500 for urban residential development and \$3,675 for rural development, the level of development contributions collected per annum would be \$250,000-\$300,000, compared to the current budget of \$400,000 per annum.

This would result in additional borrowing of \$100,000-\$150,000 per annum or \$1,000,000-\$1,500,000 over the period of the LTP.

Rate Impact

The rate impact of funding infrastructure development and renewals through additional loan funding rather than development contributions would be a 0.03% average increase on current rates revenue or 0.30% over a 10 year period.

LTP Integration

If following submissions on the draft LTP 2015-25, the Council chooses this option then the Revenue and Financing Policy would need to be amended to refer to the development contributions being charged and the projected contributions. The current Development Contributions Policy would need to be recalculated and updated taking into account updated costs for projects and new assumptions. Council would need to resolve to moderate the development contributions to levels deemed appropriate based on assumptions revolved around affordability and the projected growth assumptions.

OPTION FIVE

STATUS QUO UPDATE CURRENT DEVELOPMENT CONTRIBUTIONS POLICY

Should this option be adopted by Council, the Development Contributions Policy would be updated taking into account updated costs for projects and new assumptions.

Taking into account the unmoderated development contributions identified earlier in this paper, Council would probably be required to moderate development contributions to at least current levels.

Cost

Should Council retain the existing Development Contributions Policy, an estimated \$400,000 in development contributions will be raised each year for the period of the LTP.

Rate Impact

Should this option be chosen by Council, there would be no rate impact.

LTP Integration

If following submissions on the draft LTP 2015-2, Council chooses this option then the Revenue and Financing Policy would need to be amended to refer to the development contributions being charged and the projected contributions. The current Development Contributions Policy would need to be recalculated and updated taking into account updated costs for projects, new assumptions and current levels of moderation.

6. Consultation and Process

Council have decided to consult on Option 1 of this paper.

The question as to whether or not to cancel the Development Contributions Policy and introduce financial contributions is a key issue we are consulting on as part of the Long Term Plan 2015-2025. The consultation process follows the special consultative process as identified in Section 83 of the Local Government Act 2002.

If Council cancels its current Development Contributions Policy, it will need to replace it with a new policy. This may be a policy that states that no development contributions will be required, and describe the financial contributions, the Council will collect under the provisions of the Resource Management Act 1991 ("RMA"). If the Council opts for financial contributions to the exclusion of development contributions, it will also need to set in motion the process to make the necessary changes to the District Plan. A formal plan change would be prepared, notified and consulted on under the RMA.

The provisions that relate to the contents of a financial contributions policy are set out at section 106(2) and (4) of the Local Government Act 2002 ("LGA02"). In section 106(2)(f) it states that the policy must, if financial contributions will be required, "summarise the provisions that relate to financial contributions in the District Plan". The District Plan does not currently contain any specific financial contribution provisions and therefore a summary is not available at this time. A draft Financial Contributions Policy is attached as an appendix to this document.

It is conceivable that Council could adopt a Financial Contributions Policy by 30 June 2015. This would however not be able to be implemented until such time as a plan change to the District Plan has been initiated and become operative. The timeframe for preparing the plan change could range from 6 to 18 months. It would take approximately six months from developing the plan change through the decision being notified. Once Council notifies the decision it triggers the period for submitters to appeal the decision to the Environment Court. If there are appeals the timeframes for resolution will be dependent on the number and nature of the appeals. Recent experience suggests that the Environment Court would be directing parties to resolve appeals within 12 months. The length of time for the plan change to become operative becomes a relevant consideration for the options set out below.

Council has sought legal advice from Brookfields Lawyers concerning the possibility of cancelling Council's Development Contributions Policy and is clear on the process it will need to follow to achieve this outcome.

7. Financial Considerations

The financial considerations for each option have been included in the options section of this report.

An additional consideration is to note that Council's Draft Financial Strategy that it is being consulted on as part of the Long Term Plan 2015-2025 has accounted for the possibility of cancelling Development Contributions. If Council's decision was not to cancel Development Contributions as a result of the consultative process, modification to Council's Financial Strategy will be required (as well as Council's Revenue and Financing Policy as discussed above).

8. Risks

The following risks have been identified for the options identified:

- (a) Implementing transition provisions during the consultation period and up to 30 June 2015. Developers may get upset about having to pay a development contribution when there is uncertainty about whether a development contribution may not apply or have been modified after 30 June 2015.
- (b) Developers who have historically paid development contributions over the past eight years may be upset or consider it to be unfair when development contributions may no longer be charged or be modified from 30 June 2015.
- (c) Not implementing a District Plan change to reintroduce financial contributions by 30 June 2015 should development contributions be cancelled or suspended. Council deems this to be a realistic risk and accepts that if Council cancelled the Development Contributions Policy from 1 July 2015, there would be a period of time during which neither development contributions nor financial contributions could be charged. Pursuant to section 101(2)(d) the Council would need to adopt and include in the LTP a policy stating that the Council intended not to require development contributions, but instead intended to propose a Financial Contributions Policy with the view to make an amendment to the District Plan within a defined timeframe that would provide for financial contributions to be taken as conditions of resource consents for the provision of the specified types of infrastructure.
- (d) The period where there may be no development contributions or financial contributions could encourage a higher level of development as developers seek to take advantage of this period. It could also mean that from the start of consultation through to the final decision developers may avoid developing recognising that they would still be subject to a development contribution until 30 June 2015.
- (e) The introduction of a Financial Contributions Policy could create greater uncertainty for developers as financial contributions can vary depending on the circumstances of each resource consent.

9. Next Steps

Council is consulting on their preferred option of cancelling Development Contributions Policy. A draft Financial Contributions Policy is attached to this document, and will be consulted on as part of the Long Term Plan process. Once Council have considered all submissions and made a decision, Council Officers will determine and undertake the appropriate next steps to implement the Council's decision.

Appendix 1 - Draft Financial Contributions Policy



FINANCIAL CONTRIBUTION POLICY

DRAFT

1. Introduction

Section 102(4) of the Local Government Act 2002 requires the Council to adopt a policy on development contributions (money or land required from developers under the provisions of the Local Government Act 2002) or financial contributions (money or land required from developers under the provisions of the Resource Management Act 1991 and the Horowhenua District Plan). The Act states:

“(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).

(2) The policies are –

(d) A policy on development contributions or financial contributions.”

As part of its Long Term Plan 2015-2025 consultation, Horowhenua District Council has proposed that it does not have a Development Contributions Policy. This is a result of low forecast growth as well as Council's desire to lead an enabling and progressive role in Horowhenua, where economic development and growth is encouraged. This Financial Contributions Policy would replace the Development Contributions Policy (2012).

While rates are set to meet the needs of the community, they are not considered appropriate to recover the additional costs of growth brought about by new development.

The Resource Management Act 1991 requires Council to manage the effects of subdivision and development in a manner that promotes the sustainable management of the district's natural and physical resources. Council intends to use financial contributions to offset the effects of development activities.

Those undertaking activities such as building or subdivision expect to directly benefit from their efforts; however, these activities can affect the wider community. The Horowhenua District Plan requires the developer to pay for the full and actual costs of works directly

related to their activity. However in the absence of Development Contributions it becomes necessary for this Financial Contributions Policy and the District Plan to recognise that development in new growth areas should also contribute a portion of costs to compensate for adverse environmental effects. In doing so the wider community does not unduly subsidise these private development activities.

The purpose of this Financial Contributions Policy is to enable contributions in areas that are identified as new growth areas.

2. What are Financial Contributions?

Financial contributions provide a means of offsetting, avoiding, remedying or mitigating the adverse effects of such activities. Section 108 of the Resource Management Act 1991 sets out the circumstances under which conditions may be imposed on applications for resource consents. A consent condition may include a financial contribution as set out in Section 108(9). Financial contributions (whether money, land, or a combination of both) may be required from developers where the cost of providing or upgrading the public infrastructure or utility service can be attributed to a development.

Financial contributions and conditions on resource consents can be applied for the following reasons:

- To compensate for the situation where development leads to a demand for additional infrastructural services or leads to the deterioration of the existing infrastructure
- As a means to avoid, remedy or mitigate adverse effects of activities on the environment caused by the development.

Requiring developers to pay the actual costs of extending services is considered to be an appropriate method of encouraging an efficient, consolidated and compact pattern of land use (where new development is connected to existing development).

Currently the district is not experiencing, nor forecasted to experience, demand for public infrastructure generated by growth, therefore no allowance has been made for capital expenditure to be funded from financial contributions during the term of the Long Term Plan 2015-2025. With Council having recently identified and rezoned areas in the district for future growth, the potential exists for development to occur in these identified growth areas creating the demand for public infrastructure before any infrastructure has been provided.

3. Policy for Charging Financial Contributions

Financial contributions (whether money, land, or a combination of both) may be required as conditions of land use and subdivision consents in relation to the matters below. It should be noted that the amount or value of contributions (if any) will depend upon the circumstances of each resource consent application.

The purpose, circumstances and maximum amount of financial contributions that may be imposed by the Council as a condition of consent is specified below:

Land Transport

Provision of new roads and streets - Required where access to the site cannot be provided from existing streets. Maximum amount is the actual cost of building the road, and connecting the site to road network including the value of the land.

Upgrading and widening of existing roads - Required where development would result in the need to upgrade the road or the capacity of the existing road to serve the development. Maximum amount is the actual cost of the work.

Off-street vehicle parking/loading spaces - Where on-site parking is required by the District Plan but cannot be provided to meet the requirements, Council may require a financial contribution to provide and maintain nearby public car parks. Maximum amount is \$2,000 per car parking/loading space.

Street lighting - Council may require the upgrading of street lighting where, as a result of a proposed development, it is deemed necessary. Maximum amount is the actual cost of the work.

Water Supply

Water Supply - To ensure that a satisfactory supply of water is provided to a development, Council may require a potable water supply to be established or connection to reticulated services to be made. Maximum amount is the actual cost of the work.

Wastewater Disposal

Wastewater Disposal - Council may require either connection to an existing reticulated system, the upgrading of the system, or the establishment of on-site wastewater collection, treatment and disposal system for the waste water generated by the development. Maximum amount is the actual cost of the work.

Stormwater

Surface Water Disposal (Stormwater) - Council may require drainage facilities to reduce the adverse effects of uncontrolled run-off of stormwater from new developments. Maximum amount is the actual cost of the work.

Community Facilities & Services

Esplanade reserves/strips/accessways - Where a subdivision development (excluding boundary adjustments) is proposed along the margins of watercourses/waterbodies that are identified in the Horowhenua District Plan as priority water bodies, the Council may require the provision of an esplanade reserve, esplanade strip or access strip.

Exceptions

Financial contributions will not be taken where any new allotment is to be vested in Council or the Crown, or is to be used exclusively as an access lot or for a network utility structure.

4. Capital Expenditure Funding Sources

The Council has identified in the LTP 2015-25 to incur capital expenditure of \$14,415,000 for community facilities (reserves, network infrastructure, or community infrastructure) to meet increased demand resulting from growth.

During the Long Term Plan period 2015-25, Council has assumed that there would be no development in the identified growth areas that would require payment of financial contributions. The total cost of capital expenditure identified in the Long Term Plan would therefore be 100% funded by rates, loans and capital subsidies as set out below.

Year	Total Capital Expenditure	Development Contributions	Financial Contributions	Other Sources
Year 2015/16	\$1,703,000	0%	0%	100%
Year 2016/17	\$1,380,000	0%	0%	100%
Year 2017/18	\$667,000	0%	0%	100%
Year 2018/19	\$1,363,000	0%	0%	100%
Year 2019/20	\$1,866,000	0%	0%	100%
Year 2020/21	\$2,122,000	0%	0%	100%
Year 2021/22	\$969,000	0%	0%	100%
Year 2022/23	\$828,000	0%	0%	100%
Year 2023/24	\$3,143,000	0%	0%	100%
Year 2024/25	\$374,000	0%	0%	100%
TOTAL	\$14,415,000	0%	0%	100%

Land Transport

Community Outcomes	The “safe, resilient and healthy communities” and “healthy local economy and District that is growing” Community Outcomes are enhanced through having a good land Transport network.
Who Benefits	<p>All residents derive a benefit to access schools, their place of employment and to pursue recreational and social opportunities. However, there is a high reliance on our network by businesses to enable them:</p> <ul style="list-style-type: none"> • To maintain and carry their network assets (in the case of utility companies); • To enable customers to access their shops (in the case of businesses in CBD); and • To enable product to be delivered to markets (farmers and manufacturers). <p>Although primarily located in urban centres the footpaths and</p>

	car parks are used by all residents and motorists. Most residents will pay for the roading network to enable recreational and business interests to be facilitated even if they currently have no need to use the network.
Period of Benefit	Any new roading development will be loan funded with loan charges recouped over time. However, most renewals are done in a cyclic manner where the costs are evenly spread year by year and will be funded from rates into available depreciation reserves.
Whose acts create a need	<p>Some high density users such as dairying or forestry can cause localised deterioration of the roading network. Council has no formal policy on user compensation but has successfully negotiated a contribution from forestry owners in the past depending on the situation and circumstance. Where no residents are affected it is possible to negotiate successfully however if residents are affected the negotiation is less effective.</p> <p>Petrol Tax revenue should offset roading costs (not treated as revenue offsetting General Rates) as the revenue is sourced from road users.</p> <p>Financial Contributions will be used to fund roading capital expenditure necessitated by new developments in identified growth areas (refer Appendix 1).</p>
Separate funding	All residents and ratepayers gain equal benefit regardless of the value attributable to their properties. Some residents may not even have property. The capital value of a rating unit reflects the sale value. In the case of business this would also have a correlation to the use of the roading network. It is therefore appropriate to rate fund this activity separately using the capital value of the rating unit.
Funding Source	<p>Public good - Targeted Rate: 100%</p> <p>Private Benefit - Fees and Charges: 0%</p>
Rationale	Land Transport is Council's single largest cost. For this reason Council has a targeted rate for land transport to enhance transparency and accountability. Rating for such a large expenditure item is practicable.

Water Supply

Community Outcomes	The "safe, resilient and healthy communities" and "sustainable environment" Community Outcomes have been identified as benefactors of the provision of this service.
Who Benefits	Those people residing on the rating units supplied with a reticulated water supply. All rating units connected can be identified and only those rating units connected can use the service.

<i>Period of Benefit</i>	For operational costs there are no intergenerational equity issues. Capital projects for improvements should be loan funded to spread costs over the next generation. Renewals of assets will be rate funded in the first instance, any annual shortfall will be loan funded.
<i>Whose acts create a need</i>	High users can place extra burden on the supply necessitating greater storage capacity etc. Such users should pay for their supply on a user pays basis. Vacant sections and unconnected rating units benefit from the provision of firefighting capacity and should be charged an availability charge. Financial Contributions will be used to fund water supply capital expenditure necessitated by new developments in identified growth areas (refer Appendix 1).
<i>Separate funding</i>	Ideally the funding mechanism should be fully user pays by use of universal water meters. However the cost of providing meters to each household outweighs the benefits of using this charging mechanism. Water meters should be used, however, for high users and anyone that is supplied outside the designated network area (being that area where houses are obliged to connect or have a right to connect). Universal volumetric charging only occurs in the Foxton Beach Community. A Targeted rate for water supply is proposed for all other communities and to cover the fixed cost component of the Foxton Beach supply. Council does charge extraordinary users that are connected by use of a charge per cubic meter consumed. Currently metered users are charged a fixed charge enabling them to use up to a cubic meter a day (90m3 a quarter) and are charged regardless of whether they use this or not.
<i>Funding Source</i>	Public Good -Targeted Rate: 70% - 80% (fixed charge) Private Benefit - Fees and Charges: 20% - 30% (water by meter)
<i>Rationale</i>	Water Supply was traditionally charged as a fixed charge Targeted rate which has been determined using the cost structure for each individual scheme. This approach favours those communities that have larger populations and greater economies of scale. The converse is that small communities pay more for the same service which can lead to affordability issues for small communities. Council has since 2009 set a fixed rate on each SUIP of each rating unit or for each connection, whichever is the greater, across the District as one uniform charge. Vacant sections will be levied 50% of this Targeted rate. As an availability charge to cover fixed costs and the provision of firefighting hydrants.

Wastewater

Community Outcomes	The “safe, resilient and healthy communities” and “sustainable environment” Community Outcomes have been identified as benefactors of the provision of this service.
Who Benefits	<p>Those people who have effluent to dispose and the people who wish to ensure the preservation of a healthy environment. All rating units connected can be identified and only those rating units connected can use the service.</p> <p>Some industries place increased demand on the treatment system due to the nature of the effluent they wish to dispose of. Benefits accrue to health providers in Council's provision of a wastewater disposal service as well as the wider benefit to the environment.</p>
Period of Benefit	<p>For operational costs there are no intergenerational equity issues. Capital projects for improvements should be loan funded to spread costs over the next generation.</p> <p>Renewals of assets will be rate funded in the first instance, any annual shortfall will be loan funded.</p>
Whose acts create a need	<p>Industries can place extra burden on the treatment plant. Such users should pay for their disposal on a user pays basis.</p> <p>Financial Contributions will be used to fund wastewater capital expenditure necessitated by new developments in identified growth areas (refer Appendix 1).</p>
Separate funding	<p>Ideally the funding mechanism should be fully user pays by use of volumetric charging. The ability to charge in such a manner is not available as yet.</p> <p>Targeted rate for wastewater is proposed. Council does charge industries that are connected using the Trade Waste Bylaw provisions and this will be retained.</p>
Funding Source	<p>Public Good -Targeted Rate: 80% - 90%</p> <p>Private Benefit - Fees and Charges: 10% - 20%</p>
Rationale	<p>Wastewater was traditionally charged as a fixed charge Targeted rate which has been determined using the cost structure for each individual scheme.</p> <p>This approach favours those communities that have larger populations and greater economies of scale. The converse is that small communities pay more for the same service which can lead to affordability issues for small communities.</p> <p>Council has since 2009 set a fixed rate on each SUIP of each rating unit or for each connection, whichever is the greater, across the District as one uniform charge.</p> <p>An availability charge on vacant sections will be charged 50% of this Targeted rate.</p>

Stormwater

Community Outcomes	The “safe, resilient and healthy communities”, a “healthy local economy and District that is growing” and “the sustainable environment” Community Outcomes are enhanced through this activity.
Who Benefits	<p>Primarily urban property owners who gain benefits from the mitigation of flooding events and urban road users. The stormwater kerb and channel and piped network is only located in urban areas.</p> <p>Stormwater drainage in rural areas is primarily part of the roading expenditure or, when the water drains into streams, they become a Regional Council responsibility.</p> <p>Most residents will pay for the stormwater network to enable recreational and business interests to be facilitated even if they currently have no need to use the network.</p>
Period of Benefit	Any new stormwater development will be loan funded with loan charges recouped over time. However, most renewals are done in a cyclic manner where the costs are evenly spread year by year and will be funded from rates using available depreciation reserves.
Whose acts create a need	<p>Exacerbators include the rural hinterland surrounding the urban areas subject to flooding. Horizons Regional Council rates such properties for their river control schemes.</p> <p>Financial Contributions will be used to fund stormwater capital expenditure necessitated by new developments in identified growth areas (refer Appendix 1).</p>
Separate funding	All urban residents and ratepayers and road users gain a benefit related in part to the size of the house on the rating units serviced by the network. And as the Capital Value of the property bears some relationship to the size of the house Capital Value rating was seen as an appropriate mechanism. It is not practicable to charge a fee for such a service as it is equally available to all urban ratepayers.
Funding Source	<p>Public Good - Targeted Rate: 100%</p> <p>Private Benefit - Fees and Charges: 0%</p>
Rationale	As the stormwater system and network is primarily an urban service to protect urban rating units Council decided to set a Targeted rate for stormwater to enhance transparency and accountability. Rating for such a large expenditure item is practicable.

Passive Reserves and Beautification

Community Outcomes	The “safe, resilient and healthy communities” Community Outcome is enhanced by this activity.
Who Benefits	The public generally the reserves tend to be available to all unless congested. However there are occasions where reserves are used to hold events where the public is charged entry. Ratepayers generally are prepared to pay for the option of using reserves for recreation while others would be prepared to pay rates to ensure the continued existence of reserves. Most Districts and towns of any size would be

	expected to have reserves. Some reserves are iconic and attract visitors from outside the District. Preservation of such reserves for future generations is worth paying for. Esplanade Reserves are provided to maintain public access to water bodies.
Period of Benefit	Most reserves have been in existence for some time and only incur yearly operational costs. Any new facility would be loan funded and loan cost spread over future generations. Council has a maximum loan period of 25 years.
Whose acts create a need	Vandals are seen as the most likely exacerbator. However, it is notoriously difficult to obtain any funding from those who commit the crimes. Financial Contributions in the form of land will be used to provide esplanade reserves where subdivision developments occur adjacent to Priority Water Bodies identified in the District Plan.
Separate funding	A separate Targeted rate is probably not necessary as reserves are generally located throughout the District and can be used by the public and visitors alike.
Funding Source	Public Good - General Rate: 95% - 100% Private Benefit - Fees and Charges: 0% - 5%
Rationale	As reserves are able to be used by anyone and any charge or fee would limit accessibility and participation the general rate is the most appropriate method of funding passive reserves.

5. Enforcing the Policy

The provisions that relate to the contents of a financial contributions policy are set out at section 106(2) and (4) of the Local Government Act 2002 (“LGA02”). In section 106(2)(f) it states that the policy must, if financial contributions will be required, “summarise the provisions that relate to financial contributions in the District Plan”. The Horowhenua District Plan does not currently include any specific provisions for financial contributions.

A consent authority must not include a condition in a resource consent requiring a financial contribution unless the condition is imposed in accordance with the purposes specified in the District Plan and the level of contribution is determined in the manner described in the District Plan.

This Financial Contributions Policy will not be able to be implemented until such time as a plan change to the District Plan has been initiated and become operative. Until a plan change to the District Plan requiring financial contributions has been adopted there would be a period where no development contributions or financial contributions are charged. Once the Financial Contributions Plan Change has been adopted, financial contributions would be charged against developments in the new growth areas of the District.

Under this Policy no development contributions would be charged for new developments from 1 July 2015. Historic developments that have not already been invoiced for a development contribution would not need to pay a development contribution even if they were previously liable to pay a contribution. There will be no refunds for contributions previously paid in good faith under Council’s previous Development or Financial Contribution Policies

6. Reviewing the Policy

Council is required to review its Development Contributions or Financial Contributions Policy every three years.

Should circumstances change once operative and there becomes an identified need to make changes to the financial contribution provisions of the District Plan then this policy would be amended through the special consultative processes identified in Section 83 of the Local Government Act 2002. This would follow with a District Plan change.

Notwithstanding the above, this Policy will be reviewed at least three yearly as part of the review of the Long Term Plan where the appropriateness of this policy will be assessed and changes recommended to Council when considered necessary. Council is entitled to review the Policy earlier if it determines it necessary using the special consultative process.

Appendix : Growth Area Maps

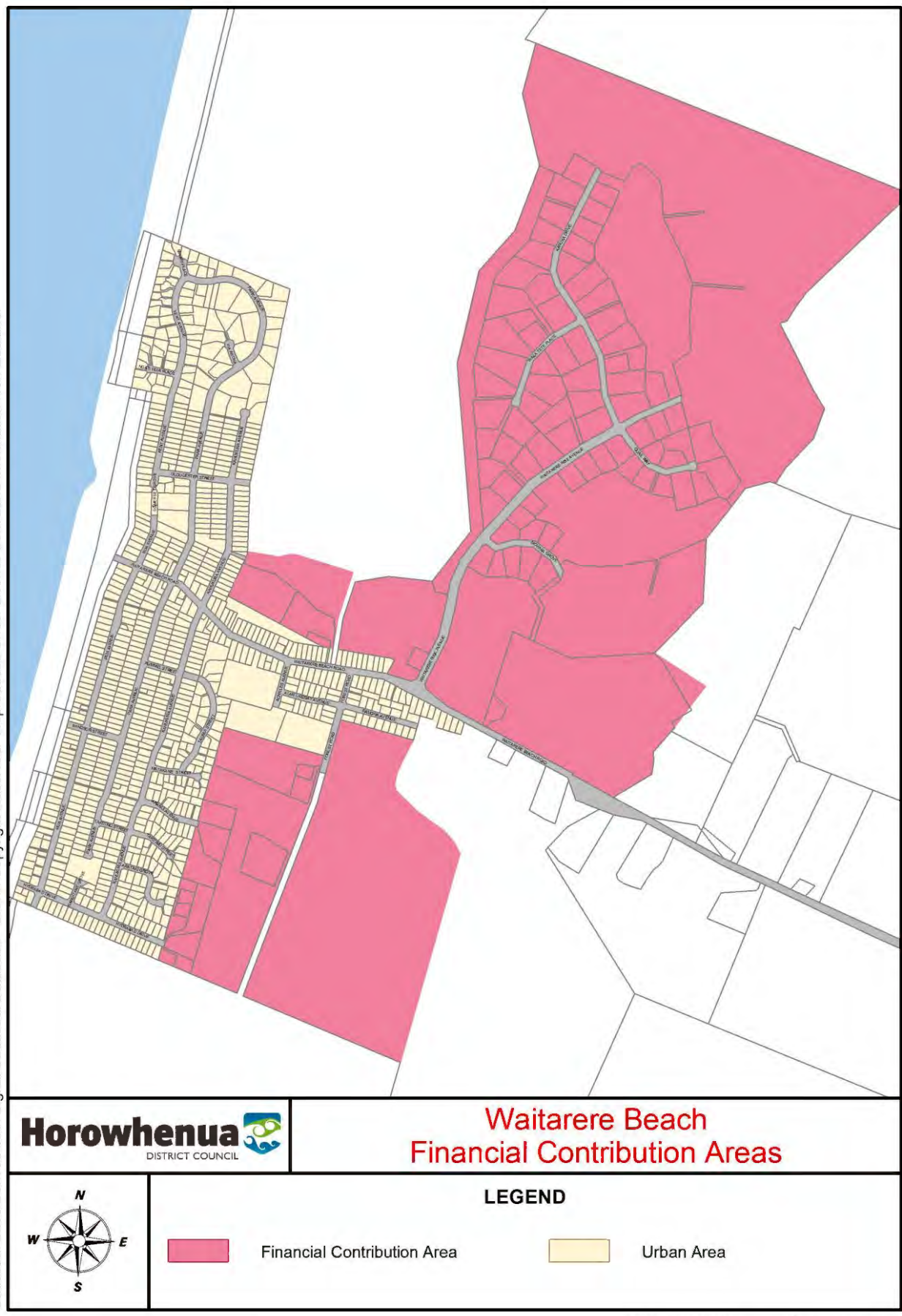
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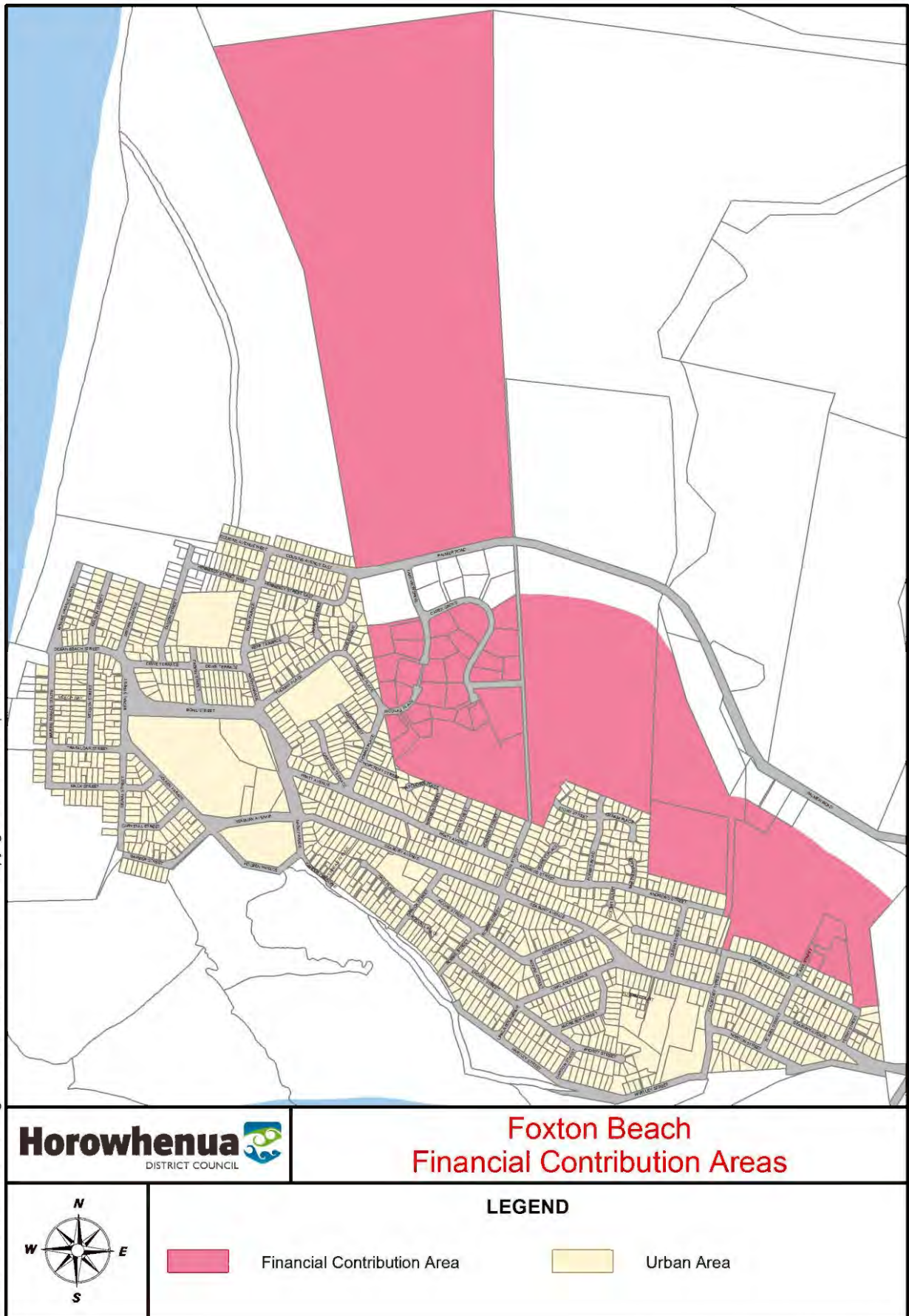
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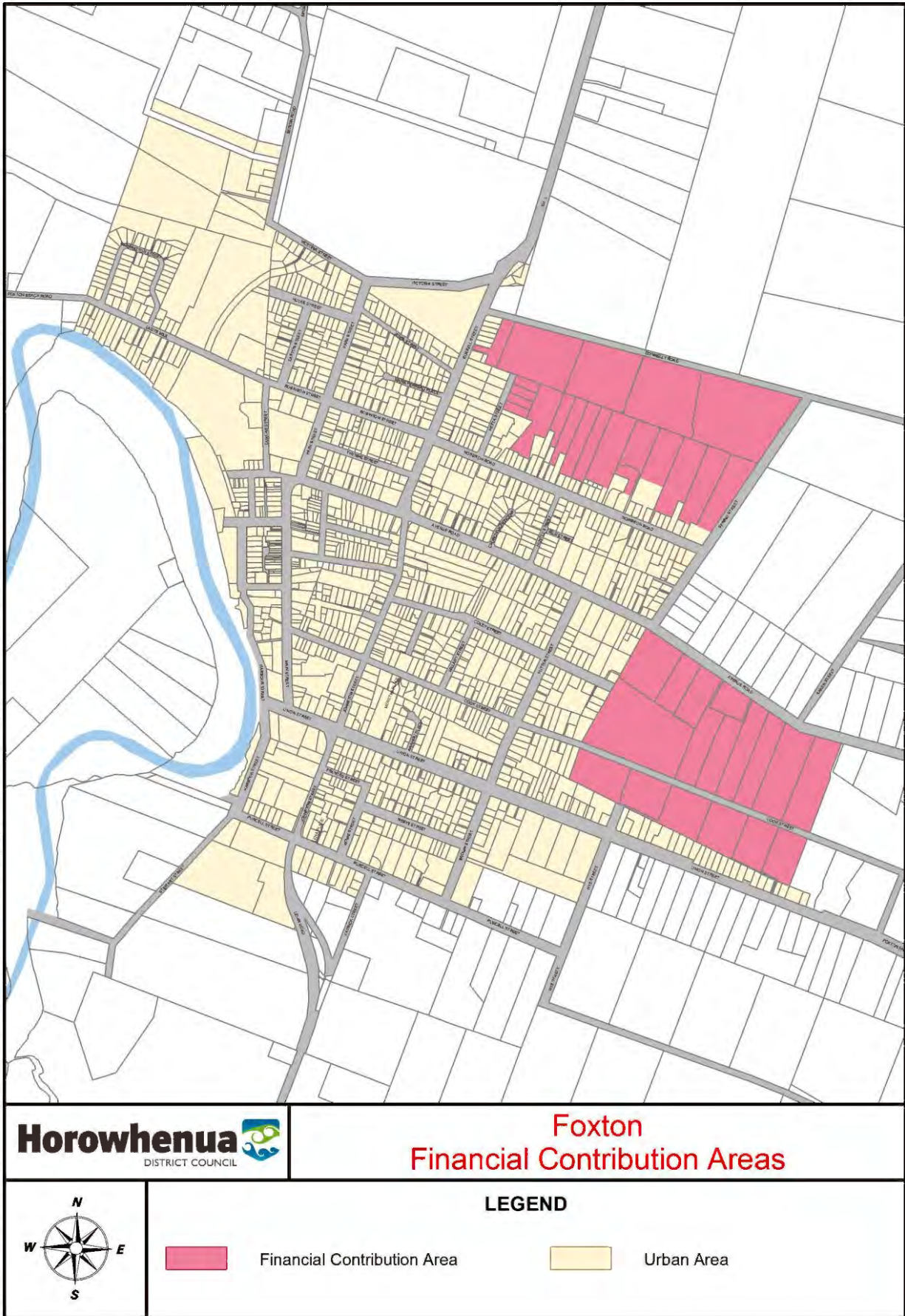
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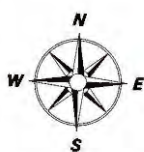
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The map displays a network of streets in the Tokomaru region. Key streets include Totara Street, Tokomaru Road, Kowhai Street, Rata Street, and others. A large area in the upper right is shaded in pink, and a large area in the lower left is shaded in yellow. A dashed line runs diagonally across the map, likely representing a railway or a boundary. The map is oriented with North at the top.



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Financial Contribution Area

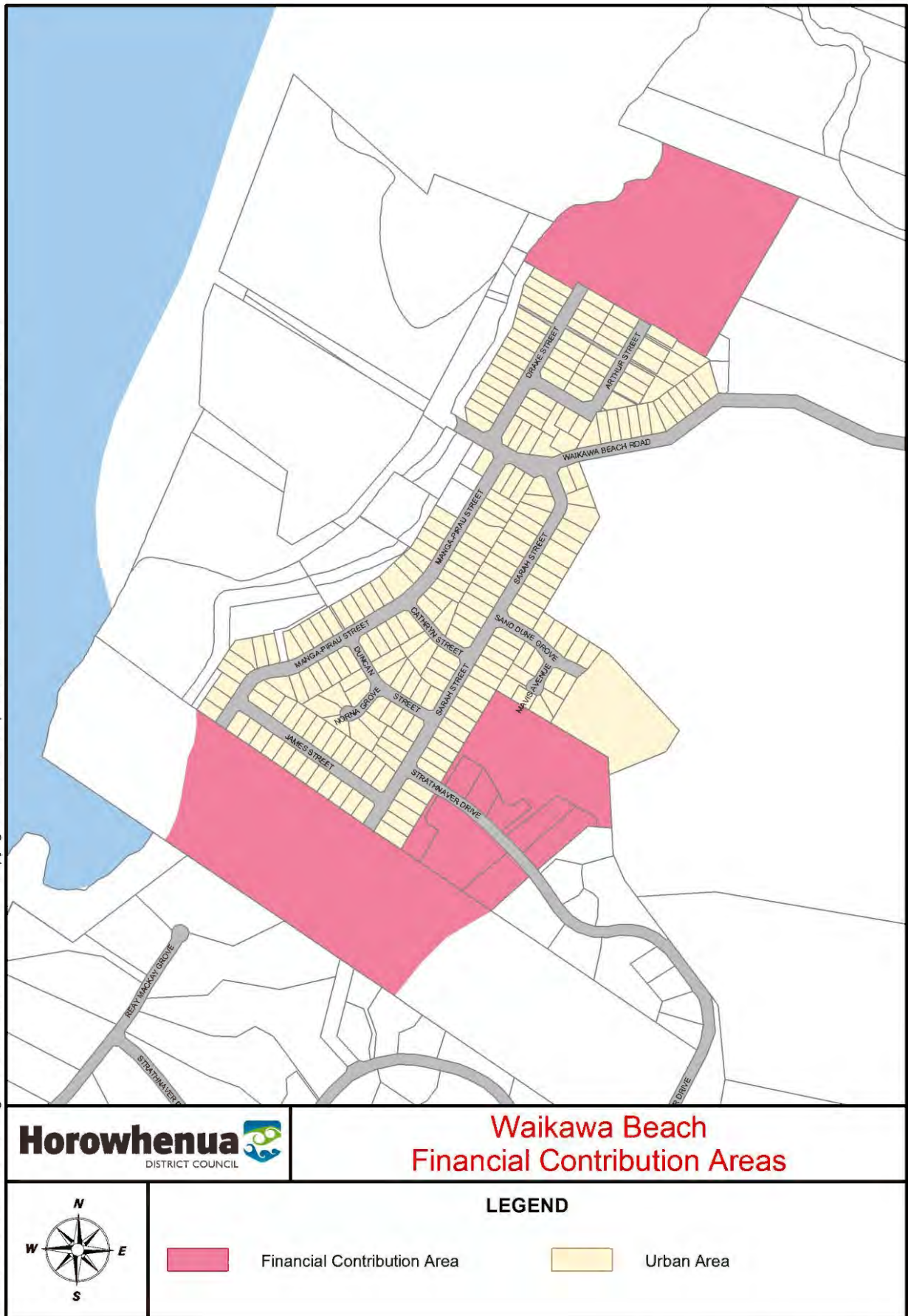


Urban Area

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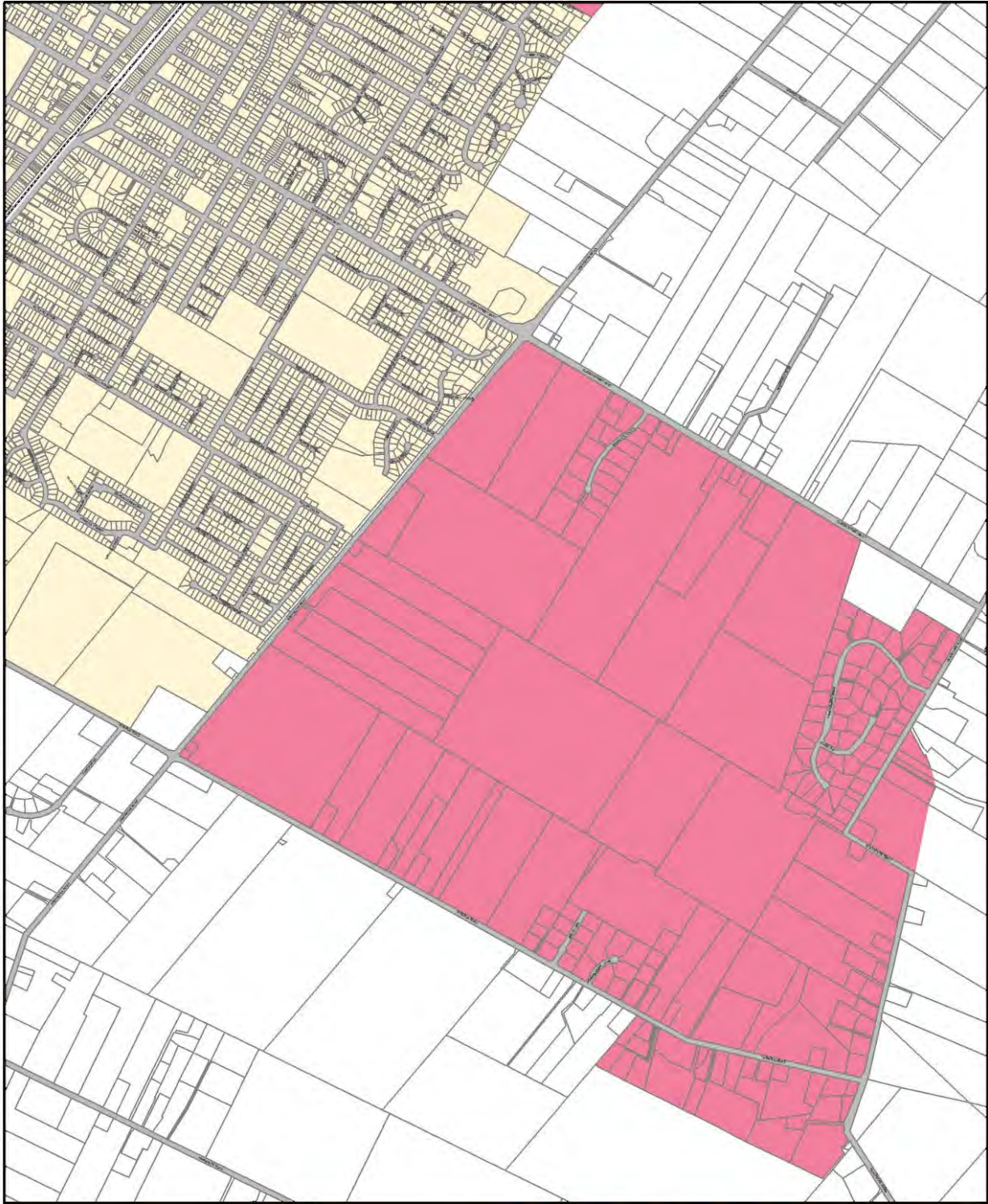
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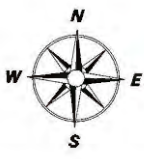
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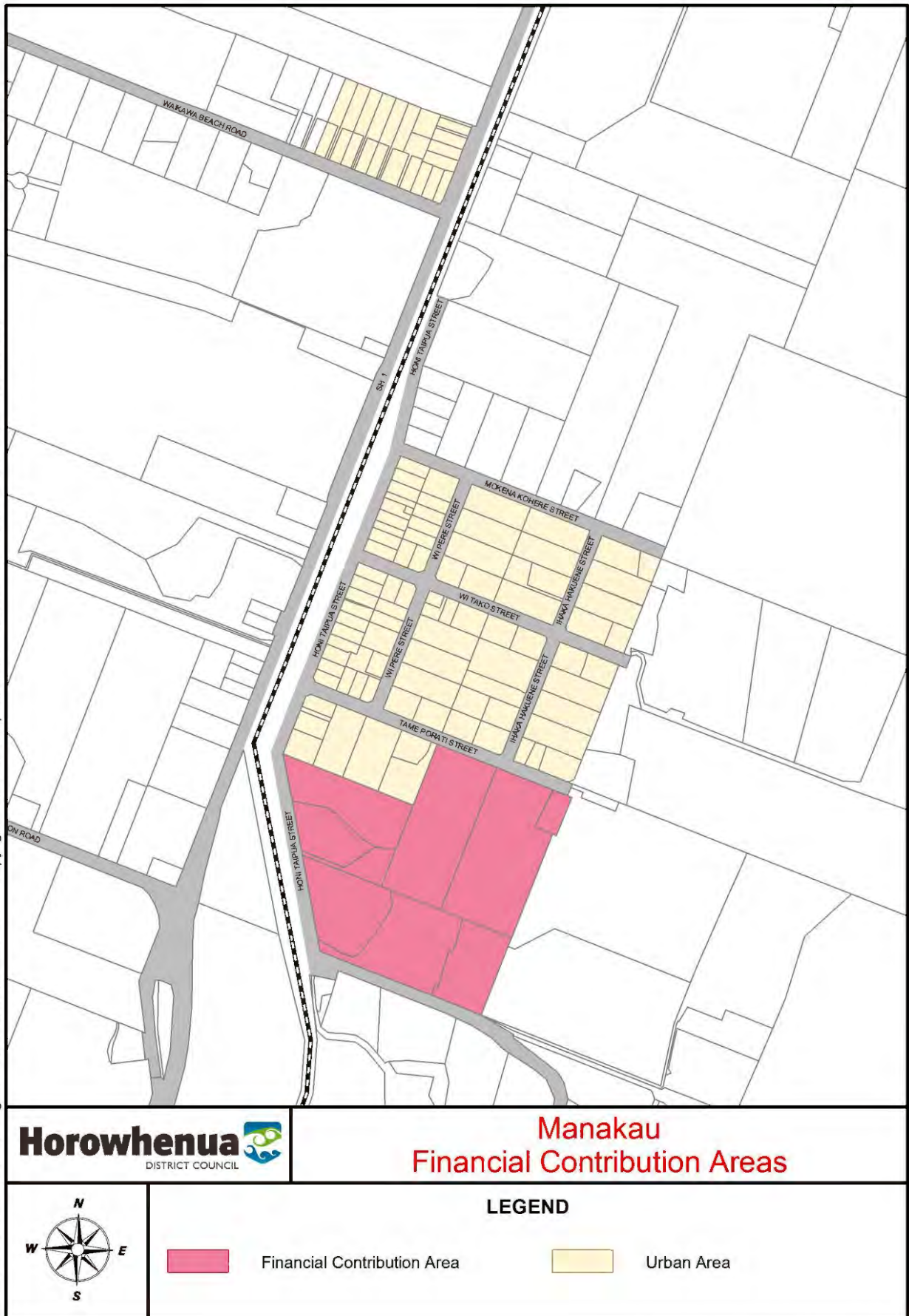
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Financial Contribution Areas



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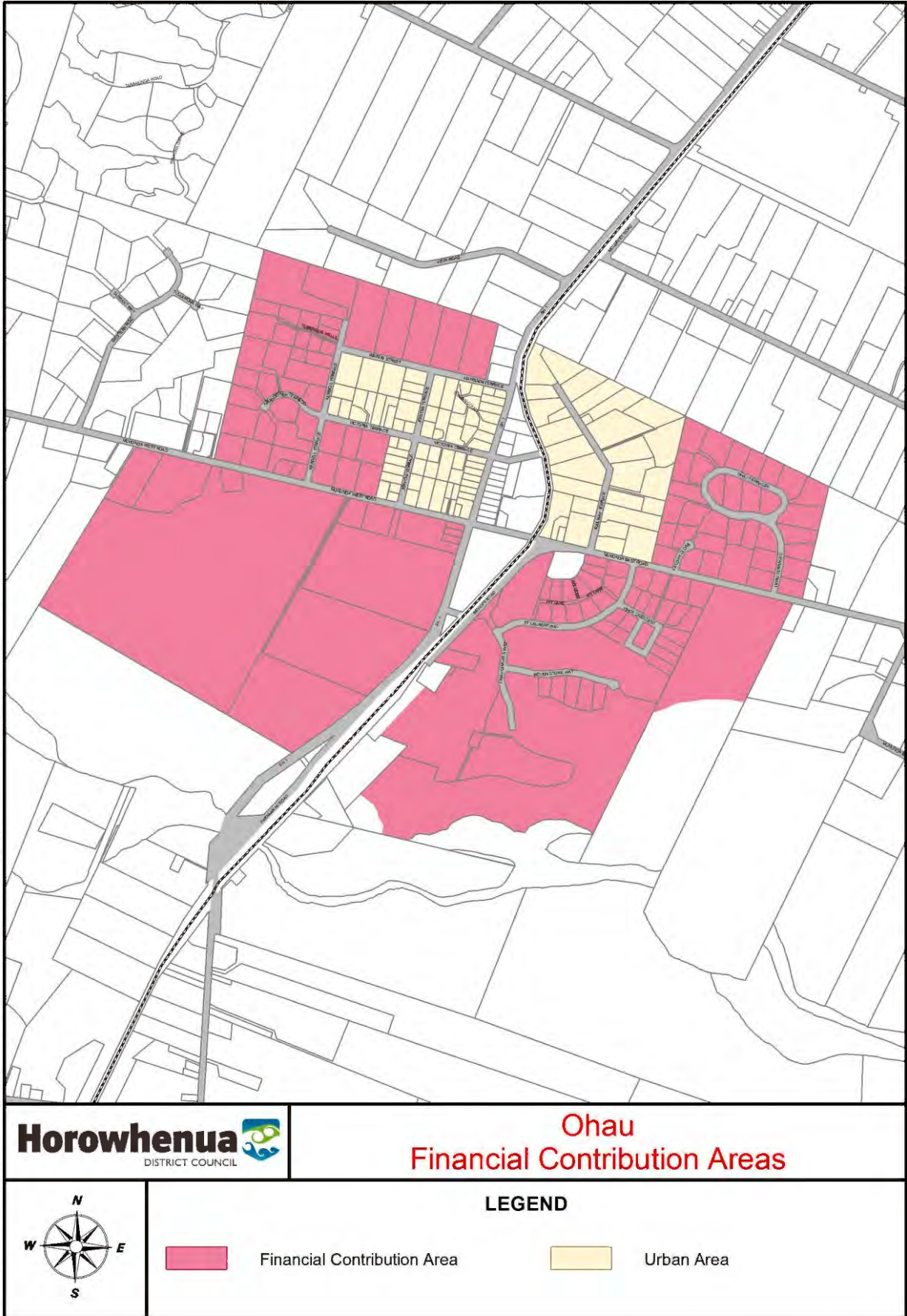
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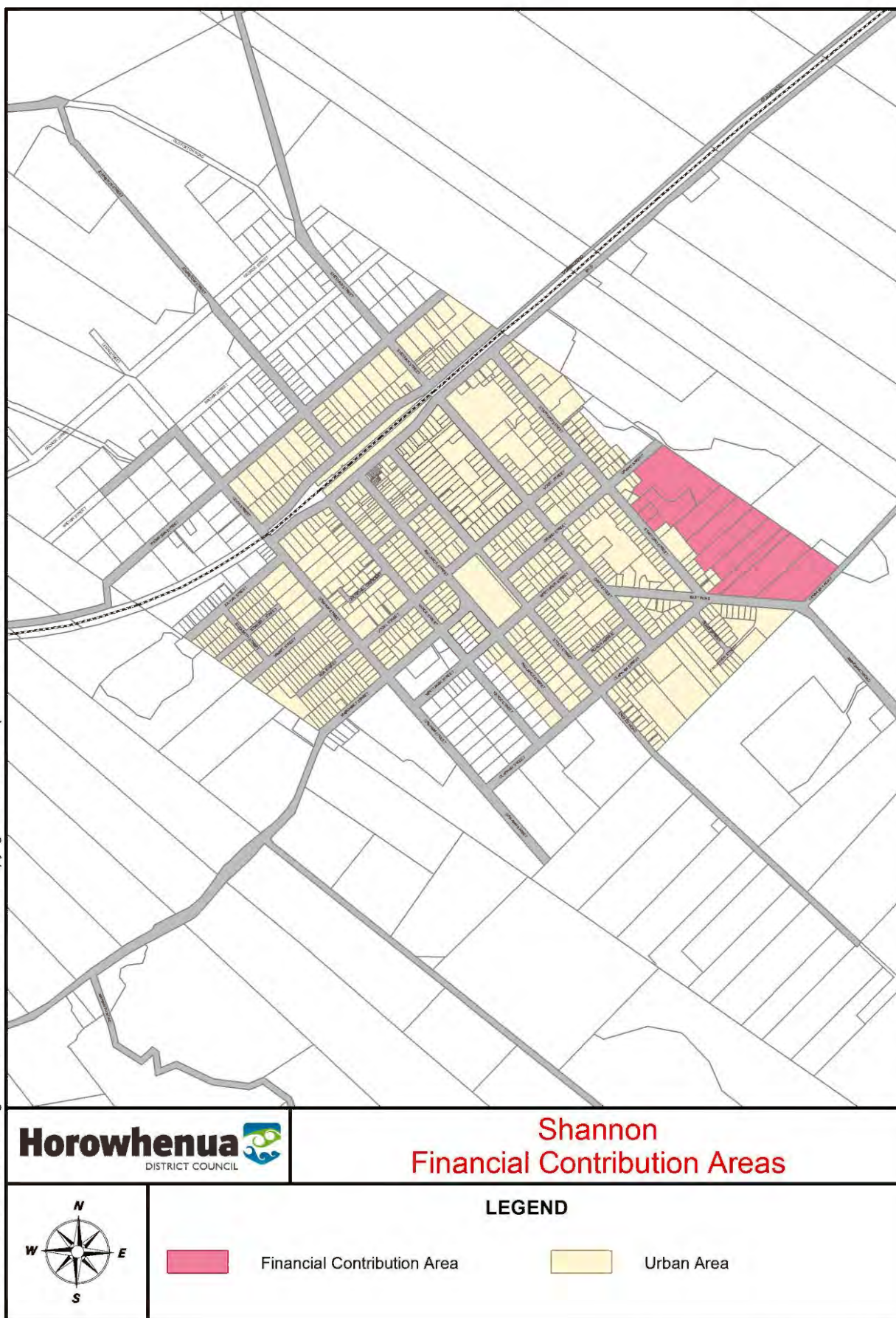
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Date: 29/01/2015

Version: 1.0

File No.: 15/36

Long Term Plan 2015-25 Supporting Documents

1. Purpose

The purpose of this report is to present to Council for adoption a number of the supporting documents to the 2015-25 Long Term Plan Consultation Document.

2. Executive Summary

- 2.1 This report provides an overview of a number of the supporting documents for the Council's 2015-25 Long Term Plan Consultation Document. The supporting documents covered in this report include Council's Activity Statements, Significant Forecasting Assumptions, the proposed Planning Fees and Charges 2015/16, a Statement on Council Controlled Organisations, a Statement on the development of Maori capacity to contribute to decision making processes, and a Summary of Council's Significance and Engagement Policy.
- 2.2 These are all documents that would have previously been packaged up and included in a draft Long Term Plan but due to the 2014 amendments to the Local Government Act 2002 they now need a separate adoption process to the adoption of the Consultation Document. While they are still required and should be made available to the public for comment during the consultation period, they cannot be included in the Consultation Document itself. A resolution is therefore required to adopt these supporting documents so that they can be available for consultation and used as supporting information to the Consultation Document. The recommended and preferred option is to adopt these supporting documents at this Council meeting to enable the adoption of the 2015-2025 Long Term Plan Consultation Document for public notification. It is a legislative requirement that these supporting documents be adopted prior to the adoption of the Consultation Document Long Term Plan (LTP).

3. Recommendation

- 3.1 That Report 15/36 Long Term Plan 2015-25 Supporting Documents be received.
- 3.2 That this decision is recognised as not significant in terms of section 76 of the Local Government Act.
- 3.3 That the supporting documents including Council's Activity Statements, Significant Forecasting Assumptions, the proposed Planning Fees and Charges 2015/16, a Statement on Council Controlled Organisations, a Statement on the development of Maori capacity to contribute to decision making processes, and a Summary of Council's Significance and Engagement Policy (attached as Appendices to this report) be adopted and be made available to the public as supporting information for the Council's 2015-2025 Long Term Plan Consultation Document.
- 3.4 That, if necessary, the Senior Manager – Strategic Planning, in conjunction with the Chair of the Finance Subcommittee be authorised to correct any minor errors or omissions in the text or tables of any of the supporting documents before the 2015-2025 Long Term Plan Consultation Document is publicly notified.

4. Background / Previous Council Decisions

- 4.1 Council is required under section 93 of the Local Government Act (LGA) 2002 to produce a Long Term Plan (LTP) every three years. This is the Plan that will set the Council's direction for the next ten years. In previous LTP processes Council has produced a full Draft LTP and a summary document for public consultation purposes. However, due to amendments in 2014 to the Local Government Act 2002, Council is now required to produce a LTP 'Consultation Document' which is to form the basis for public participation in Council's decision-making processes in relation to the LTP.
- 4.2 Over the last few months officers, in conjunction with Councillor briefings, have been busy putting together a Consultation Document for the 2015-2025 LTP. In accordance with section 93C of the LGA the Council's Consultation Document must be presented in as concise and simple a manner and cannot contain or have attached to it a full draft of the LTP or any policies or strategies.
- 4.3 Given the requirement to keep the Consultation Document 'concise and simple' there are a suite of documents which officers have produced that have informed the Draft LTP 2015-2025 Consultation Document but which cannot be included in this document. A number of the more significant supporting documents such as the Financial Strategy and the Infrastructure Strategy have already been separately adopted by the Council (noting that both of these documents are to be re-presented to Council at this meeting to ensure that changes requested through the recent audit process have been incorporated into the adopted documents).
- 4.4 This report focuses on the 'miscellaneous type' supporting documents such as Council's Activity Statements, Significant Forecasting Assumptions, and Statements around developing Maori capacity to contribute to decision making and Council Controlled Organisations. These are all documents that would have previously been included in a Draft LTP and would have been adopted as part of adopting the Draft LTP without focussing on each component/document that made up the LTP documentation. Due to the 2014 amendments to the LGA 2002, while these documents are all still required to be prepared and be made available to the public, they cannot be included in the Consultation Document itself. It therefore becomes necessary to provide the public access to a suite of supporting documents that enhance the understanding of the Consultation Document and make available the information that forms the 'Draft' LTP. It is also necessary to then adopt each of these supporting documents given that they do not get adopted through the adoption of the Consultation Document.
- 4.5 Some of these supporting documents, such as the Significant Forecasting Assumptions, have been presented and specifically discussed with Councillors at Council briefings last year, however, this has only been done for documents where considerable changes have been made in comparison to what was included in the LTP 2012-2022. Other documents, such as the Statements around developing Maori capacity to contribute to decision making and Council Controlled Organisations, which have not been substantially changed but rather have simply been updated have not been presented in detail to Councillors previously, however, this report will outline any key changes that have been made to these documents.

5. Discussion

- 5.1 The supporting documents covered in this report are;

- Council's Activity Statements,
- Significant Forecasting Assumptions for the LTP 2015-2025,
- Proposed Planning Fees and Charges 2015/16,
- Statement on Council Controlled Organisations,
Statement on the development of Maori capacity to contribute to decision making processes, and
- Summary of Council's Significance and Engagement Policy.

Each of these documents including their purposes and proposed amendments will be briefly outlined in this section of the report.

Activity Statements

- 5.2 Schedule 10(2) of the LGA 2002 requires Council to identify:
- “(a) the activities within the group of activities;*
 - (b) identify the rationale for delivery of the group of activities (including the community outcomes to which the group of activities primarily contributes);*
 - (c) outline any significant negative effects that any activity within the group of activities may have on the local community;*
 - (d) include the information specified in clauses 4 and 5 -*
 - (i) in detail in relation to each of the first 3 financial years covered by the plan; and*
 - (ii) in outline in relation to each of the subsequent financial years covered by the plan.”*

Schedule 10(2) also identifies the Groups of Activities that the Council must include in the above information on as well as noting that Council may treat any other Activity as a Group of Activities and thus include this information on that Activity as well.

- 5.3 The Activity Statements document (refer to **Appendix A**) outlines the Groups of Activities (Land Transport, Stormwater, Water Supply, Wastewater Disposal, Solid Waste, Regulatory Services, Community Facilities and Services, Representation and Community Leadership, and Community Support) and sub-activities that are undertaken by the Council for the Community.
- 5.4 For each Group of Activities and the Activities that sit under them Council has outlined; what is involved in a Group of Activities or a sub-activity; the rationale for the Activity; intended levels of service, performance measures and targets; major projects that are planned; changes since the Long Term Plan (LTP) 2012-2022 ; key challenges that Council faces; significant negative effects associated with an activity; risks and assumptions; associated costs; and how the costs will be funded.
- 5.5 The Activity Statements have been reviewed by Activity Mangers and collated by officers to ensure that each statement contains the most up-to-date information on each Group of Activities or sub-activity. Performance measures and targets have been reviewed by officers with a large number of new measures and targets have been proposed for several of the Group of Activities or sub-activity. Some of the new performance measure and targets are mandatory and therefore Council is required to include them. Others have been changed to provide more meaningful measures to the Community of the services delivered. The performance measures included in the Activity Statements are what officers will be reporting on to Council throughout each of the next three years (until the next review is undertaken).

Significant Forecasting Assumptions

- 5.6 In accordance with Schedule 10(17) of the LGA 2002 Council is required to identify any significant forecasting assumptions that it has made in developing the LTP which underpin the financial estimates. Council must also identify any risks associated with these assumptions.
- 5.7 Officers have reviewed the significant forecasting assumptions that were included in the LTP 2012-2022 and amended the assumptions (refer to **Appendix B**) to better reflect what Council is proposing to do during this Draft LTP period and to ensure that we have identified all of the assumptions that we are legally required to identify. The amended significant forecasting assumptions were presented to Councillors at the Council briefing on 17 December 2014.
- 5.8 Since the significant forecasting assumptions were presented to Councillors at the briefing in December they have been independently audited by Audit NZ. The auditors have requested some minor amendments to some of the assumptions (primarily for clarity purposes) and that several other assumptions be included by Council in the LTP 2015-2025. The additional assumptions include how the Council funds the replacement of assets, how Council intends to use the revenue from the sale of assets, and financial contributions.

Planning Fees and Charges 2015/16

- 5.9 In accordance with s150 of the LGA 2002, fees and charges may be prescribed either by way of bylaw, or by using the special consultative procedure set out in LGA s83. Council has opted to use the special consultative procedure and in this case is using the consultation process associated with the LTP to consult with the community on the proposed changes to the fees and charges for its Planning Activity
- 5.10 Officers have reviewed the fees and charges for Planning (see **Appendix C**) and are proposing that the existing fees are increased by 3% (subject to rounding of fees) which accounts for the increased costs associated with the consent planning activity. Please note that officers are also proposing to include two new fees which are a fixed fee of \$480 for 'Fast Track' consent application processing (a new fast track process designed to issue decisions faster for specific types of consent applications) and a \$1,500 refundable, administration fee for relocated dwellings that are a permitted activity.

Statement on Council Controlled Organisations

- 5.11 Council is required under Schedule 10(7) of the LGA 2002 to name any council-controlled organisations and any subsidiary of council-controlled organisations as well as identify -
- “(i) the local authority's significant policies and objectives in relation to ownership and control of the organisation; and*
 - (ii) the nature and scope of the activities to be provided by the council-controlled organisation; and*
 - (iii) the key performance targets and other measures by which performance is to be judged.”*

- 5.11 Officers have updated the Statement on Council Controlled Organisations (see **Appendix D**) from the statement included in the LTP 2012-2022, so that the statement now identifies the Shannon Community Development Trust as a Council Controlled Organisation which has been exempt under Schedule 7(3) by a Council resolution.

Statement on the development of Maori capacity to contribute to decision making processes

- 5.12 In accordance with section 81 of the LGA 2002 Council is required to have processes in place to provide opportunity for and to foster/develop Maori capacity to contribute to Council's decision making processes. Under Schedule 10(8) of the LGA 2002 Council is required to include a statement of any steps it has taken, or will take, to foster the development of Maori capacity to contribute to the decision making processes of Council over the period covered by this LTP.
- 5.13 Officers have updated Council's Statement on Developing Maori Capacity to Contribute to Council's Decision Making Processes (refer to **Appendix E**). The changes that have been made to this statement since the LTP 2012-2022 are simply to reflect Council's increased desire to develop closer and more meaningful working relationships with the Maori community. These updates include identifying a number of specific initiatives that Council has committed to through the District Plan which will enable Maori to contribute to Council's decisions such as Council's support for representatives from local Iwi becoming accredited Commissioners.

Summary of Council's Significance and Engagement Policy

- 5.14 Council is required under Schedule 10(11) to include a summary of its Significance and Engagement Policy in its LTP. Officers have updated this summary (see **Appendix F**) so that it is in line with Council's Significance and Engagement Policy which was reviewed and then adopted by Council on 3 December 2014.

6. Options

The two options available to the Council are:

- Option 1: Proceed with the adoption of the supporting documents for the 2015-2025 LTP Consultation Document.
- Option 2: Delay the adoption of one or more supporting documents of the 2015-2025 LTP Consultation Document and specify the amendments that need to be undertaken before adoption (this would potentially mean that the notification of the Consultation Document would also need to be delayed).

Option 1: Proceed with the adoption of the supporting documents for the 2015-2025 LTP Consultation Document.

This is the Officer's preferred and recommended option. If the supporting documents (as attached in Appendices A-F) are adopted today then officers can proceed to make these documents available to the public for their use as supporting information to the 2015-2025 LTP Consultation Document, which is to be publicly notified on 27 February 2015.

- Option 2: Delay the adoption of one or more supporting documents of the 2015-2025 LTP Consultation Document and specify the amendments that need to be undertaken before adoption (this would potentially mean that the notification of the Consultation Document would also need to be delayed).

This option would only be appropriate if the Council considered that there needed to be fundamental changes to one or more of the supporting documents (as attached in Appendices A-F) to the 2015-2025 LTP Consultation Document. Depending on which document requires the significant changes to be made to it will effect whether the public notification of the 2015-2025 LTP Consultation Document needs to be delayed as well as, given that supporting information must be adopted prior to the adoption of the Consultation Document.

For example if the Significant Forecasting Assumptions require significant changes then the public notification of the 2015-2025 LTP Consultation Document will need to be delayed as the assumptions inform a lot of projections and financial estimates of the Draft LTP. Whereas if the Statement on Council Controlled Organisations requires changes then notification of the Consultation Document need not be delayed as this statement does not affect information contained in the Consultation Document.

A resolution has been included to enable officers in consultation with the Mayor and Chief Executive to correct minor errors and omissions to any of the supporting documents covered in this report prior to the public notification of the 2015-2025 LTP Consultation Document. This enables officers to correct minor errors or omission to these documents without delaying the public notification of the 2015-2025 LTP Consultation Document due to the need to bring the amended documents back to Council for adoption.

The costs associated with both options are the same. For the reasons set out above for each option, officers prefer Option 1.

6.1 Cost

This has been funded as part of the 2015-2025 LTP project budget. This project remains on track to be undertaken within the available budget.

6.1.1 Rate Impact

The adoption of the supporting documents to 2015-2025 LTP Consultation Document will not of itself have a rate impact.

6.2 Community Wellbeing

The adoption of the supporting documents to the 2015-2025 Long Term Plan Consultation Document is in itself not considered to have any impact on Community Wellbeing.

6.3 Consenting Issues

There are no consents required or consenting issues arising.

6.4 LTP Integration

These documents are being produced as part of the 2015-2025 Long Term Plan.

7. Consultation

The adoption of the supporting documents and the public notification of the 2015-2025 LTP Consultation Document and supporting information, triggers the start of a legally prescribed consultation process in accordance with sections 83 and 93A of the LGA 2002. All members of the public will have the opportunity to make

submissions and present their submissions at the Council hearing before any final decision is made by Council.

8. Legal Considerations

The supporting documents have been produced in accordance with relevant statutory requirements and processes. These documents have been produced to ensure that the Council will fulfil its obligations in relation to producing a Long Term Plan under the LGA 2002

9. Financial Considerations

There is no financial impact in adopting the supporting documents to the 2015-2025 LTP Consultation Document to enable the public consultation on the 2015-2025 LTP Consultation Document to proceed. The Long Term Plan process is provided for in existing budgets.

10. Other Considerations

There are no other considerations.

11. Next Steps

- 11.1 Should the supporting documents be adopted by the Council they will be made available for public comment alongside the 2015-2025 LTP Consultation Document. The notification of the Consultation Document will start the formal submission period which will enable the public to comment on what Council is proposing as part of the 2015-2025 LTP which includes the supporting documents.
- 11.2 Officers anticipate that the Consultation Document will be publicly notified on 27 February 2015 with the submission period closing on the 3 April 2015. Once the submission period has closed Hearings will be held, officers will make recommendations on the submissions for Councillors, Council will then deliberate, issue their decisions, and adopt the 2015-2025 LTP (Proper) by 30 June 2015.

Confirmation of statutory compliance


In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

1. Appendices

No.	Title	Page
A	LTP 2015-2025 - Activity Statements for Council Adoption 18 February 2015	213
B	LTP 2015-2025 - Significant Forecasting Assumptions for Council Adoption 18 February 2015	314
C	LTP 2015-2025 - Planning Fees and Charges 2015 - 2016 for Council adoption 18 February 2015	338
D	LTP 2015-2025 - CCO and CCO exemption Information for Council Adoption 18 February 2015	346
E	LTP 2015-2025 - Statement of Maori capacity to contribute to decision making for Council Adoption 18 February 2015	349
F	LTP 2015-2025 - Summary of Significance and Engagement Policy for Council Adoption 18 February 2015	351

Author(s)	David McCorkindale Senior Manager - Strategic Planning	
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Approved by	David Clapperton Chief Executive	
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Council Activity Statements

This document outlines the Groups of Activities (Land Transport, Stormwater, Water Supply, Wastewater Disposal, Solid Waste, Regulatory Services, Community Facilities and Services, Representation and Community Leadership, and Community Support) and sub-activities that are undertaken by the Council for the Community.

For each Group of Activities and the Activities that sit under them Council has outlined; what is involved in a Group of Activities or a sub-activity; the rationale for the Activity; intended levels of service, performance measures and targets; major projects that are planned; changes since the 2012-22 Long Term Plan (LTP); key challenges that Council faces; significant negative effects associated with an activity; risks and assumptions; associated costs; and how the costs will be funded.

Land Transport

The Land Transport Group of Activities provides for the ability of pedestrians and vehicular traffic to safely and efficiently move from place to place within the District or to pass through the District. The land transport network of assets allow residents to move from work, school, social and recreation destinations by foot or by car, and enable business to run by allowing exchange of goods and services from location to location.

This network also provides links from local transport routes to the routes provided by the network of national highways. This enables transport not just within the District but also in and out of the District, thereby providing critical connections with both wider regional and national destinations.

What does this Group of Activities involve?

- This Group of Activities provides the ability for pedestrians and vehicular traffic to efficiently move within the District. This achieved by providing by 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. Most aspects the Land Transport Activities are managed internally by Horowhenua District Council's Roothing Team. However, the maintenance of the land transport assets is externally contracted.
- This Group of Activities is heavily influenced by the New Zealand Transport Agency (NZTA), who is Council's co-investment partner for roading, and the optimised programme which is approved on a three yearly cycle in the Regional Land Transport Programme. The Council operates, maintains and improves its land transport assets, utilising the budgets set within this programme.
- Central Government provides a high level of direction and regulation into the transportation sector through legislation, strategies, plans, and policy statements. A large proportion of these documents are delivered through the NZTA. Relevant national strategies, legislation and plans are outlined in Council's Transportation Activity Management Plan.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Maintain a safe and reliable road and footpath system to support private and	<i>A healthy local economy and</i>	Funder/Provider

Activity	Community Outcome	Council Role
business transport needs.	<i>a District that is growing. Safe, resilient and healthy communities.</i>	

How we will measure our performance:

Service	How will we measure our performance*	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
A safe road network.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	0 or less over a 5 year average.	0 or less over a 5 year average.	0 or less over a 5 year average.	0 or less over a 5 year average.	<i>New Measure</i>
Roads in good condition.	The average quality of ride on a sealed local road network measured by smooth travel exposure.	Minimum 85%	Minimum 85%	Minimum 85%	Minimum 85%	<i>New Measure</i>
Roads that are maintained well.	The percentage of the sealed local road network that is resurfaced annually.	Minimum of 5% of total area	Minimum of 5% of total area	Minimum of 5% of total area	Minimum of 5% of total area	<i>New Measure</i>
Footpaths are in an acceptable condition.	Target footpath condition rating (% compliant with Councils standards).	Minimum 30% in excellent condition Maximum 10% in poor condition	Minimum 30% in excellent condition Maximum 10% in poor condition	Minimum 30% in excellent condition Maximum 10% in poor condition	Minimum 30% in excellent condition Maximum 10% in poor condition	<i>New Measure</i>
Good response to service requests.	The percentage of customer service requests relating to roads and footpaths to which council responds within 15 working days.	>95%	>95%	>95%	>95%	<i>New Measure</i>

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

Major Projects

The following table shows all major projects scheduled for the Land Transport Group of Activities for the next 10 years. **Note:** These projects are generally only those with cost estimates over \$500,000.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Subsidised Road Improvements	X \$652,000	X \$630,000	X \$593,000	X \$608,000	X \$512,000	X \$525,000	X \$540,000	X \$556,000	X \$574,000	X \$593,000
Subsidised Renewals	X \$3,044,000	X \$3,162,000	X \$3,256,000	X \$3,923,000	X \$3,464,000	X \$3,478,000	X \$4,163,000	X \$3,683,000	X \$3,797,000	X \$5,211,000
Foxton Townscape Main Street Upgrade	X \$1,500,000									
Footpath renewals and improvements	X \$450,000	X \$457,000	X \$467,000	X \$477,000	X \$489,000	X \$503,000	X \$516,000	X \$532,000	X \$549,000	X \$567,000

What has changed since the 2012-22 LTP?

The key change for this Group of Activities since the 2012-22 LTP was adopted is an increase in the funding rate Council's receives from NZTA for subsidised improvements and renewals from 47% in 2014/15 to 50% in 2015/16. The funding rate is expected to further increase over the next 9 years to 59%. This has a major impact on Council's ability to fund 'catch up' work, especially on road surface renewals and because of this Council has been able to increase the rate of asset renewals.

Challenges Council faces for this Group of Activities:

The main challenge facing Council for this Group of Activities is service failure through ageing assets. However, this challenge is being mitigated by an increase in renewal expenditure.

Another challenge is associated with the Roads of National Significance (RoNs) projects which are expected to change the volume and nature of vehicle movements within the District, however until the final plans are confirmed, and perhaps even until the new roads themselves are open, the impact of RoNs on land transport in this District are not known.

Significant negative effects associated with this Group of Activities:

There are adverse environmental effects associated with the construction of roads and the use of these roads by vehicles. Roads generate significant amounts of stormwater run-off which is collected from the road network and inevitably carries wastes and chemical contaminants into urban and rural drains and subsequently into streams and rivers.

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 also during severe rain events. As congestion like this is normally related to state highway use, Council has limited ability to solve this issue.

Key Risks and Assumptions associated with this Group of Activities:

The greatest risk associated with this Group of Activities is the potential business and personal consequences of road accidents. This risk is mitigated by maintaining the assets including the surface and safety features in good condition, good road design, and application of the mandatory safety standards.

How much will it cost?

Capital Expenditure Land Transport Projects

Roading Projects	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Primary Type - Renewals	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Subsidised - Renewals	3,044	3,162	3,256	3,923	3,464	3,478	4,163	3,683	3,797	5,211
Footpath Renewal	400	406	415	424	435	447	459	473	488	504
Overheads Renewals	254	264	278	284	290	299	306	313	327	336
Total Renewals	3,698	3,832	3,948	4,631	4,190	4,224	4,928	4,470	4,612	6,050

These Projects are primarily Renewals but contain the following elements:

Renewals	3,698	3,832	3,948	4,631	4,190	4,224	4,928	4,470	4,612	6,050
LOS	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	3,698	3,832	3,948	4,631	4,190	4,224	4,928	4,470	4,612	6,050

Roading Projects

Primary Type - LOS

Subsidised - Road Improvements	652	630	593	608	512	525	540	556	574	593
New Footpath	50	51	52	53	54	56	57	59	61	63
Foxton Townscape Main Street Upgrade	1,500	-	-	-	-	-	-	-	-	-
Foxton Township Northern Gateway	-	-	-	106	-	-	-	-	-	-
Waitarere Beach Kent Gloucester Upgrade	-	-	269	-	-	-	-	-	-	-
Overheads LOS	91	95	99	101	104	107	109	112	117	120
Total LOS	2,293	775	1,014	868	670	688	707	728	751	776

These Projects are primarily LOS but contain the following elements:

Renewals	-	-	-	-	-	-	-	-	-	-
LOS	2,293	775	1,014	868	670	688	707	728	751	776
Growth	-	-	-	-	-	-	-	-	-	-
Total	2,293	775	1,014	868	670	688	707	728	751	776

Capital Expenditure (continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Roading Projects	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Primary Type - Growth										
Levin Tararua Industrial Development	282	-	-	-	-	-	-	-	-	-
Overheads Growth	7	7	7	8	8	8	8	8	9	9
Total Growth	289	7	7	8	8	8	8	8	9	9
These Projects are primarily Growth but contain the following elements:										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	-	-	-	-	-	-	-	-	-	-
Growth	289	7	7	8	8	8	8	8	9	9
Total	289	7	7	8	8	8	8	8	9	9
Make up of Total Roothing Projects by Type										
Renewals	3,698	3,832	3,948	4,631	4,190	4,224	4,928	4,470	4,612	6,050
LOS	2,293	775	1,014	868	670	688	707	728	751	776
Growth	289	7	7	8	8	8	8	8	9	9
Total Roothing Projects	6,280	4,614	4,970	5,507	4,867	4,920	5,643	5,206	5,372	6,835

Forecast Funding Impact Statement

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Land Transport group of activities											
	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	3,404	3,916	4,626	4,873	4,838	4,876	5,213	5,067	5,052	5,522	5,331
Subsidies & Grants for Operating purposes	907	1,333	1,359	1,386	1,499	1,528	1,556	1,714	1,745	1,776	1,981
Fees & Charges	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	365	316	318	338	365	378	399	431	449	471	508
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	4,676	5,565	6,303	6,597	6,702	6,782	7,168	7,212	7,246	7,769	7,820
Applications of Operating Funding											
Payments to staff and suppliers	2,589	2,963	3,004	3,070	3,144	3,223	3,310	3,402	3,505	3,613	3,732
Finance Costs	-	-	135	159	197	223	240	256	271	287	301
Internal charges and overheads applied	582	452	465	484	490	502	516	527	541	560	577
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,171	3,415	3,604	3,713	3,831	3,948	4,066	4,185	4,317	4,460	4,610
Surplus (deficit) of operating funding (A - B)	1,505	2,150	2,699	2,884	2,871	2,834	3,102	3,027	2,929	3,309	3,210
Sources of capital funding											
Subsidies and grants for capital expenditure	1,088	1,848	1,934	2,002	2,401	2,147	2,202	2,634	2,416	2,535	3,424
Development and financial contributions	250	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	839	2,256	393	628	446	276	267	259	253	246	927
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	2,177	4,104	2,327	2,630	2,847	2,423	2,469	2,893	2,669	2,781	4,351
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	263	289	7	7	8	8	8	8	8	9	9
- to improve the level of service	970	2,293	775	1,014	868	670	688	707	728	751	776
- to replace existing assets	2,432	3,698	3,832	3,948	4,631	4,190	4,224	4,928	4,470	4,612	6,050
Increase (decrease) in reserves	17	(26)	412	545	211	389	651	277	392	718	726
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	3,682	6,254	5,026	5,514	5,718	5,257	5,571	5,920	5,598	6,090	7,561
Surplus (deficit) of capital funding (C-D)	(1,505)	(2,150)	(2,699)	(2,884)	(2,871)	(2,834)	(3,102)	(3,027)	(2,929)	(3,309)	(3,210)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-
Depreciation	5,754	4,657	4,712	4,855	4,872	4,886	5,246	5,257	5,269	5,764	5,778

Activity Expenditure	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Footpaths	7396	997	1,004	1,030	1,035	1,042	1,095	1,103	1,111	1,180	1,189
Subsidised Roding	875	6,773	6,849	7,066	7,166	7,271	7,682	7,796	7,921	8,474	8,616
Unsubsidised Roding	652	302	462	471	503	521	533	543	555	570	583
Total Expenditure including Depreciation	8,923	8,072	8,315	8,567	8,704	8,834	9,310	9,442	9,586	10,224	10,388

Note: There are no internal loans associated with this Group of Activities.

How will it be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
Land Transport (net of subsidy)	0%	100%	0%	100%	0%	100%
	Rationale: Land Transport is Council's single largest cost. For this reason Council has a targeted rate for land transport to enhance transparency and accountability. Rating for such a large expenditure item is practicable.					

Stormwater

The Stormwater Group of Activities essentially involves Council collecting stormwater from roads and diverting it away from the road surface into natural water courses or piped drain systems.

The provision of stormwater disposal helps to prevent the occurrence of flooding in urban areas during rainfall events by draining water from roads and private property and conveying it to larger natural water courses.

What does this Group of Activities involve?

- This Group of Activities provides a system of piped and open drains sufficient to allow the diversion of stormwater away from road surfaces. This is to keep roads in a safe and trafficable condition during rainfall events and to also help reduce the risk of flooding in private properties.
- To provide this Group of Activities the Council owns piped collection networks, pumping stations and stormwater detention areas. This Activity is closely aligned in both location and function with the Land Transport Group of Activities (more specifically the roading network). The Activity is managed internally with the operation and maintenance being contracted out externally.
- Prepare, apply for and obtain any relevant resource consents Council requires to continue to discharge stormwater, or to upgrade assets associated with, the Council's stormwater activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding the stormwater.
- Council provides this Group of Activities in accordance with the requirements set out by the following pieces of legislation:
 - The Local Government Act 2002 which requires Council to provide water (including stormwater) services and maintaining its capacity to do so; and
 - The Health Act 1956 which requires Council to provide sanitary works including works for stormwater disposal.

Rationale for this Group of Activities (why we do it):

Activity	Community Outcome	Council Role
Maintain a system to divert stormwater away from the road, and to protect residential and business properties.	<i>A healthy local economy and a District that is growing</i>	Funder/Provider
Provide a means of ensuring minimal contamination of the receiving water course.	<i>A sustainable environment</i>	Funder/Provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	<i>Safe, resilient and healthy communities</i>	Funder/Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
An adequate stormwater system.	Number of flooding events each that occur in the District.*	<5 per year	<5 per year	<5 per year	<5 per year	New measure
	For each flooding event the number of habitable floors affected per 1000 connections to Council's stormwater networks.*	2 or less	2 or less	2 or less	2 or less	New measure
Response to faults.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.*	1 hour	1 hour	1 hour	1 hour	New measure
Customer satisfaction.	The number of complaints received by Council about the performance of its stormwater system expressed per 1000 properties connected to the system.*	<10 per year	<10 per year	<10 per year	<10 per year	New measure
	Percentage of customers satisfied with the storm-water service. As per the Annual Customer Satisfaction Survey.	80%	80%	80%	80%	New measure
A sustainable stormwater service.	The number of Abatement Notices, Infringement Notices, Enforcement Orders, and convictions received by the Council in relation to Horizons Regional Council resource consents	0	0	0	0	New Measure

* New mandatory performance measurement.

Major Projects

The following table shows all major projects scheduled for the Stormwater Group of Activities for the next 10 years. **Note:** These projects are generally only those with cost estimates over \$100,000.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
District wide improvement works.			X \$535,000	X \$883,000	X \$627,000	X \$590,000	X \$581,000	X \$889,000	X \$502,000	
Improvements North-East Levin.		X \$830,000								
Development Planning at Foxton Beach.		X \$156,000								
Development Planning at Waitarere.					X \$171,000					
Development Planning at Ohau.				X \$165,000						
Levin Queen Street Drain Treatment.	X \$250,000									

What has changed since 2012-22 LTP?

Aside from the new mandatory performance measurements required by the Department of Internal Affairs there have been no major changes to the Stormwater Group of Activities since the last 2012-22 LTP was produced.

Challenges Council faces for this Group of Activities:

Climate change is a challenge facing Council for its stormwater services as it is expected that over time there will be gradual change in the weather patterns including more frequent heavy rainfall events and an increase in the average annual rainfall. However these changes are likely to take place gradually over the next 25 years and beyond and as such there is no action proposed within the next 10 years to specifically deal with this challenge.

Council customer expectations are continually increasing and this presents a challenge for the future provision of stormwater services as people's expectations are higher but Council can only do so much.

Another challenge faced by Council is that the quality of freshwater in streams, river systems and water catchments in general is effected by water runoff, erosion and contaminants (whether chemical or solid waste) which are carried in stormwater. These contaminants largely originate from sources outside of Council's control and yet they are still ultimately transported to those natural systems by the built stormwater system. The National Policy Statement (NPS) for Freshwater Management 2014 is the key instrument for controlling this contamination and will impact on the Council's stormwater services in the future. Horizons Regional Council must consider and give effect to the NPS first and this may result in some additional requirements or changes in how Council undertakes its Stormwater Group of Activities. This will be addressed at the time.

Significant negative effects associated with this Group of Activities:

The stormwater system is 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 water such as rivers, lakes and the sea.

Key Risks and Assumptions associated with this Group of Activities:

The significant risk associated with this Group of Activities is lack of knowledge of both the built system and the complexities of the total catchments covering each urban area. This risk has potential consequences of new development being vulnerable to heavy rainfall that additions to the system are not adequately designed to cope with. This risk is to be mitigated by proposed stormwater catchment management planning.

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.

How much will it cost?

Capital Expenditure Stormwater Projects

Stormwater Projects	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Primary Type - Renewals	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
District Wide Reticulation - Unplanned Renewals	50	52	53	55	57	35	37	38	40	41
District Wide Pump Station - Planned Renewals	54	19	-	-	8	8	9	9	10	10
Districtwide Reticulation Renewals	20	-	-	-	-	-	-	-	-	-
Overheads Renewals	6	6	6	7	7	7	7	7	8	8
Total Renewals	130	77	60	62	72	51	53	54	57	59
These Projects are primarily Renewals but contain the following elements:										
Renewals	130	77	60	62	72	51	53	54	57	59
LOS	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	130	77	60	62	72	51	53	54	57	59
Stormwater Projects										
Primary Type - LOS										
Telemetry	81	21	-	-	-	-	-	-	-	-
Levin Queen Street	250	-	-	-	-	-	-	-	-	-
Stormwater Statergy	80	-	-	-	-	-	-	-	-	-
Levin Catchment Management Plan	50	83	-	-	-	-	-	-	-	-
Foxton Catchment Management Plan	-	83	-	-	-	-	-	-	-	-
Foxton Beach Catchment Management Plan	-	83	-	-	-	-	-	-	-	-
Shannon Catchment Management Plan	-	83	-	-	-	-	-	-	-	-
Tokomaru Catchment Management Plan	-	-	59	-	-	-	-	-	-	-
Ohau Catchment Management Plan	-	-	59	-	-	-	-	-	-	-
Hokio Beach Catchment Management Plan	-	-	59	-	-	-	-	-	-	-
Waikawa Beach Catchment Management Plan	-	-	59	-	-	-	-	-	-	-
District Wide Improvement Works	-	-	535	883	627	590	581	889	502	482
Overheads LOS	37	38	40	41	42	43	44	45	47	49
Total LOS	498	391	810	924	669	633	625	934	549	530
These Projects are primarily LOS but contain the following elements:										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	495	375	772	880	638	604	596	890	524	506
Growth	3	17	38	44	31	29	29	44	25	24
Total	498	391	810	924	669	633	625	934	549	530

Capital Expenditure (continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Primary Type - Growth	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Development Planning Foxton Beach	-	156	-	-	-	-	-	-	-	-
Development Planning North East Levin	150	-	-	-	-	-	-	-	-	-
Improvements NE Levin	50	830	-	-	-	-	-	-	-	-
Development Planning Waitarere Beach	-	-	-	-	171	-	-	-	-	-
Development Planning Ohau	-	-	-	165	-	-	-	-	-	-
Levin Tararua Industrial Development	30	-	-	-	-	-	-	-	-	-
Overheads Growth	28	30	31	32	33	34	34	35	37	38
Total Growth	258	1,016	31	197	203	34	34	35	37	38

These Projects are primarily Growth but contain the following elements:

Renewals	-	-	-	-	-	-	-	-	-	-
LOS	10	49	-	-	9	-	-	-	-	-
Growth	248	966	31	197	195	34	34	35	37	38
Total	258	1,016	31	197	203	34	34	35	37	38

Make up of Total Stormwater Projects by Type

Renewals	130	77	60	62	72	51	53	54	57	59
LOS	505	424	772	880	646	604	596	890	524	506
Growth	251	983	70	241	226	63	63	80	62	62
Total Stormwater Projects	886	1,484	901	1,183	944	717	712	1,024	642	627

Forecast Funding Impact Statement

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Stormwater group of activities											
	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	1,064	902	1,274	1,498	1,476	1,577	1,714	1,768	1,824	1,975	2,029
Subsidies & Grants for Operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees & Charges	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	95	97	100	117	138	161	184	211	239	268	300
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	1,159	999	1,374	1,615	1,614	1,738	1,898	1,979	2,063	2,243	2,329
Applications of Operating Funding											
Payments to staff and suppliers	396	399	406	421	324	334	346	359	373	388	404
Finance Costs	137	163	202	278	318	372	410	433	456	496	511
Internal charges and overheads applied	193	125	129	134	135	140	144	147	150	154	160
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	726	687	737	833	777	846	900	939	979	1,038	1,075
Surplus (deficit) of operating funding (A - B)	433	312	637	782	837	892	998	1,040	1,084	1,205	1,254
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	431	647	1,272	655	909	624	394	371	666	255	227
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	431	647	1,272	655	909	624	394	371	666	255	227
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	293	251	983	70	241	226	63	63	80	62	62
- to improve the level of service	230	505	424	772	880	646	604	596	890	524	506
- to replace existing assets	232	130	77	60	62	72	51	53	54	57	59
Increase (decrease) in reserves	109	73	425	535	563	572	674	699	726	817	854
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	864	959	1,909	1,437	1,746	1,516	1,392	1,411	1,750	1,460	1,481
Surplus (deficit) of capital funding (C-D)	(433)	(312)	(637)	(782)	(837)	(892)	(998)	(1,040)	(1,084)	(1,205)	(1,254)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-
Depreciation	562	498	536	664	698	731	815	830	845	936	954

Activity Expenditure	Forecast 2015/16	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Stormwater Drainage	1,289	1,187	1,274	1,498	1,476	1,577	1,714	1,768	1,824	1,975	2,029
Total Expenditure including Depreciation	1,289	1,187	1,274	1,498	1,476	1,577	1,714	1,768	1,824	1,975	2,029

Internal Loans attributable to this group of activities	Forecast 2015/16	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Loan balance 1st July	76	22	30	65	99	133	152	214	222	324	446
Raised during the year	222	9	36	37	38	24	68	16	111	135	131
Repaid during the year	(91)	(1)	(1)	(3)	(4)	(5)	(6)	(9)	(9)	(13)	(18)
Forecast loan balance 30th June	207	30	65	99	133	152	214	222	324	446	559
Budgeted interest expense	5	1	2	4	6	9	10	14	14	21	29

How will it be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
Stormwater Drainage	0%	100%	0%	100%	0%	100%
	Rationale: As the stormwater system and network is primarily an urban service to protect urban rating units Council decided to set a Targeted rate for stormwater to enhance transparency and accountability. Rating for such a large expenditure item is practicable.					

Water Supply

As part of the Water Supply Group of Activities the Council provides a safe and reliable supply of water to residential, industrial and commercial properties (primarily in urban areas). This supply also provides fire fighting capability.

An uninterrupted water supply ensures that residential areas have access to clean domestic water essential for basic health and hygiene. For most commercial and industrial business owners a reliable water supply is an essential component that enables their business to run.

What does this Group of Activities involve?

- This Group of Activities is provided to defined urban and rural areas in (and land immediately adjoining) Levin, Foxton Beach, Foxton, Shannon and Tokomaru. These urban and rural areas and the controls and standards within them are defined in the Horowhenua District Council Water Supply Bylaw 2014.
- To provide this Group of Activities the Council owns river intakes, groundwater bores, water treatment plants and storage facilities, pump stations and underground pipe networks. Council's water supply is managed internally with operation and maintenance work being contracted externally.
- Prepare, apply for and obtain any relevant resource consents that are required to continue to take water from various water sources, or to upgrade assets associated with, the Water Supply Group of Activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding its water supply.
- The Water Group of Activities in accordance with the requirements set out by the following pieces of legislation:
 - The Local Government Act 2002 (section 130) which requires Council to continue to provide water services and maintain its capacity to do so;
 - The Health (Drinking Water) Amendment Act 2007 which sets out the legal requirements for water supplies;
 - The Fire Service Act 1975 which sets out conditions of legal access to the public supply for firefighting purposes, and
 - The New Zealand Fire Service Firefighting Water Supplies Code of Practice SNZ PAS 4509:2008 which sets out minimum standards to which the fire fighting supply is to be provided.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Maintain a safe and reliable water supply for essential domestic and business activity use.	<i>A healthy local economy and a District that is growing.</i>	Funder/Provider
Ensure that resource consents restricting how much water is used are adhered to through demand management.	<i>A sustainable environment.</i>	Funder/Provider

Activity	Community Outcome	Council Role
Deliver education to the Community to encourage sustainable use of the natural water resource.	<i>A sustainable environment.</i>	Provider/Advocate
Ensure that the water supply is safe to drink.	<i>Safe, resilient and healthy communities.</i>	Funder/Provider
Ensure that there is adequate supply of water for firefighting.	<i>Safe, resilient and healthy communities.</i>	Funder/Provider
Ensure that the water supply can be quickly restored following a natural disaster event.	<i>Safe, resilient and healthy communities.</i>	Funder/Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Safe water supply.	Percentage in which the local authority's drinking water supply complies with: (a) part 4 of the Drinking Water Standards (bacteria compliance criteria) in Levin, Shannon, Foxton, Foxton Beach, Tokomaru.	100%	100%	100%	100%	99%
	(b) part 5 of the Drinking Water Standards (protozoa compliance criteria) in: Levin	0%	100%	100%	100%	0%
	Shannon	100%	100%	100%	100%	0%
	Foxton	100%	100%	100%	100%	0%
	Foxton Beach	100%	100%	100%	100%	0%
	Tokomaru	100%	100%	100%	100%	0%
Drinking water that tastes and looks satisfactory.	The total number of complaints received about any of the following (expressed per 1000 connections): drinking water clarity, drinking water taste, drinking water pressure or flow, continuity of supply, and Council's response to any of these issues.*	5**	5**	4**	3**	New measure (baseline to be established 14/15)
Response to faults.	The median time from the time that Council received notification to the time that service personnel:					New measure (baseline to be established)

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
	<ul style="list-style-type: none"> reach the site for urgent call –outs* confirm resolution of the fault or interruption of urgent call-outs* reach the site for non-urgent call-outs* confirm resolution of the fault or interruption of no-urgent call-outs* 	1 hour	1 hour	1 hour	1 hour	14/15)
		8 hours	8 hours	8 hours	8 hours	
		3 days	3 days	3 days	3 days	
		3 days	3 days	3 days	3 days	
Water supply is continual.	Total number of unplanned water shut downs.*	35 per year	30 per year	30 per year	25 per year	20 per year
Firefighting needs are met.	Percentage of the network where firefighting flows in urban residential areas meet the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008.	74%	76%	80%	85%	72%
Water supply has adequate flow and pressure.	Percentage of the network where supply pressure at the property boundary is not less than 250kPa for on demand connections and 150kPa for restricted flow connections.	100%	100%	100%	100%	100%
Consent conditions are met.	Compliance with all water take limits of resource consents.	100%	100%	100%	100%	100%
Water supply is sustainable.	Average consumption of drinking water per day per resident within the water supply areas (target based on One Plan Section 6.4.3.1).	300lt per day	300	300	250	New measure (baseline to be established 14/15)
Minimal water losses.	Percentage of real water loss from the network.*	20%	15%	15%	15%	New measure (baseline to be established 14/15)
Provide water conservation education to the public	As provided in the Water Demand Management Plan 2014	Achieved	Achieved	Achieved	Achieved	New measure

* Mandatory performance measurement.

** Proposed target – to be confirmed from 2014/15 result.

Major Projects

The following table shows all major projects scheduled for the Water Supply Group of Activities for the next 10 years. Note: These projects are generally only those with cost estimates over \$500,000.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Levin Reticulation Renewal	X \$800,000	X \$830,000	X \$855,000	X \$1,324,000	X \$1,368,000	X \$1,416,000	X \$716,000	X \$731,000	X \$760,000	X \$1,451,000
Foxton Beach Reticulation Renewal							X \$1,911,000	X \$1,983,000	X \$2,063,000	
Shannon - Mangaore Reticulation Renewal										X \$1,170,000
Levin Clarifier Installation	X \$2,000,000									
Levin Treatment Plant Upgrade		X \$3,737,000								
Foxton Beach Development Plan					X \$588,000					
Foxton Concrete Reservoir And Raw Water Tanks										X \$688,000

What has changed since 2012-22 LTP?

The Tokomaru Water Supply Treatment Plant is currently being upgraded ahead of the 2028 scheduled upgrade proposed in the 2012-22 LTP.

Renewal programmes have been amended since the adoption of the 2012-22 LTP. The amendments accelerate the replacement of ageing water supply network assets in areas considered to be most at risk of failure.

Another change is that from 2015 Council must set targets for a new set of performance measures required by the Department of Internal Affairs. These are part of the levels of service table above. These have been measured during the 2014/15 year and the results will be used to set the baseline for future targets.

Challenges Council faces for this Group of Activities:

A major challenge facing Council for the Water Supply Group of Activities is the increasing age of the water supply assets. Asset ageing affects reliability, maintenance costs, and overall performance. The response to asset ageing planned for this LTP is an increase in carefully targeted renewal programmes for the water supply networks and treatment plants.

Compliance with New Zealand Drinking Water Standards and the Horizons Regional Council's One Plan is also challenging and is a major driver in capital expenditure as Council is required to increase levels of service and to obtain resource consents.

Significant negative effects associated with this Group of Activities:

A significant negative effect associated with this Group of Activities is the impact of water abstraction from rivers and the ground water supply. This is mitigated by continuing to monitor and comply with Council's various resource consents and their conditions which is reinforced through the Council's Water Demand Management Plan.

Key Risks and Assumptions associated with this Group of Activities:

Risks associated with the Water Supply Group of Activities include service failures, inconsistent strategic planning, poor contract management, and poor business/continuity planning. These are currently mitigated by ongoing renewals programming and by maintaining good asset management practices.

Assumptions which may effect this Group of Activities are the rate and nature of population and business growth, the quality of asset data and information, and influential economic factors, particularly the future inflation rate and long term economic health.

Variations between the Council's LTP and its Assessment of Water and Sanitary Services

Council's most recent assessment of the District's water and sanitary services was undertaken in 2006 and the treatment processes are being upgraded based on this assessment. The significant variance between that Assessment of Water and Sanitary Services and this LTP are:

- Council's five urban Water Treatment Plants will comply with the New Zealand Drinking Water Standard, with the exception of the Levin Water Treatment Plant, which is planned for compliance by 2017. Shannon, Foxton and Foxton Beach water supplies have been upgraded and now comply with the standard. The construction of a new Water Treatment Plant for the

Tokomaru water supply is currently underway and this will make this plant compliant by July 2015.

The ongoing conformance will be tested annually through inspections (and gradings) made by the Ministry of Health's appointed Drinking-Water Assessor.

How much will it cost?

Capital Expenditure Projects

Water Supply Projects	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Primary Type - Renewals	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Reticulation Projects	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Levin Reticulation- RENEWAL	800	830	855	1,324	1,368	1,416	716	731	760	1,451
Foxton Reticulation- RENEWAL	29	30	30	136	140	145	226	235	244	43
Foxton Beach Reticulation- RENEWAL	-	-	-	-	-	-	1,911	1,983	2,063	156
Tokomaru Reticulation- RENEWAL	-	-	-	-	-	-	-	-	-	526
Shannon - Mangaore Reticulation- RENEWAL	6	6	6	411	424	439	29	30	31	1,170
Reactive renewals - District Wide	150	156	160	165	154	143	134	125	117	110
Foxton Beach Edingburg Terrace Bore- RENEWAL	150	-	-	-	-	-	-	-	-	138
Foxton Beach Flagstaff Bore- RENEWAL	-	-	-	-	114	-	-	-	-	-
Foxton Consents- RENEWAL	-	52	-	-	-	-	-	-	-	-
Foxton Beach consents- RENEWAL	-	-	53	-	-	-	-	-	-	-
Tokomaru Consents- RENEWAL	-	-	107	-	-	-	-	-	-	-
Shannon - Mangaore Consents- RENEWAL	20	-	107	-	-	-	-	-	-	-
Tokomaru Treatment Plant - Renewal	8	8	8	9	9	9	9	10	10	11
Foxton Beach Treatment Plant -Renewal	26	27	28	29	30	31	32	34	35	36
Foxton Water Treatment Plant - Renewal	29	30	31	31	33	34	35	36	38	39
Levin Treatment Plant - Renewals	50	52	53	55	57	59	61	63	66	69
Shannon Treatment Plant - Renewals	35	37	38	39	40	42	43	45	47	49
Overheads Renewals	93	97	102	104	107	110	113	115	120	124
Total Renewals	1,396	1,324	1,580	2,304	2,476	2,428	3,310	3,408	3,531	3,920
These Projects are primarily Renewals but contain the following elements:										
Renewals	1,396	1,324	1,580	2,304	2,476	2,428	3,310	3,408	3,531	3,920
LOS	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	1,396	1,324	1,580	2,304	2,476	2,428	3,310	3,408	3,531	3,920

Capital Expenditure (continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Water Supply Projects	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Primary Type - LOS										
Levin Clarifier Installation	2,000	-	-	-	-	-	-	-	-	-
Levin treatment plant upgrade	-	3,737	-	-	-	-	-	-	-	-
Telemetry - District Wide	95	25	-	-	-	-	-	-	-	-
Levin Tatarua Industrial Development	44	-	-	-	-	-	-	-	-	-
Levin reservoir upgrade	-	-	-	331	-	-	-	-	-	-
Foxton concrete reservoir and raw water tanks	-	-	-	-	-	-	-	-	-	688
Overheads LOS	139	145	152	156	159	164	168	172	179	184
Total LOS	2,278	3,907	152	487	159	164	168	172	179	872
These Projects are primarily LOS but contain the following elements:										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	2,278	3,907	152	487	159	164	168	172	179	872
Growth	-	-	-	-	-	-	-	-	-	-
Total	2,278	3,907	152	487	159	164	168	172	179	872
Water Supply Projects										
Primary Type - Growth										
Foxton Beach Development plan	-	100	-	440	588	-	-	-	-	-
Levin, North East Development plan	-	-	-	234	251	134	-	310	337	-
Overheads Growth	2	2	3	3	3	3	3	3	3	3
Total Growth	2	102	3	677	841	137	3	313	340	3
These Projects are primarily Growth but contain the following elements:										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	-	-	-	-	-	-	-	-	-	-
Growth	2	102	3	677	841	137	3	313	340	3
Total	2	102	3	677	841	137	3	313	340	3
Make up of Total Water Supply Projects by Type										
Renewals	1,396	1,324	1,580	2,304	2,476	2,428	3,310	3,408	3,531	3,920
LOS	2,278	3,907	152	487	159	164	168	172	179	872
Growth	2	102	3	677	841	137	3	313	340	3
Total Water Supply Projects	3,676	5,333	1,735	3,467	3,476	2,729	3,480	3,892	4,050	4,795

Forecast Funding Impact Statement

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Water Supply group of activities											
	Annual Plan 2014/15 \$000	Annual Plan 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	47	-	-	-	-	-	-	-	-	-	-
Targeted Rates	4,488	5,497	5,832	6,442	6,774	6,817	6,923	7,250	7,579	7,829	8,247
Subsidies & Grants for Operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees & Charges	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	130	140	156	174	185	182	168	160	111	113	140
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	4,665	5,637	5,988	6,616	6,959	6,999	7,091	7,410	7,690	7,942	8,387
Applications of Operating Funding											
Payments to staff and suppliers	1,800	1,950	2,103	2,244	2,243	2,318	2,389	2,416	2,508	2,609	2,718
Finance Costs	353	514	630	845	821	858	883	918	892	983	1,082
Internal charges and overheads applied	706	1,028	1,060	1,104	1,114	1,140	1,171	1,196	1,228	1,268	1,306
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,859	3,492	3,793	4,193	4,178	4,316	4,443	4,530	4,628	4,860	5,106
Surplus (deficit) of operating funding (A - B)	1806	2145	2195	2423	2781	2683	2648	2880	3062	3082	3281
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	169	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	3,343	1,938	3,589	(409)	616	429	583	(442)	1,524	1,640	1,461
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	3,512	1,938	3,589	(409)	616	429	583	(442)	1,524	1,640	1,461
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	1,104	2	102	3	677	841	137	3	313	340	3
- to improve the level of service	2,633	2,278	3,907	152	487	159	164	168	172	179	872
- to replace existing assets	1,544	1,396	1,324	1,580	2,304	2,476	2,428	3,310	3,408	3,531	3,920
Increase (decrease) in reserves	37	407	451	279	(71)	(364)	502	(1,043)	693	672	(53)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	5,318	4,083	5,784	2,014	3,397	3,112	3,231	2,438	4,586	4,722	4,742
Surplus (deficit) of capital funding (C-D)	(1,806)	(2,145)	(2,195)	(2,423)	(2,781)	(2,683)	(2,648)	(2,880)	(3,062)	(3,082)	(3,281)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-
Depreciation	1,931	2,006	2,039	2,249	2,252	2,265	2,389	2,396	2,402	2,570	2,582

Activity Expenditure	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Foxton Water	739	776	791	820	830	843	869	884	902	937	958
Foxton Beach Water	718	709	723	760	770	813	881	893	907	1,044	1,164
Levin Water	2349	3,053	3,337	3,835	3,803	3,879	4,004	4,041	4,093	4,275	4,366
Moutoa Water	5	-	-	-	-	-	-	-	-	-	-
Shannon Water	690	717	732	761	767	777	801	825	838	872	887
Tokomaru Water	219	242	249	266	262	268	277	284	292	304	313
Water Races Water	70	-	-	0	0	0	0	0	0	0	0
Total Expenditure including Depreciation	4,790	5,497	5,832	6,442	6,433	6,581	6,832	6,928	7,031	7,431	7,689
Internal Loans attributable to this group of activities											
	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Loan balance 1st July	291	160	216	471	723	973	1,110	1,564	1,616	2,363	3,253
Raised during the year	129	63	264	270	279	176	499	114	812	984	952
Repaid during the year	(236)	(6)	(9)	(19)	(29)	(39)	(44)	(63)	(65)	(95)	(130)
Forecast loan balance 30th June	184	216	471	723	973	1,110	1,564	1,616	2,363	3,253	4,075
Budgeted interest expense	17	10	14	31	47	63	72	102	105	154	211

How will it be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and Charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
Water Supply	20%-30%	70%-80%	21%	79%	20%-30%	70%-80%
	Rationale: Extra-ordinary users (and Foxton Beach universal meters) are charged by volume. All rates are by fixed charge to all properties connected whereby all properties connected pay the same fixed charge.					

Wastewater Disposal

As part of its Wastewater Group of Activity the Council collects wastewater from residential, industrial and commercial properties (primarily in urban area), Council then treats the wastewater, and discharges the treated (i.e. clean) wastewater onto land or into waterways.

The collection, transportation, treatment and safe discharge of wastewater from urban properties ensures a basic level of health; by continually removing potentially hazardous waste from populated urban environments and cleaning this waste before discharging it into a receiving environment.

What does this Group of Activities involve?

- This Group of Activities provides for the collection, transportation, treatment (i.e. cleaning), and disposal of residential, commercial and industrial wastewater through urban schemes in Levin, Foxton, Foxton Beach, Shannon, Tokomaru and Waitarere Beach.
- To provide this Group of Activities Council owns piped collection networks, pumping stations throughout each network, treatment plants and discharge facilities which includes land. The Council wastewater network is managed internally with operation and maintenance of each scheme is externally contracted.
- Prepare, apply for and obtain any relevant resource consents that are required to continue to discharge treated waste to land and water, or to upgrade assets associated with, the Wastewater Group of Activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding its Wastewater network.
- This Group of Activities is provided in accordance with the requirements set out by the following pieces of legislation:
 - The Local Government Act 2002 which requires Council to provide water (including wastewater) services and maintaining its capacity to do so;
 - The Health Act 1956 which requires Council to provide sanitary works including works for sewage (i.e. wastewater) disposal; and
 - The Resource Management Act 1991 which places the specific requirement on Council to incorporate Tangata Whenua interests into its decision making processes.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Maintain the safe collection, treatment and disposal of wastewater produced by residential and business activities.	<i>A healthy local economy and a District that is growing.</i>	Funder/Provider
Ensure that resource consent conditions on the quality of discharges are met.	<i>A sustainable environment.</i>	Funder/Provider
Ensure that the collection network is reliable and has minimal blockages	<i>Safe, resilient and healthy communities.</i>	Funder/Provider

or overflows.		
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How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Reliable Wastewater collection and disposal.	The number of dry weather overflows from the wastewater system per 1000 connections.	<2	<2	<2	<2	New measure
Council provides a good response to 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 or wastewater blockage.	<1 hour	<1 hour	<1 hour	<1 hour	New measure
	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.	12 hours	12 hours	12 hours	12 hours	New measure
The service is satisfactory.	The total number of complaints received (expressed per 1000 connections to the wastewater system) regarding:					
	• Wastewater odour;	<10	<8	<5	<5	New measure
	• Wastewater systems faults;	<8	<8	<8	<8	
	• Wastewater system blockages; and	10	<8	<8	<8	
	• The Council's response to issues with its wastewater system.	10	10	8	8	
	Percentage of customers satisfied with the service, based on the Annual Customer Satisfaction Survey.	80	82	84	84	76
Safe disposal of wastewater.	The number of Abatement Notices, Infringement Notices, Enforcement Orders, and convictions received by the Council in relation to Horizons Regional Council resource consents.	0	0	0	0	New measure

Major Projects

The following table shows all major projects scheduled for the Wastewater Group of Activities for the next 10 years. Note: These projects are generally only those with cost estimates over \$500,000.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Foxton Wastewater Treatment Plant Strategic Upgrade	X \$1,750,000	X \$1,817,000	X \$5,666,000	X \$7,039,000						
Foxton Wastewater Treatment Plant - Pond Desludge			X \$962,000							
Levin Reticulation Renewals	X \$759,000	X \$536,000			X \$921,000	X \$1,151,000	X \$682,000	X \$613,000	X \$1,113,000	X \$1,266,000
Levin Treatment Plant - Planned Renewals	X \$1,044,000	X \$1,084,000	X \$1,117,000		X \$662,000					
Levin Wastewater Treatment Plant Strategic Upgrade	X \$610,000		X \$545,000	X \$728,000	X \$752,000					
Development Work Foxton Beach					X \$528,000	X \$708,000				
Shannon Disposal System	X \$3,430,000									
Tokomaru Wastewater Treatment Plant Upgrade				X \$552,000	X \$570,000					
Shannon Pond Desludging					X \$570,000					

What has changed since 2012-22 LTP?

The renewal programmes for the Wastewater Group of Activities have been amended since the 2012-22 LTP was produced. These have been amended to accelerate the replacement of an ageing network in areas most vulnerable to high levels of groundwater infiltration. The amended renewals programmes have been based on results of a comprehensive flow monitoring and video inspection regime.

Since the adoption of the 2012-22 LTP major capital expenditure for renewals and levels of service increases has been planned at both the Foxton and Shannon Wastewater Treatment Plants.

Challenges Council faces for this Group of Activities:

A major challenge facing the Council regarding the Wastewater Group of Activities is the increasing age of Council's wastewater assets. Asset ageing affects reliability, maintenance costs and overall performance. Poor pipe condition is a major cause of groundwater infiltration which adds unnecessary volume to the amount of wastewater collected during wet weather events. The response to asset ageing planned for this LTP is an increase in carefully targeted renewal programmes for the wastewater collection networks and treatment plants.

Applying for and obtaining resource consents and then complying with consent conditions is another challenge faced by Council for this Group of Activities. This can be quite expensive particularly with increased expectations from the public and stakeholder groups for land based effluent disposal instead of water course disposal of wastewater.

Significant negative effects associated with this Group of Activities:

A significant negative effect associated with this Group of Activities is the long term effect of discharge of treated wastewater to the receiving environments which including land and water courses throughout the District. This effect is mitigated by ensuring the standards of treatment required by Horizons Regional Council are adhered to. Furthermore ensuring that these standards of treatment (which may increase over time) can be met in the future is a major driver of significant capital expenditure in this LTP.

Another significant negative effect of the Wastewater Group of Activities is unintentional overflows of untreated wastewater from the collection system to private property, public land, or water courses. This is mitigated by a regime of pipe and pump inspection and maintenance.

Key Risks and Assumptions associated with this Group of Activities:

Risks associated with the Wastewater Group of Activities include service failures, inconsistent strategic planning, poor contract management, loss of the telemetry system, and poor business/continuity planning. The process of securing resource consents also carries various risks for this Group of Activities including the requirement to levels of service. These risks are currently mitigated by ongoing renewals programming and by maintaining good asset management practices. Council is also currently undertaking a major upgrade of the telemetry system.

Assumptions which may affect this Group of Activities include the rate and nature of population and business growth, the quality of asset data and information, and influential economic factors, particularly the future inflation rate and long term economic health.

How much will it cost?

Capital Expenditure Projects

Wastewater Projects	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Primary Type - Renewals	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Foxton Wastewater Treatment Plant - Pond Desludge	-	-	962	-	-	-	-	-	-	-
Foxton Wastewater Treatment Plant - Planned Renewals	15	21	-	-	6	-	-	-	-	-
Foxton Wastewater Treatment Plant - Unplanned Renewals	11	18	19	20	20	21	22	22	23	24
Foxton Beach Wastewater Treatment Plant - Planned Renewals	21	-	142	11	77	-	81	-	-	-
Foxton Beach Wastewater Treatment Plant - Unplanned Renewals	17	18	18	19	19	20	21	21	22	23
Shannon Wastewater Treatment Plant Pond - Desludge	-	-	-	-	570	-	-	-	-	-
Shannon Wastewater Treatment Plant - Planned Renewals	20	5	-	-	-	118	-	-	-	-
Shannon Wastewater Treatment Plant - Unplanned Renewals	24	25	25	26	27	28	29	30	31	33
Tokomaru Wastewater Treatment Plant - Consent Renewal	100	52	-	-	-	-	-	-	-	-
Tokomaru Wastewater Treatment Plant - Planned Renewals	25	-	-	-	-	-	-	-	-	-
Tokomaru Wastewater Treatment Plant - Unplanned Renewals	6	6	6	6	7	7	7	7	8	8
Waitare Wastewater Treatment Plant - Planned Renewals	10	78	24	-	-	-	17	-	-	-
Waitare Wastewater Treatment Plant - Unplanned Renewals	9	9	9	9	10	10	10	11	11	12
Foxton Reticulation - Renewals	418	131	167	291	190	114	146	157	136	138
Levin Reticulation - Renewals	759	536	434	389	921	1,151	682	613	1,113	1,266
Districtwide - Reticulation Unplanned Renewals	200	197	193	189	186	183	180	177	175	173
Levin Treatment Plant - Planned Renewals	1,044	1,084	1,177	226	662	49	497	190	98	268
Levin Treatment Plant - Unplanned Renewals	88	92	95	98	101	104	108	112	117	122
Overheads Renewals	191	199	209	213	218	225	230	236	246	253
Total Renewals	2,958	2,470	3,480	1,497	3,014	2,029	2,030	1,579	1,980	2,321

These Projects are primarily Renewals but contain the following:

Renewals	2,958	2,470	3,287	1,497	2,900	2,029	2,030	1,579	1,980	2,321
LOS	-	-	192	-	114	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	2,958	2,470	3,480	1,497	3,014	2,029	2,030	1,579	1,980	2,321

Capital Expenditure (continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Primary Type - LOS	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Foxton Wastewater Treatment Plant - Strategic Upgrade	1,750	1,817	5,666	7,039	-	-	-	-	-	-
Foxton Beach Wastewater Treatment Plant - Strategic Upgrade	21	-	267	221	-	-	-	-	-	-
Waitare Wastewater Treatment Plant - Strategic Upgrade	-	52	267	276	-	-	-	-	-	-
Telemetry System	95	24	-	-	-	-	-	-	-	-
District Reticulation - Planned Pump Renewals	33	35	29	28	33	37	51	63	79	52
Levin Wastewater Treatment Plant - Strategic Upgrade	610	446	545	728	752	-	-	-	-	-
Shannon Disposal System	3,430	-	-	-	-	-	-	-	-	-
Tokomaru Waster Treatment Plant Upgrade	-	-	-	552	570	-	-	-	-	-
Overheads LOS	355	369	388	396	406	418	427	438	457	469
Total LOS	6,294	2,743	7,163	9,239	1,761	455	479	502	536	521
These Projects are primarily LOS but contain the following eleme										
Renewals	9	5	137	119	-	-	-	-	-	-
LOS	6,285	2,738	7,026	9,120	1,761	455	479	502	536	521
Growth	-	-	-	-	-	-	-	-	-	-
Total	6,294	2,743	7,163	9,239	1,761	455	479	502	536	521
Wastewater Projects										
Primary Type - Growth										
Development Planning Foxton Beach	-	156	-	-	-	-	-	-	-	-
Development Work - Foxton Beach	-	-	-	124	528	708	-	-	-	-
Development Planning - North East Levin	150	-	-	-	-	-	-	-	-	-
Development Work - North East Levin	-	-	246	264	141	-	325	352	-	-
Development Planning Waitare Beach	-	-	160	-	-	-	-	-	-	-
Levin Tararua Industrial Development	125	-	-	-	-	-	-	-	-	-
Overheads Growth	19	20	21	22	22	23	23	24	25	26
Total Growth	294	176	428	409	691	731	349	376	25	26
These Projects are primarily Growth but contain the following elc										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	-	-	-	-	-	-	-	-	-	-
Growth	294	176	428	409	691	731	349	376	25	26
Total	294	176	428	409	691	731	349	376	25	26
Make up of Total Wastewater Projects by Type										
Renewals	2,967	2,475	3,425	1,616	2,900	2,029	2,030	1,579	1,980	2,321
LOS	6,285	2,738	7,218	9,120	1,875	455	479	502	536	521
Growth	294	176	428	409	691	731	349	376	25	26
Total Wastewater Projects	9,547	5,390	11,070	11,145	5,466	3,214	2,857	2,456	2,542	2,867

Forecast Funding Impact Statement

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Wastewater group of activities											
	Annual Plan 2014/15 \$000	Annual Plan 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	5,846	5,938	6,449	7,112	8,374	9,659	10,204	10,496	10,906	11,820	12,323
Subsidies & Grants for Operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees & Charges	850	793	1,030	1,275	1,316	1,359	1,407	1,459	1,514	1,575	1,641
Local authorities fuel tax, fines, infringement fees and other receipts	39	31	43	56	67	79	98	123	148	242	348
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	6,735	6,762	7,522	8,443	9,757	11,097	11,709	12,078	12,568	13,637	14,312
Applications of Operating Funding											
Payments to staff and suppliers	2,354	2,389	2,499	2,628	2,729	2,819	2,917	3,025	3,140	3,266	3,398
Finance Costs	883	1,077	1,521	1,704	2,190	2,639	2,711	2,632	2,511	2,445	2,340
Internal charges and overheads applied	821	804	827	859	874	893	916	938	961	995	1,025
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	4,058	4,270	4,847	5,191	5,793	6,351	6,544	6,595	6,612	6,706	6,763
Surplus (deficit) of operating funding (A - B)	2677	2492	2675	3252	3964	4746	5165	5483	5956	6931	7549
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	118	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	11,937	7,402	3,044	8,093	7,500	1,187	(1,316)	(2,010)	(1,108)	(1,745)	(1,464)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	12,055	7,402	3,044	8,093	7,500	1,187	(1,316)	(2,010)	(1,108)	(1,745)	(1,464)
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	1,847	294	176	428	409	691	731	349	376	25	26
- to improve the level of service	9,401	6,273	2,738	7,316	9,035	1,875	455	479	502	536	521
- to replace existing assets	3,549	2,979	2,475	3,327	1,701	2,900	2,029	2,030	1,579	1,980	2,321
Increase (decrease) in reserves	(65)	348	330	274	319	467	634	615	2,391	2,645	3,217
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	14,732	9,894	5,719	11,345	11,464	5,933	3,849	3,473	4,848	5,186	6,085
Surplus (deficit) of capital funding (C-D)	(2,677)	(2,492)	(2,675)	(3,252)	(3,964)	(4,746)	(5,165)	(5,483)	(5,956)	(6,931)	(7,549)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-
Depreciation	2,211	2,461	2,633	2,951	3,196	3,476	3,836	3,945	4,020	4,416	4,469

Activity Expenditure	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Foxton Wastewater	559	593	796	1,042	1,651	2,278	2,338	2,345	2,351	2,421	2,417
Foxton Beach Wastewater	602	655	676	741	773	808	928	1,058	1,076	1,127	1,148
Levin Wastewater	3,518	3,770	3,979	4,258	4,418	4,524	4,762	4,775	4,845	5,146	5,244
Shannon Wastewater	1,012	1,140	1,439	1,473	1,465	1,457	1,512	1,510	1,500	1,523	1,508
Tokomaru Wastewater	191	167	176	184	184	235	291	293	296	307	306
Waitare Beach Wastewater	388	406	414	445	496	525	549	557	567	598	610
Total Expenditure including Depreciation	6,270	6,731	7,479	8,143	8,987	9,827	10,380	10,540	10,634	11,121	11,233
Internal Loans attributable to this group of activities	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Loan balance 1st July	666	153	207	451	691	930	1,061	1,496	1,545	2,260	3,110
Raised during the year	526	60	252	258	267	168	477	109	776	941	910
Repaid during the year	(589)	(6)	(8)	(18)	(28)	(37)	(42)	(60)	(62)	(90)	(124)
Forecast loan balance 30th June	603	207	451	691	930	1,061	1,496	1,545	2,260	3,110	3,896
Budgeted interest expense	40	9	13	29	45	60	69	97	100	147	202

How will it be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
Wastewater Systems	10%-20%	80%-90%	16%	84%	10%-20%	80%-90%
	Rationale: Trade waste producers are charged by load and volume. All rates are by fixed charge to all properties connected whereby all properties connected pay the same fixed charge.					

Solid Waste

The Solid Waste Group of Activities consists of Council providing services to collect and safely dispose of residential and commercial solid waste. Council also provides education to the Community on how to reduce total solid waste output.

What does this Activity involve?

- As part of this Group of Activities Council provides for the collection and disposal of solid waste produced in the Horowhenua and Kapiti Coast Districts. To provide for the disposal of solid waste Council manages kerbside recycling and refuse bag collection at specified times each week for urban areas in the District, it also operates waste transfer stations (for disposal of general and green waste as well as recycling), and it operates numerous static and temporary recycling stations (for recycling only).
- To provide its solid waste services Council owns a landfill and associated assets, waste transfer stations and recycling stations. Council also undertakes public education in waste minimisation at local primary and intermediate schools in the District. The operation and maintenance of this Group of Activities is externally contracted.
- Council also ensures that the Levin Landfill is managed in a way that it complies with resource consents and so that it has sufficient air and land space available for the future requirements.
- Legislative requirements that this Group of Activities operates within include, but are not limited to:
 - The Health Act 1956, which requires Council to provide for sanitary works including the collection and disposal of refuse;
 - Waste Minimization Act 2008;
 - Hazardous Substances and Noxious Organisms (HSNO) 2004; and
 - Climate Change (Emissions Trading) Amendment Act 2008.

It is important to note that much of the Solid Waste Group of Activities is permissive rather than mandatory. This means that Council has the ability to opt out of much of the provisions of solid waste services if it wishes.

Rationale for this Group of Activities (why we do it):

Activity	Community Outcome	Council Role
Provision of landfill and static recycling stations. These help reduce waste and minimise its negative environmental effects.	<i>A sustainable environment. Safe, resilient and healthy communities.</i>	Provider
Provision of waste transfer stations, recycling and refuse collection. These help reduce waste and minimise its negative environmental effects.	<i>A sustainable environment. Safe, resilient and healthy communities.</i>	Provider
Provision of waste minimisation education to the Community.	<i>A sustainable environment.</i>	Provider/Advocate

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Waste Transfer Stations are available at convenient times.	Transfer Stations are available on agreed days at agreed times.	Achieved	Achieved	Achieved	Achieved	<i>New measure</i>
Waste Transfer Stations are healthy and safe to use and pose no health and safety risks to nearby residents.	No reported incidences of injury or illness attributable to use of facilities.	0	0	0	0	<i>New measure</i>
Waste Transfer Stations have a minimal impact on the immediate and surrounding environment.	Minimal reports of solid waste in or around transfer stations and no odour complaints.	3 per month	3 per month	3 per month	3 per month	<i>New measure</i>
Response to service requests regarding Council's Solid Waste Activity is timely.	Time that all requests are responded to within.	3 days	3 days	3 days	3 days	<i>New measure</i>
Levin landfill.	Conditions of resource consents are met.	100%	100%	100%	100%	<i>Achieved</i>
Kerbside recycling and refuse collection service is available in the urban areas.	Percentage of properties in the urban area that have kerbside recycling and refuse collection service available.	91%	91%	91%	91%	<i>New measure</i>
Kerbside recycling and refuse collection service is available in the rural areas.	Percentage of properties in the rural area that have kerbside recycling and refuse collection service available.	91%	91%	91%	91%	<i>New measure</i>
Recycling is collected on time and in a sanitary manner.	Low number of complaints about non collection of kerbside.	5 per month	5 per month	5 per month	5 per month	<i>New measure</i>
Refuse is collected on time and in a sanitary manner.	Low number of complaints about non collection of refuse.	5 per month	5 per month	5 per month	5 per month	<i>New measure</i>
Recycling stations are available and accessible in urban centres in Summer.	Narrative.	Achieved	Achieved	Achieved	Achieved	<i>New measure</i>
Recycling stations are healthy and	No reported incidences of injury or	0	0	0	0	<i>New measure</i>

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
safe to use and pose no health and safety risks to nearby resident.	illness attributable to use of facilities.					
Recycling stations have a minimal impact on the immediate and surrounding environment.	Minimal reports of solid waste in or around transfer stations and no odour complaints.	3 reports per month	3 reports per month	3 reports per month	3 reports per month	<i>New measure</i>
Information on Council's recycling and refuse services is available from service centres and on the website.	Narrative.	Achieved	Achieved	Achieved	Achieved	<i>Achieved</i>
Affordable recycling service is available.	No user charge set.	Achieved	Achieved	Achieved	Achieved	<i>New measure</i>
Customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	Measured via the Annual Customer Satisfaction Survey.	95%	95%	95%	95%	<i>New measure</i>
Customers are educated on waste minimization practices.	Education services provided in local schools.	Achieved	Achieved	Achieved	Achieved	Achieved
Customers minimize and divert solid waste.	Diverted waste produced per producer.	20% diverted	20% diverted	20% diverted	20% diverted	<i>New measure</i>

Major Projects

The following table shows all major projects scheduled for the Solid Waste Group of Activities for the next 10 years. Note: These projects are generally only those with cost estimates over \$250,000.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Landfill Consent					X \$278,000					
Landfill Development	X \$285,000					X \$1,153,000	X \$515,000		X \$2,675,000	

What has changed since 2012-22 LTP?

There have been no major changes for the Solid Waste Group of Activities since the 2012-22 LTP was adopted with the exception of the timing of some of the major projects.

Challenges Council faces for this Group of Activities:

A key challenge for the future of the Solid Waste Group of Activities is the decision making required regarding the levels of service provision. Council will 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 to which it remains in the 'solid waste business'. 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 this Group of Activities:

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 Horizons Regional Council resource consent conditions. Council also facilitates a neighbourhood group that monitors the airborne effects associated with the landfill.

Key Risks and Assumptions associated with this Group of Activities:

A key risk associated with this Group of Activities is the long term presence and longevity of hazardous contaminants in the environment. This risk is mitigated by legislative controls and constant monitoring of leachates and ground conditions.

A key assumption in the LTP is that Council's current ownership of the Levin Landfill and provider of solid waste services role will continue. As mentioned above, much of this Group of Activities is permissive 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. For example, the sale of the Levin Landfill to an external solid waste service provider would reduce both the capital expenditure requirements over the next 10 years and the income received from the landfill.

Variations between the Council's LTP and Waste Management and Minimisation Plan

Council's current Waste Management and Minimisation Plan (WMMP) was produced in 2012. There are no significant variations between the WMMP and what is proposed as part of this LTP.

How much will it cost?

Capital Expenditure Projects

Solid Waste Projects	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Primary Type - Renewals	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Opiki renewal	-	-	-	6	-	-	-	-	8	-
Shannon renewal	-	-	-	-	6	-	-	-	-	-
Tokomaru Renewal	20	-	-	-	-	-	6	-	-	-
Cap Shape Correction	55	-	62	-	70	-	79	-	89	-
Overheads Renewals	3	3	4	4	4	4	4	4	4	4
Total Renewals	78	3	66	10	79	4	89	4	101	4

These Projects are primarily Renewals but contain the following elements:

Renewals	78	3	66	10	79	4	89	4	101	4
LOS	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	78	3	66	10	79	4	89	4	101	4

Solid Waste Projects

Primary Type - LOS

Landfill Consent	-	-	-	-	278	-	-	-	-	-
Overheads LOS	-	-	-	-	-	-	-	-	-	-
Total LOS	-	-	-	-	278	-	-	-	-	-

These Projects are primarily LOS but contain the following elements:

Renewals	-	-	-	-	-	-	-	-	-	-
LOS	-	-	-	-	278	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	278	-	-	-	-	-

Capital Expenditure (continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Primary Type - Growth	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Foxton Beach	22	-	-	-	-	-	-	-	-	-
Landfill Development	285	57	132	-	70	1,153	515	21	2,675	241
Overheads Growth	12	12	13	13	14	14	14	15	15	16
Total Growth	319	70	145	13	84	1,167	530	35	2,690	257

These Projects are primarily Growth but contain the following elements:

Renewals	-	-	-	-	-	-	-	-	-	-
LOS	-	-	-	-	-	-	-	-	-	-
Growth	319	70	145	13	84	1,167	530	35	2,690	257
Total	319	70	145	13	84	1,167	530	35	2,690	257

Make up of Total Solid Waste Projects by Type

Renewals	78	3	66	10	79	4	89	4	101	4
LOS	-	-	-	-	278	-	-	-	-	-
Growth	319	70	145	13	84	1,167	530	35	2,690	257
Total Solid Waste Projects	397	73	210	23	441	1,171	619	39	2,791	261

Forecast Funding Impact Statement

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Solid Waste group of activities											
	Annual Plan 2014/15 \$000	Annual Plan 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	288	289	501	508	500	485	549	598	630	616	760
Subsidies & Grants for Operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees & Charges	1,753	1,741	1,785	1,832	1,881	1,936	1,994	2,055	2,123	2,195	2,274
Local authorities fuel tax, fines, infringement fees and other receipts	26	21	15	19	22	27	29	37	40	46	50
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,067	2,051	2,301	2,359	2,403	2,448	2,572	2,690	2,793	2,857	3,084
Applications of Operating Funding											
Payments to staff and suppliers	1,441	1,379	1,415	1,453	1,493	1,538	1,585	1,635	1,708	1,767	1,831
Finance Costs	275	311	319	310	306	295	305	362	380	367	515
Internal charges and overheads applied	211	247	253	262	269	275	281	288	295	306	314
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,927	1,937	1,987	2,025	2,068	2,108	2,171	2,285	2,383	2,440	2,660
Surplus (deficit) of operating funding (A - B)	140	114	314	334	335	340	401	405	410	417	424
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	610	100	(179)	(100)	(224)	130	921	255	(259)	2,411	(130)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	610	100	(179)	(100)	(224)	130	921	255	(259)	2,411	(130)
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	2	319	70	145	13	84	1,167	530	35	2,690	257
- to improve the level of service	813	-	-	-	-	278	-	-	-	-	-
- to replace existing assets	26	78	3	66	10	79	4	89	4	101	4
Increase (decrease) in reserves	(91)	(183)	62	23	88	29	151	41	112	37	33
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	750	214	135	234	111	470	1,322	660	151	2,828	294
Surplus (deficit) of capital funding (C-D)	(140)	(114)	(314)	(334)	(335)	(340)	(401)	(405)	(410)	(417)	(424)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-
Depreciation	412	308	313	313	313	313	371	367	369	371	374

Activity Expenditure	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Landfill	1,284	1,022	1,039	1,044	1,051	1,053	1,135	1,209	1,262	1,270	1,438
Recycling	676	711	737	758	779	802	827	847	876	907	941
Roadside Collection	186	187	192	197	202	208	214	220	227	235	243
Waste Transfer Stations	295	325	333	342	350	358	368	377	388	400	413
Total Expenditure including Depreciation	2,441	2,245	2,300	2,340	2,382	2,421	2,543	2,654	2,753	2,811	3,035

Internal Loans attributable to this group of activities	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Loan balance 1st July	84	26	36	78	120	161	184	259	267	391	538
Raised during the year	194	10	44	45	46	29	83	19	134	163	157
Repaid during the year	(183)	(1)	(1)	(3)	(5)	(6)	(7)	(10)	(11)	(16)	(22)
Forecast loan balance 30th June	95	36	78	120	161	184	259	267	391	538	674
Budgeted interest expense	5	2	2	5	8	10	12	17	17	25	35

How will it be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
Landfill	60%-70%	30%-40%	100%	0%	60%-70%	30%-40%
	Rationale: User fees are those charged to dispose of District refuse into the transfer station and from there, through to the landfill. Any recovered cost to be included in the Solid Waste Rate.					
Waste Transfer Stations	60%-70%	30%-40%	41%	59%	60%-70%	30%-40%
	Rationale: User fees are those charged to dispose of District refuse into the transfer station and from there, through to the landfill. Any recovered cost to be included in the Solid Waste Rate.					
Roadside Refuse Collection	85%-100%	0%-15%	100%	0%	85%-100%	0%-15%
	Rationale: Those who create the need for the service are the users and beneficiaries. Any unrecovered cost to be included in the Solid Waste Rate.					
Waste Minimisation and Recycling	0%	100%	0%	100%	0%	100%
	Rationale: Primarily for waste education and minimisation, with costs funded by the Solid Waste Rate.					

Regulatory Services

Regulatory Services is a delivery arm of Council that provides advice, consenting services, assessment, education, compliance and enforcement. The Activities that are undertaken within the Regulatory Services, Group of Activities provide for the development and review, implementation and enforcement of plans, bylaws and policies needed to protect the health and safety of the community and the environment it lives in.

District Planning

This Activity principally involves various Council functions and obligations under the Resource Management Act 1991 designed to ensure the natural and physical resources of the District are sustainably managed.

Generally this Activity can be broken down into two core areas being the preparation, review and monitoring of the District Plan and the processing and monitoring of resource consent and other applications made under the Resource Management Act (RMA) 1991.

What does this Activity involve?

- Reviewing the District Plan.
- Preparing or processing Plan Changes/Variations and Notices of Requirements.
- Monitoring the District's State of the Environment.
- Monitoring the efficiency and effectiveness of the policies and rules in the District Plan and reporting the results of this monitoring at 5 yearly intervals.
- Processing resource consents and other applications made under the RMA.
- Monitoring and enforcing compliance with resource consent conditions.
- Responding to complaints relating to non compliances with the District Plan or conditions of resource consents and taking appropriate action when a non compliance is observed.
- Providing advice to the public on the District Plan and RMA.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Reviewing the District Plan, monitoring the effectiveness of the District Plan, and preparing or processing Plan Changes/Variations.	<i>A healthy local economy and a District that is growing. A Sustainable Environment. Safe, resilient and healthy communities.</i>	Provider
Processing and monitoring of resource consents.	<i>A healthy local economy and a District that is growing. A Sustainable environment.</i>	Regulator/Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Processing of applications under the Resource Management Act (RMA).	Applications under the RMA will be processed within statutory timeframes.	100% compliance with relevant statutory timeframes.	100% compliance with relevant statutory timeframes.	100% compliance with relevant statutory timeframes.	100% compliance with relevant statutory timeframes.	<i>New measure</i>
Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken.	100% responded to within 2 working days	100% responded to within 2 working days	100% responded to within 2 working days	100% responded to within 2 working days	<i>Achieved (32 complaints were received & responded to within 2 working days).</i>
	Resource consents are monitored for compliance with conditions.	100%	100%	100%	100%	<i>Achieved</i>
The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	The % of non-complying resource consents approved as a proportion of all approved consents.	<10%	<10%	<10%	<10%	<i>New Measure.</i>

Major Projects

The following table shows all major projects scheduled for the District Planning Activity for the next 10 years.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
District Plan Review (third generation).							X \$505,000	X \$750,000	X \$250,000	
Plan Changes (including Cultural Sites of Significance).	X \$200,000	X \$80,000								

What has changed since the 2012-22 LTP?

In the 2012-22 LTP Council the preparation of a 'third' generation District Plan had not been factored in. While the legislation has changed to now make it possible to undertake a sectional review, a full review of the District Plan has been identified for the three year period starting year 7 (2021/22) of this LTP.

Significant changes to the District Plan (including sites or cultural significance and a historic heritage assessment) had originally been anticipated to have been included as part of the District Plan Review. However during the review District Plan these were deferred and are now scheduled to commence in year 1 (2015/16) of this LTP.

Challenges Council faces for this Activity:

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

Another challenge faced by the Council for this Activity is balancing the need to provide for and encourage economic development against a 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.

Review of the District Plan, resource consents and enforcement of District Plan rules or resource consent conditions can be perceived by some people as encroaching on private property rights and 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. Reviewing the District plan ensures that any rules are reflective of the current environment and the aspirations of our Community.

Significant negative effects associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

Changes in legislation could result in requiring subsequent changes to the District Plan or to how resource consents are processed or monitored that have not been anticipated or appropriately budgeted for.

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 any required changes.

Building Control

This Activity is undertaken by the Council to ensure that buildings are safely constructed, and so that people have confidence that they are safe to use. The Council has legislative responsibilities for implementing these requirements under the Building Act 2004.

What does this Activity involve?

- 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.
- Respond to complaints relating to non compliances with the Building Act 2004 and take appropriate action when a non compliance is observed.
- Providing advice to the public on building consent applications and the Building Act 2004.
- Enforcing the Fencing of Swimming Pools Act 1987.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Processing building consent applications and undertaking inspections of the building work to ensure compliance with the consent.	<i>A healthy local economy and a District that is growing.</i>	Provider
Respond to complaints relating to non compliances with the Building Act 2004 and take appropriate action when a non compliance is observed.	<i>A healthy local economy and a District that is growing.</i>	Regulator

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of building consent applications granted within 20 working days or less.	100% of applications.	100% of applications.	100% of applications.	100% of applications.	100% of applications.
	Consent applications for new residential dwellings are processed in 18 days or less.	90% of applications.	95% of applications.	100% of applications.	100% of applications.	New Measure
	Reported cases of illegal building work will be responded to within 3 working days.	100%	100%	100%	100%	New Measure
	Percent of private swimming pools on register inspected annually for compliance.	33% of private swimming pools are inspected.	33% of private swimming pools are inspected.	33% of private swimming pools are inspected.	33% of private swimming pools are inspected.	33% of private swimming pools were inspected.
	Council will maintain its accredited status as a Building Consent Authority	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained	Achieved

Major Projects

The following table shows all major projects scheduled for the Building Control Activities for the next 10 years. Note: These projects are generally only those with cost estimates over \$10,000.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Earthquake prone building surveys.	X \$50,000	X \$50,000	X \$50,000	X \$50,000	X \$50,000	X \$50,000	X \$50,000	X \$50,000	X \$50,000	X \$50,000
Accreditation		X \$20,000		X \$20,000		X \$20,000		X \$20,000		X \$20,000

What has changed since the 2012-22 LTP?

Since the 2012-22 LTP was produced Council has entered into an arrangement with Rangitikei District Council which means that our Building Officers now process any overflow building consent applications for Rangitikei District Council at their request.

Challenges Council faces for this Activity:

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.

Another challenge facing Council in relation to this Activity are the requirements around earthquake prone buildings which are likely to come into place with the Building (Earthquake-prone Buildings) Amendment Bill which would mean that Council will have to update its policy on earthquake prone buildings and complete the seismic assessment of all non-residential buildings and all multi-unit, multi-storey residential buildings within this District within five years of amendment to the Building Act taking effect.

Significant negative effects associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

The major 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 assumes that it has the appropriate systems in place to ensure that it will get its accreditation each time that it comes up for review as per historical results.

Changes in legislation could result in an increase to the levels of service or require changes to be made to how the 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 any required changes.

Environmental Health

The Environmental Health Activity has two distinct areas being; Food Safety, which ensures that food services used by the Community are healthy and safe; and General Compliance, which ensures that other health legislative requirements are complied with.

What does this Activity involve?

- Investigating health complaints and carry out associated enforcement action when necessary/appropriate.
- Inspecting and auditing food premises and premises licensed under the Health Act 1956 to ensure compliance with relevant legislation.
- Providing advice to people wanting to open businesses in this District that require licensing under the Health Act 1956.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Processing applications for food premises and other premises and undertaking inspections/audits of these premises.	<i>Safe, resilient and healthy communities.</i>	Regulator/Provider
Respond to health related complaints and take appropriate action when a non compliance is observed.	<i>A healthy local economy and a District that is growing.</i>	Regulator

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Monitoring of food services used by the Community to ensure that they are healthy and safe.	Percent of food premises fitting the scope of templated Food Control Plans apply for exemption from the Food Hygiene Regulations 1974.	10%	10%	10%	10%	New Measure
	Percent of registered premises that are inspected/audited and graded.	100%	100%	100%	100%	New Measure

Major Projects

No major projects planned for the Environmental Health Activity for the next 10 years.

What has changed since the 2012-22 LTP?

Since the 2012-22 LTP was produced the Food Act 2014 was passed and food premises are now being transitions from an inspection regime to that of an audit process by March 2016.

Also since the development of the last LTP the Council has been working together with other Territorial Authorities within the Manawatu-Wanganui Region to develop a generic Food Hygiene Bylaw and grading system for food premises. This is reflective of how local Territorial Authorities are looking to make efficiencies and to be more consistent with their processes.

Challenges Council faces for this Activity:

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 this Activity:

The cost of this Activity for ratepayers is a significant negative effect associated with this Activity as currently fees and charges for this Activity only cover 25-35% of the cost of this Activity with the

rest being ratepayer funded. Council can explore increasing the fees and charges so that the 'user payers' percentage of funding is higher. However, it is noted that in most cases there is a public good associated with this Activity as it helps to ensure that food premises and other premises frequented by the public are hygienic.

Key Risks and Assumptions associated with this Activity:

Full implementation of the Food Act 2014 in March 2016 this will mean that businesses on National Food Programmes, such as dairies, can choose their verification agency and therefore there is a risk of a reduction in our food premises client base. It is assumed that most businesses will continue to rely on Council for their licensing.

Liquor Licensing

This Activity involves the monitoring of all licensed premises to ensure that the sale and supply of alcohol is conducted in accordance with the Sale and Supply of Alcohol Act 2012 and licence conditions to ensure that the sale and supply of alcohol is conducted responsibly.

What does this Activity involve?

- Processing applications for liquor licences and manager's certificates.
- Monitoring and inspection of all licensed premises to ensure compliance with both legislation and licence conditions.
- Joint undertakings such as "Controlled Purchase Operations" are carried out in conjunction with partner agencies MidCentral Public Health and New Zealand Police.
- Providing information and advice to customers on licensing requirements.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Processing application for premises and undertaking inspections.	<i>Safe, resilient and healthy communities.</i>	Regulator/Provider
Respond to complaints relating to non-compliance with liquor licensing requirements and take appropriate action when a non-compliance is observed.	<i>A healthy local economy and a District that is growing.</i>	Regulator

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Monitoring of licensed premises to ensure compliance with relevant	Percent of premises that are inspected annually to check for compliance	100% of premises are inspected.	100% of premises are inspected.	100% of premises are inspected.	100% of premises are inspected.	100% of premises were inspected.

legislation.	with their licence conditions.					
	Percent of applications for a licence that will be forwarded to Public Health and the Police for comment.	100% of applications	100% of applications	100% of applications	100% of applications	New Measure

Major Projects

The following table shows all major projects scheduled for the Liquor Licensing Activity for the next 10 years.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Development of Local Alcohol Policy.	X \$3,000									

What has changed since the 2012-22 LTP?

The Horowhenua District Licensing Committee has been established as required by the Sale and Supply of Alcohol Act 2012. This Committee is responsible for considering and determining all applications relating to licences and certificates.

Challenges Council faces for this Activity:

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 this Activity:

The cost of this Activity for ratepayers is a significant negative effect associated with this Activity as currently fees and charges for this Activity only cover 40-50% of the cost of this Activity with the rest being ratepayer funded. However, these fees are set by Central Government and as such Council is unable to change them.

Key Risks and Assumptions associated with this Activity:

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 and 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.

Animal Control

This Activity principally involves Council administering, implementing and enforcing the Dog Control Act 1996 and implement or enforcing other relevant legislation from time to time as such the Impounding Act 1955. The Dog Control Act 1996 seeks to improve public safety by mitigating the risk of harm, injury or nuisance from dogs in our community.

What does this Activity involve?

- Registering dogs.
- Patrolling the District on the outlook 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.
- Protecting against damage to fragile areas.
- Re-homing or euthanasing unclaimed animals.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Provision of Animal Control services.	<i>Safe, resilient and healthy communities.</i>	Regulator/Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Reported instances of non compliance and dog nuisance will be responded to.	Reported instances of non compliance and dog nuisance will be responded to.	100%	100%	100%	100%	<i>New Measure</i>
	An after-hours emergence response will be continuously provided.	Achieved	Achieved	Achieved	Achieved	<i>New Measure</i>
Registration and classification of all known dogs within the District.	All known dogs in the District are registered and classify in accordance with legislation.	100%	100%	100%	100%	<i>100% of known dogs</i>

Major Projects

The following table shows all major projects scheduled for the Animal Control Activity for the next 10 years.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Dog Pound Extensions.	X \$15,000				X \$6,000				X \$6,000	

Body worn GPS/Video.	X \$3,250			X \$4,000			X \$4,000			X \$4,000
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What has changed since the 2012-22 LTP?

No key changes have occurred for the Animal Control Activity since the 2012-22 LTP was produced.

Challenges Council faces for this Activity:

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 this Activity:

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

Key Risks and Assumptions associated with this Activity:

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 and 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

Council provides on and off-street parking in Levin, including metered and time restricted areas with a goal that people can access car parks. This Activity involves the implementation and enforcement the parking control measures specified in the Council's Traffic and Parking Bylaw 2007.

What does this Activity involve?

- Enforcing the parking control measures of the Council's Traffic and Parking Bylaw 2007 including issuing tickets for non compliances.
- Policing expired vehicle registrations and warrants of fitness.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Operation of a Parking Enforcement scheme.	<i>Safe, resilient and healthy communities.</i>	Regulator

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
All parking restricted areas in Levin will be	Enforcement conducted	Achieved	Achieved	Achieved	Achieved	<i>Achieved</i>

enforced under the provisions of Council's Bylaw and the Transport Regulations.	each working day.					
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Major Projects

The following table shows all major projects scheduled for the Parking Enforcement Activity for the next 10 years.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Mobile Ticket Devices.	X \$22,000				X \$24,000				X \$28,000	
Paid parking at the Mall Car Park.	X \$65,000				X \$17,000				X \$19,000	
Body worn GPS/Video.	X \$3,250			X \$4,000			X \$4,000			X \$4,000

What has changed since the 2012-22 LTP?

No key changes have occurred for the Parking Enforcement Activity since the 2012-22 LTP was produced.

Challenges Council faces for this Activity:

No challenges have been identified as facing Council for the Parking Enforcement Activity.

Significant negative effects associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

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

General Regulatory Services

The General Regulatory Services Activity consistent of a number sub-activities undertaken as part of Council's general regulatory functions including bylaw and policy reviews, inspect non-food premises (such as hairdressers) dealing with abandoned vehicles, following up on noise and litter complaints, and gaming machine venue consents.

What does this Activity involve?

- Review or develop relevant bylaws e.g. Council's Public Places Bylaw.
- Inspection of non-food premises for compliance with relevant legislation.
- Respond to general noise complaints Council receives and take appropriate action if noise is considered to be excessive. Note: Council's noise control functions are largely contracted externally.

- Respond to complaints regarding vehicles that have been abandoned on public spaces and take appropriate action.
- Respond to complaints about the dumping of litter on private and public land and take action under the Litter Act 1979 as appropriate.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Provide General Regulatory Services	<i>Safe, resilient and healthy communities.</i>	Regulator/Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Noise complaints response service will be provided.	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieved	Achieved	Achieved	Achieved	<i>New measure</i>
Public safety bylaws and other legislation will be enforced.	Percent of reported non compliances and complaints that are responded to within 5 working days.	100%	100%	100%	100%	<i>New measure</i>

Major Projects

No major projects are planned for this Activity over the next 10 years, however it should be noted that in 2014 Council commenced a review process of current bylaw's and policies. This review will continue for the next 18 months to ensure compliance with statutory review requirements.

What has changed since the 2012-22 LTP?

With the exception of this being identified in this LTP as an Activity, no key changes have occurred for the General Regulatory Services Activity since the 2012-22 LTP was produced.

Challenges Council faces for this Activity:

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 this Activity:

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

Key Risks and Assumptions associated with this Activity:

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

How much will it cost?

Capital Expenditure Projects for Regulatory Services

Regulatory Projects	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Primary Type - Renewals	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Vehicles	64	-	34	69	-	34	76	-	-	-
Vehicles	17	-	-	18	-	-	20	-	-	-
Overheads Renewals	3	3	3	3	3	3	3	3	4	4
Total Renewals	84	3	37	91	3	38	99	3	4	4
These Projects are primarily Renewals but contain the following elements:										
Renewals	84	3	37	91	3	38	99	3	4	4
LOS	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	84	3	37	91	3	38	99	3	4	4
Regulatory Projects										
Primary Type - LOS										
Parking Mobile Ticket Device	22	-	-	-	24	-	-	-	28	-
Mall car park paying system	65	-	-	-	17	-	-	-	19	-
Dog Pound Pup Kennels. Concreting extensions	15	-	-	-	6	-	-	-	6	-
Body Worn video equipment	3	-	-	4	-	-	4	-	-	4
Body Worn video equipment	3	-	-	4	-	-	4	-	-	4
Overheads LOS	3	3	3	3	3	3	3	3	3	3
Total LOS	111	3	3	10	50	3	11	3	56	12
These Projects are primarily LOS but contain the following elements:										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	111	3	3	10	50	3	11	3	56	12
Growth	-	-	-	-	-	-	-	-	-	-
Total	111	3	3	10	50	3	11	3	56	12
Regulatory Projects										
Primary Type - Growth										
Overheads Growth	-	-	-	-	-	-	-	-	-	-
Total Growth	-	-	-	-	-	-	-	-	-	-
These Projects are primarily Growth but contain the following elements:										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-
Make up of Total Regulatory Projects by Type										
Renewals	84	3	37	91	3	38	99	3	4	4
LOS	111	3	3	10	50	3	11	3	56	12
Growth	-	-	-	-	-	-	-	-	-	-
Total Regulatory Projects	195	6	40	100	53	41	110	7	60	16

Forecast Funding Impact Statement for Regulatory Services

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Planning and Regulatory group of activities											
	Annual Plan 2014/15 \$000	Annual Plan 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,662	1,996	2,015	1,986	2,001	2,012	2,064	2,663	3,032	2,434	2,172
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies & Grants for Operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees & Charges	3	3	3	3	3	3	3	3	4	4	4
Local authorities fuel tax, fines, infringement fees and other receipts	2,175	2,229	2,313	2,395	2,482	2,550	2,638	2,720	2,809	2,916	3,026
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	3,840	4,228	4,331	4,384	4,486	4,565	4,705	5,386	5,845	5,354	5,202
Applications of Operating Funding											
Payments to staff and suppliers	603	667	471	403	416	426	441	1,050	1,382	800	503
Finance Costs	155	150	158	149	145	144	139	135	136	130	125
Internal charges and overheads applied	3,228	3,311	3,515	3,643	3,734	3,801	3,923	3,995	4,117	4,209	4,349
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,986	4,128	4,144	4,195	4,295	4,371	4,503	5,180	5,635	5,139	4,977
Surplus (deficit) of operating funding (A - B)	(146)	100	187	189	191	194	202	206	210	215	225
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	162	95	(181)	(149)	(90)	(141)	(161)	(96)	(204)	(155)	(209)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	162	95	(181)	(149)	(90)	(141)	(161)	(96)	(204)	(155)	(209)
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	111	3	3	10	50	3	11	3	56	12
- to replace existing assets	16	84	3	37	91	3	38	99	3	4	4
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	16	195	6	40	101	53	41	110	6	60	16
Surplus (deficit) of capital funding (C-D)	146	(100)	(187)	(189)	(191)	(194)	(202)	(206)	(210)	(215)	(225)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-
Depreciation	17	72	82	82	83	84	88	89	90	91	97

Activity Expenditure	Forecast 2014/15 \$'000	Forecast 2015/16 \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000	Forecast 2019/20 \$'000	Forecast 2020/21 \$'000	Forecast 2021/22 \$'000	Forecast 2022/23 \$'000	Forecast 2023/24 \$'000	Forecast 2024/25 \$'000
Animal Control	215	218	225	235	242	252	260	268	279	287	295
Building Consents	729	784	861	875	909	914	954	960	1,004	1,012	1,060
Building Policy	167	180	200	203	211	212	222	223	233	235	246
Dog Control	560	595	597	623	637	653	670	686	703	723	744
Environmental Health	188	191	235	243	248	253	260	266	273	280	288
Environmental Health Policy	31	33	40	42	43	44	45	46	47	48	49
Liquor Policy	14	192	201	212	216	221	228	234	238	247	254
Liquor Licensing	193	5	9	10	10	10	10	11	11	11	12
Parking	390	471	492	505	515	528	545	559	573	588	611
Planning Policy	709	715	521	449	446	447	453	1,050	1,370	776	463
Resource Planning	588	566	589	615	628	642	658	675	689	709	730
Safety Licensing	219	249	257	268	272	280	287	295	304	313	322
Total Expenditure including Depreciation	4,003	4,231	4,250	4,302	4,400	4,478	4,618	5,296	5,751	5,255	5,100

Internal Loans attributable to this group of activities	Forecast 2014/15 \$'000	Forecast 2015/16 \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000	Forecast 2019/20 \$'000	Forecast 2020/21 \$'000	Forecast 2021/22 \$'000	Forecast 2022/23 \$'000	Forecast 2023/24 \$'000	Forecast 2024/25 \$'000
Loan balance 1st July	80	47	64	139	214	288	328	463	478	699	962
Raised during the year	66	19	78	80	83	52	148	34	240	291	282
Repaid during the year	(104)	(2)	(3)	(6)	(9)	(12)	(13)	(19)	(19)	(28)	(39)
Forecast loan balance 30th June	42	64	139	214	288	328	463	478	699	962	1,206
Budgeted interest expense	5	3	4	9	14	19	21	30	31	45	63

How will each activity be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
District Planning Consenting	60%-70%	30%-40%	52%	48%	60%-70%	30%-40%
	Rationale: Although primarily a private benefit, the Resource Management Act exists to protect the wider environment for the benefit of all residents.					

District Planning Policy	0%	100%	0%	100%	0%	100%
	Rationale: This activity is strategic in nature and is primarily involved in protection of the environment for the benefit of the wider community. The activity also aids in public understanding and compliance with the Resource Management Act.					
Building Consents	80%-90%	10%-20%	76%	24%	80%-90%	10%-20%
	Rationale: Although primarily a private benefit, the Building Act exists to protect the wider community from poor building practices.					
Building Policy	0%	100%	0%	100%	0%	100%
	Rationale: Although the building consenting activity is a private benefit, the Building Act and the accreditation process exists to ensure standards set by regulatory agencies are met to protect the wider community from poor building practices.					
Health Licensing	25%-35%	65%-75%	26%	74%	25%-35%	65%-75%
	Rationale: This Activity is serviced by specifically qualified staff with direct responsibility for licensing, inspections and work associated with enquiries and complaints in relation to public health matters for which the Council is responsible. The general ratepayer is the widest beneficiary of the service, which is a statutory requirement.					
Dog Control	70%-80%	20%-30%	69%	31%	70%-80%	20%-30%
	Rationale: Although primarily a private benefit, the Dog Control Act exists to protect the wider community from errant dogs.					
Parking Enforcement	90%-100%	0%-10%	100%	0%	100%	0%
	Rationale: Predominantly funded from those who use the car parks.					

Community Facilities and Services

This Group of Activities provides assets and support for local and visitors to the District to enjoy our open spaces. These assets support activities that are largely passive or active leisure-based pursuits involving the community from casual participation through to clubs and associations organised on a national level. The ability to take part in social and sporting activities at these levels is important for the quality of social life at a community level and for basic health at an individual level. Along with these benefits, the green and open nature of assets in this Activity also provides great enhancement to the environment within the District.

Reserves, Sports Grounds, Cemeteries and Beautification

This Activity involves the management of reserves, sports grounds and cemeteries as well as for the provision of street beautification within the District.

What does this Activity involve?

Reserves and Beautification:

Key to the provision of this Activity is ownership of a large number of reserves and parks including (but not limited to) neighbourhood reserves, riverside and lakeside picnic areas, and public gardens. These have management and/or development plans, which have been developed with substantial community involvement. They also allow a diversity of pursuits important to the enjoyment of healthy lifestyles, and are an attraction to visitors.

Sports Grounds:

Some reserves function as sports grounds, with added facilities for both casual and structured sporting activities and other events.

Cemeteries:

Cemeteries are subject to the Burial and Cremation Act 1964 which states that a local authority shall, where sufficient provision is not otherwise made, establish and maintain a suitable cemetery for the burial of those who die in its District. It is estimated that between 50% and 60% of the deaths registered in the Horowhenua result in interments in Council's cemeteries.

In recent years, there has been a trend towards lawn cemeteries, memorial parks, and cremation.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Maintain public Reserves	<i>A sustainable environment. A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities.</i>	Funder/Provider/Advocate
Manage a Beautification programme across the District	<i>A sustainable environment. A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities.</i>	Funder/Provider
Maintain Sports Grounds for public use	<i>A healthy local economy and a District that is growing. A sustainable environment. A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Funder/Provider
Operate Cemeteries	<i>A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Funder/Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Reserves are available for community use.	Sufficient space is available (ha/1000 pop).	1	1	1	1	New Measure
Sports grounds are available for community use.	Percent of time that sport grounds are available for use during their opening hours.	95%	95%	95%	95%	95%
Playgrounds are safe for users.	Playground facilities comply with relevant standards.	100%	100%	100%	100%	New Measure
Cemeteries are managed and maintained to	Meet needs according to legal requirements.	Meet	Meet	Meet	Meet	New Measure

an appropriate standard.						
Cemeteries operate to an acceptable level.	All arrangements and internments at Council cemeteries are made satisfactorily before 24 hours from internment.	Achieved	Achieved	Achieved	Achieved	<i>Achieved</i>

Major Projects

The following table shows all major projects scheduled for the Reserves, Sports Grounds, Cemeteries and Beautification Activity for the next 10 years. Note: These projects are generally only those with cost estimates over \$100,000.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Waiterere Dune	X \$103,000									
Reserves renewals			X \$159,000							
Sports grounds renewals					X \$756,000					
Levin Adventure Park (playground)		X \$157,000								
Cemetery – Foxton Land Development		X \$148,000								

What has changed since the 2012-22 LTP?

Since the adoption of the 2012-22 LTP Cyrus Hills Forest has been sold and any remaining small forestry blocks have been incorporated into the individual parks and reserves.

Challenges Council faces for this Activity:

Changes in levels of demand and Community expectations are challenges facing Council for this Activity. These challenges are addressed by ensuring that reserves, sports grounds, and cemeteries are developed to be multi-use and flexible enough to cope with changes in demands and expectations. Usage of facilities may also be a challenge, with usage lessening but operational costs increasing.

Another challenge faced by the Council is that there are capacity issues at the Manakau Cemetery and steps will need to be taken to secure and/or develop more land, with other works programmes undertaken to maintain current levels of service for this part of the Community.

Conservation is also a challenge faced by Council and there a number of projects that are proposed to address conservation issues in the District including the implementation of the Waitarere Beach and Foxton Beach Coastal Dune Management Plans and the development of the

Wairarawa Walkway system. These projects address sensitive areas in establishing and maintaining coastal and riparian plantings.

Vandalism and Graffiti are challenges faced by Council for this Activity. Where possible the Council designs assets to be vandal resistant which involves not just the type of construction but also good design, well considered location, and responsive maintenance.

The final challenge faced by the Council for this Activity is that demographic projections are signalling that the population of the Horowhenua District is ageing. As there will be a growing proportion of the population over 65 years of age the Council needs to design its reserves and leisure spaces to better suit the needs of this age group.

Significant negative effects associated with this Activity:

There are no known significant negative effects surrounding Council's planned Reserves and Beautification, Sports Grounds, and Cemeteries Activity.

Key Risks and Assumptions associated with this Activity:

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.

Aquatic Centres and Recreation

Swimming pools provide recreational opportunities that play an important part in the promotion and opportunities for healthy and safe lifestyles in Horowhenua. As part of this Activity the Council has two Aquatic Centres in Levin and Foxton and manages the Shannon School swimming pool during the Summer. Aquatic Centres provide for a wide range of activities including swim schools, fitness classes, holiday and social events.

What does this Activity involve?

- Providing public swimming pools for general usage in Levin (all year round) and Foxton (between December and April) as well as managing the Shannon School swimming pool during the Summer.
- Providing facilities for local clubs and organisations to utilise e.g. the Horowhenua Canoe Polo Club.
- Providing a certified Swim School at Levin and Foxton.
- Supporting local recreation clubs and organisations to run events off site.
- Providing fitness classes both on and off site.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Safe Aquatic Centres are available for community use	<i>Safe, resilient and healthy communities.</i>	Provider
Recreation opportunities are provided for the community	<i>Safe, resilient and healthy communities. Positive leadership and effective</i>	Provider/Advocate

partnerships.

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation.	100% compliant	100% compliant	100% compliant	100% compliant	100% compliant
Aquatics Centres meet customer needs.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey.	85% Satisfied	85% Satisfied	85% Satisfied	85% Satisfied	99% (2012/13 measure)
A high quality Swim School operates at Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes.	400 per term	400 per term	400 per term	400 per term	Achieved (410 participants)
Local clubs are supported to deliver their own events.	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future.	4 per year	4 per year	4 per year	4 per year	New Measure
Growing existing events and developing new ones for the following areas; children, general public and retirees.	Number of events per year for children, general public and retirees.	2 events per group each year	2 events per group each year	2 events per group each year	2 events per group each year	New Measure

Major Projects

The following table shows all major projects scheduled for the Levin Aquatic Centre Activity for the next 10 years. Note: These projects are generally only those with cost estimates over \$100,000.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Levin Aquatic Centre Redevelopment.	X \$1,613,000									

What has changed since the 2012-22 LTP?

The major project of the redevelopment of the Levin Aquatic Centre was originally scheduled to occur in the year 2014/15, however this project was deferred until the year 2015/16.

Challenges Council faces for this Activity:

A major challenge facing Council for this Activity is the change in demand and Community expectations. This challenge will be met by ensuring that as key recreation assets are developed or upgraded that they are designed to be multiuse as much as possible and to be flexible enough to cope with these changing demands and expectations.

Another challenge faced by the Council for this Activity is the ongoing increases in operational costs, coupled with a low socioeconomic District being unable to afford increases in fees and charges.

Significant negative effects associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

The major risk associated with this Activity is personal and social, due to the active nature of the services provided by this Activity. For example, pools and recreation activity 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.

Community Centres and Libraries

Community Centres and Libraries are an important educational, cultural and recreational resource as they enrich the economic, social and intellectual life of the Community. As part of this Activity the Council owns the Levin Culture and Community Centre (Te Takeretanga o Kura-Hau-Pō) as well as the Library buildings in Shannon and Foxton.

In 1996, Council set up the Horowhenua Library Trust (now Te Horowhenua Trust), leased the Library buildings to the Trust, vested its other Library assets in the Trust and entered into a contract for the delivery of Library services.

Council is also contributing to the development of Te Awahou-Nieuwe Stroom which will service as a community centre for Foxton and will be a major project for Council's Community Centres and Libraries Activity over the next two years.

What does this Activity involve?

Council signed a new Management Contract with Te Horowhenua Trust on 1 July 2012. It now covers the delivery of the following services in Te Takere:

- Business support.
- Children's services and activities.
- Community support.
- Education and learning.
- Events, exhibitions and performances.
- Library services and activities.

- Local and family history.
- Meetings functions and conventions.
- Council service centre.
- Services and facilities for older adults.
- Social lounges and café.
- Te Ao Māori.
- Technology resources and facilities.
- Youth services and activities.
- Visitor information.

The Management Contract also includes the provision of Library services for Shannon and Foxton.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Community Centres and Libraries operate within the District	<i>A healthy local economy and a District that is growing.</i> <i>A community of knowledge, culture and diversity where people are proud to live.</i> <i>Safe, resilient and healthy communities.</i> <i>Positive leadership and effective partnerships.</i>	Funder/Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Council provides Communities facilities for residents, ratepayers and visitors to access community services including library services.	Communities with library and community facilities providing an integrated and District wider service.	Levin, Foxton and Shannon	Levin, Foxton, and Shannon	Levin, Foxton, and Shannon	Levin, Foxton, and Shannon	<i>New Measure</i>
	Percent of residents and non residents satisfied with library and community services.	>85%	>85%	>85%	>85%	<i>New Measure</i>
	Number of booking counts for community facilities.	80	80	80	80	<i>New Measure</i>
	Number of visitor counts to Te Takere, Foxton Library & Service Centre and Shannon Library.	500,000 people across all sites annually	500,000 people across all sites annually	500,000 people across all sites annually	500,000 people across all sites annually	<i>New Measure</i>
Customers have	Number of items	350,000	350,000	350,000	350,000	<i>New</i>

access to a range of current information in both print and digital format.	loaned from the Library across District, including books, magazines etc.					<i>Measure</i>
	Percent of increase in use of website.	>1%	>1%	>1%	>1%	<i>New Measure</i>
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	100	100	100	100	<i>New Measure</i>
Customers have access to programmes and initiatives that enhance wellbeing of the District.	Percentage of complete actions identified in the annual Business Plan.	>85%	>85%	>85%	>85%	<i>New Measure</i>
	Number of programmes delivered.	300	300	300	300	<i>New Measure</i>

Major Projects

The following table shows all major projects scheduled for the Community Centres and Libraries Activity for the next 10 years. Note: These projects are generally only those with cost estimates over \$200,000. It is noted that the Council contribution towards Te Awahou-Nieuwe Stroom project (\$2.2 million) includes funding from other activities and sources such as the Foxton Townscape Main Street project, strategic grants and sale of land).

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Building of Te Awahou-Nieuwe Stroom.	X \$658,000									

What has changed since the 2012-22 LTP?

No key changes have occurred in the Community Centres and Libraries Activity since the 2012-22 LTP was produced.

Challenges Council faces for this Activity:

A major challenge facing Council for this Activity is the change in demand and Community expectations. This challenge will be met by ensuring that as key Community Centres and Library assets are developed or upgraded that they are designed to be multiuse as much as possible and to be flexible enough to cope with these changing demands and expectations.

Another challenge faced by the Council for this Activity is the ongoing increases in operational costs, coupled with a low socioeconomic District being unable to afford increases in fees and charges.

Significant negative effects associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

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

How much will it cost?

Capital Expenditure Projects for Community Facilities and Services

CFS Projects	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Primary Type - Renewals	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Cemetery - Mako Mako Pathways	-	15	-	-	-	-	-	-	-	-
Levin Reseal rear car park	10	-	-	-	-	-	-	-	-	-
Levin Hydroslide rust prevention	13	-	-	-	-	-	-	-	-	-
Levin Aquatic Centre Plan Renewals	20	41	21	22	22	23	23	48	25	26
Foxton Aquatic Centre Plan Renewals	10	20	10	11	11	11	12	24	13	13
District Replacement of water heaters	11	12	-	-	-	-	-	-	-	-
District Halls (& Pavilions) Reactive renewals (including vandalism)	25	26	26	27	28	28	29	30	31	32
Public Toilets - Programmed Renewals	41	44	46	49	51	55	58	61	63	65
Halls Renewals	-	447	-	-	-	-	226	-	-	-
Public Toilets Renewals	-	-	-	-	222	264	-	-	-	-
Arapaepae Rd Beautification Strip Remedial Landscaping and Tree	21	-	-	-	-	-	-	-	-	-
District Play Equipment Bark mulch	26	26	26	-	-	-	-	-	-	-
Waitarere Dune management Dune management - flatten recou	103	-	-	-	-	-	-	-	-	-
Waitarere Foreshore Reserve Signage & Plants	5	5	-	-	-	-	-	-	-	-
Weraroa Domain Remembrance area refurbishment	-	8	-	-	-	-	-	-	-	-
Donnelly Park Cricket Fields Renew artificial surface	13	-	-	-	-	-	-	-	-	-
District Replacement of water supply bore-pumps	-	-	16	-	-	-	-	-	-	-
Reserve Carpark reseal	30	-	-	-	-	-	-	-	-	-
Reserves Renewals	10	61	159	11	11	11	12	12	13	13
Sportsgrounds Renewals	10	10	10	11	756	11	12	12	13	13
Donnelly Park Reroof Amenity block / Toilet	-	26	-	-	-	-	-	-	-	-
Levin Adventure Park Oak Tree maintenance and renewal	-	15	-	-	-	-	-	-	-	-
Levin Adventure Park Playground renewals	-	-	157	-	-	-	-	-	-	-
Levin Domain Pathways resurface	51	-	-	-	-	-	-	-	-	-
Levin Domain Replace boundary fencing	21	-	-	-	-	-	-	-	-	-
Prouse Bush Noxious Weed Removal & Revege (native land snail	-	-	10	-	-	-	-	-	-	-
District Play Equipment	42	41	-	43	44	46	47	48	50	52
Foxton Tram Station Exterior Repair and Repaint	16	-	-	-	-	-	-	-	-	-
Holben Sound Shell & Repainting buildings	-	-	5	-	-	-	-	-	-	-
Kimberley Reserve Toilets Reroof and refit	-	-	16	-	-	-	-	-	-	-
Vehicles	-	25	26	-	27	28	-	29	-	-
Overheads Renewals	50	52	55	56	57	59	60	62	65	66
Total Renewals	529	873	585	229	1,229	538	479	327	271	280
These Projects are primarily Renewals but contain the following										
Renewals	527	873	585	229	1,229	538	479	327	271	280
LOS	2	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	529	873	585	229	1,229	538	479	327	271	280

Capital Expenditure (continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
CFS Projects	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Primary Type - LOS	-	148	-	-	-	-	-	-	-	-
Cemetery - Foxton Land Development	26	-	-	-	-	-	-	-	-	-
Cemetery - Foxton Ashes area	-	-	31	-	-	-	-	-	-	-
Cemetery - Avenue Redevelop Front Entrance and update inform	11	-	-	-	-	-	-	-	-	-
Cemetery - Shannon Burial beams	-	102	-	-	-	-	-	-	-	-
Cemetery - Avenue Extend Burial and Cremation sites	-	10	-	-	-	-	-	-	-	-
Cemetery - Avenue Land Development	658	-	-	-	-	-	-	-	-	-
Foxton Community Centre	1,613	-	-	-	-	-	-	-	-	-
Levin disable facilities upgrade, hydrotherapy pool, zero depth p	31	-	-	-	-	-	-	-	-	-
Levin Pump VSD	-	51	44	-	-	-	-	-	-	-
Levin UV disinfection investigation, and installation	-	-	58	-	-	-	-	-	-	-
Levin Install Centaman - online booking	54	-	-	-	-	-	-	-	-	-
FlagTrax	7	7	7	4	-	4	-	4	-	5
Levin Supply and extract fans	-	2	-	2	-	-	-	-	-	-
Levin Coils	10	5	5	5	6	6	6	-	-	-
Levin Pumps	-	-	-	-	-	-	-	-	6	6
Levin Storage and filter tanks	-	-	2	-	-	2	-	-	3	-
Levin air and heat	1	1	1	1	1	1	1	1	1	1
Levin plantroom miscellaneous	5	2	5	2	6	2	6	2	6	3
Foxton plantroom miscellaneous	60	-	-	-	-	-	-	-	-	-
Upgrade ablutions block Donnelly Park	50	-	-	-	-	-	-	-	-	-
Shannon Memorial Hall - accessible facility's upgrade (toilet block	55	-	-	-	-	-	-	-	-	-
Public Toilets-Salisbury Street upgrade, Reroof, renew flooring,	25	-	-	-	-	-	-	-	-	-
Target Reserve: Improve internal access tracks due to increase	8	-	-	-	-	-	-	-	-	-
Shannon Domain drainage, landscaping, pathway for improved p	20	-	-	-	-	-	-	-	-	-
Redevelopment Donnelly Park	19	-	-	-	-	-	-	-	-	-
Waitarere Foreshore Accretion	15	-	-	-	-	-	-	-	-	-
Driscoll Reserve Beautification of ex-Ravensdown Manakau site	32	-	-	-	-	-	-	-	-	-
Foxton River Loop walkway, viewing and recreation activities	32	31	31	32	33	34	35	36	38	39
District Fencing Contingency	11	-	-	-	-	-	-	-	-	-
Donnelly Park BMX Site: drainage, path, planting	16	15	-	-	-	-	-	-	-	-
Foxton Beach Coastal Reserve Implement Actions of FB Coastal	-	-	5	-	-	-	-	-	-	-
Foxton Beach Coastal Reserve Revegetation Programme	-	20	-	-	-	-	-	-	-	-
Ihakara Gradens Landscaping	-	41	-	-	-	-	-	-	-	-
Levin Adventure Park Toilet Upgrade buildings	-	15	-	-	-	-	-	-	-	-
Levin Domain Create steps and staircases from Salisbury Stree	11	-	-	-	-	-	-	-	-	-
Wairarawa Stream Walkway Development	-	26	-	-	-	-	-	-	-	-
Levin Public Gardens Drive and pathway	7	-	-	-	-	-	-	-	-	-
Levin Public Gardens Landscaping	-	10	-	-	-	-	-	-	-	-
Cousins Ave Reserve Access and Revege	-	20	-	-	-	-	-	-	-	-
Donnelly Park Cricket Fields extend turf block	75	78	82	83	85	88	90	92	96	99
Overheads LOS	2,849	586	273	130	131	138	138	136	150	153
Total LOS										
These Projects are primarily LOS but contain the following elem										
Renewals	279	13	-	-	-	-	-	-	-	-
LOS	2,526	545	273	130	131	138	138	136	150	153
Growth	44	28	-	-	-	-	-	-	-	-
Total	2,849	586	273	130	131	138	138	136	150	153

Capital Expenditure (continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
CFS Projects	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Primary Type - Growth										
Overheads Growth	2	2	2	2	2	2	2	2	2	2
Total Growth	2	2	2	2	2	2	2	2	2	2
These Projects are primarily Growth but contain the following el										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	-	-	-	-	-	-	-	-	-	-
Growth	2	2	2	2	2	2	2	2	2	2
Total	2	2	2	2	2	2	2	2	2	2
Make up of Total CFS Projects by Type										
Renewals	807	886	585	229	1,229	538	479	327	271	280
LOS	2,528	545	273	130	131	138	138	136	150	153
Growth	46	30	2	2	2	2	2	2	2	2
Total CFS Projects	3,380	1,461	859	360	1,362	677	619	466	423	435

Forecast Funding Impact Statement

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Community Facilities and Services group of activities											
	Annual Plan 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Forecast 2021/22	Forecast 2022/23	Forecast 2023/24	Forecast 2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	4,222	4,138	4,248	4,466	4,698	4,784	4,989	5,088	5,209	5,416	5,588
Targeted Rates	4,962	5,385	5,656	5,735	5,804	5,894	6,047	6,156	6,274	6,468	6,615
Subsidies & Grants for Operating purposes	7	7	7	8	8	8	8	8	9	9	9
Fees & Charges	766	719	730	747	767	788	811	834	861	889	919
Local authorities fuel tax, fines, infringement fees and other receipts	216	214	220	209	217	242	248	271	305	338	381
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	10,173	10,463	10,861	11,165	11,494	11,716	12,103	12,357	12,658	13,120	13,512
Applications of Operating Funding											
Payments to staff and suppliers	7,170	7,165	7,304	7,434	7,597	7,806	8,033	8,263	8,523	8,804	9,094
Finance Costs	789	821	956	976	954	918	930	900	881	848	817
Internal charges and overheads applied	1,175	1,287	1,331	1,397	1,424	1,455	1,496	1,534	1,567	1,613	1,658
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	9,133	9,273	9,591	9,807	9,975	10,179	10,459	10,697	10,971	11,265	11,569
Surplus (deficit) of operating funding (A - B)	1,039	1190	1270	1358	1519	1537	1644	1660	1687	1855	1943
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	53	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	2,420	2,253	335	(371)	(588)	200	(504)	(326)	(538)	(524)	(557)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	2,473	2,253	335	(371)	(588)	200	(504)	(326)	(538)	(524)	(557)
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	60	46	30	2	2	2	2	2	2	2	2
- to improve the level of service	2,444	2,528	545	273	130	131	138	138	136	150	153
- to replace existing assets	1,096	807	886	585	229	1,229	538	479	327	271	280
Increase (decrease) in reserves	(89)	62	144	127	570	375	462	715	684	908	951
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	3,512	3,443	1,605	987	931	1,737	1,140	1,334	1,149	1,331	1,386
Surplus (deficit) of capital funding (C-D)	(1,039)	(1,190)	(1,270)	(1,358)	(1,519)	(1,537)	(1,644)	(1,660)	(1,687)	(1,855)	(1,943)
Funding Balance ((A-B)+(C-D))	(0)	-	-	-	-	-	-	-	-	-	-
Depreciation	850	936	993	1,080	1,094	1,098	1,207	1,211	1,216	1,361	1,366

Activity Expenditure	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Cemeteries	461	378	391	424	435	445	456	468	479	494	508
Public Toilets	292	293	311	321	330	336	357	380	387	399	409
Halls	315	314	320	360	366	367	379	381	397	413	417
Libraries and Community Centres	2,765	3,041	3,129	3,110	3,138	3,196	3,261	3,329	3,406	3,490	3,582
Beautification	502	463	475	488	500	514	529	544	561	579	599
Sportsgrounds	1,136	1,082	1,096	1,132	1,149	1,168	1,250	1,261	1,285	1,351	1,380
Aquatic Centres	2,663	2,745	2,921	3,040	3,104	3,160	3,272	3,339	3,409	3,547	3,633
Reserves	1,849	1,894	1,941	2,012	2,046	2,089	2,162	2,207	2,261	2,353	2,409
Total Expenditure including Depreciation	9,983	10,209	10,585	10,888	11,068	11,276	11,667	11,908	12,185	12,626	12,936

Internal Loans attributable to this group of activities	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Loan balance 1st July	484	179	242	527	808	1,088	1,241	1,749	1,807	2,643	3,638
Raised during the year	898	70	295	302	312	197	558	128	908	1,101	1,265
Repaid during the year	(504)	(7)	(10)	(21)	(32)	(44)	(50)	(70)	(72)	(106)	(146)
Forecast loan balance 30th June	878	242	527	808	1,088	1,241	1,749	1,807	2,643	3,638	4,757
Budgeted interest expense	29	11	15	34	53	71	81	114	117	172	236

How will it be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
Reserves and Beautification	0%-5%	95%-100%	3%	97%	0%-5%	95%-100%
	Rationale: As reserves can be used by anyone and any charge or fee would limit accessibility and participation, the general rate is the most appropriate method of funding passive reserves.					
Cemeteries	50%-60%	40%-50%	38%	62%	50%-60%	40%-50%

	Rationale: Cemeteries have a degree of private benefit. The true cost of burials has never been able to be collected. It would be onerous for some families to bear the full cost.					
Swimming Pools	30%-35%	65%-70%	17%	83%	30%-35%	65%-70%
	Rationale: Providing swimming pools are regarded as core business of Council. They are not self-funding. To charge the full cost of the facility to the users would dramatically impact on use and participation and deny accessibility by the public.					
Library	0%	100%	0%	100%	0%	100%
	Rationale: The private benefit is retained by the Te Horowhenua Trust to offset the cost Council's grant to the Trust. Council will therefore fund the Library grant and asset/debt costs 100% from a Targeted rate.					
Halls	15%-30%	70%-85%	10%	90%	15%-30%	70%-85%
	Rationale: These facilities are an integral part of the communities that they are located in. Attempts to recover higher levels of rental income from users would reduce usage dramatically, which would be counterproductive in trying to foster usage.					
Public Toilets	100%	0%	0%	100%	0%	100%
	Rationale: Not practicable or desirable to charge for the use of public toilets when usage is to be encouraged for the wider community benefit.					
Sports Grounds	0%-5%	95%-100%	1%	99%	0%-5%	95%-100%
	Rationale: Providing sports grounds is regarded as core business of Council. They are not self-funding and are used extensively for passive recreation. To charge the full cost of the facility to the users would dramatically impact on use and participation and deny accessibility by the public. The grounds are unavailable at peak times during the weekends but remain available during the week for passive recreational use. The funding mechanism reflects the fact that sports grounds are unavailable to the public at those peak times.					

Property

The Property Activity supports all activities of Council that are dependent on physical land and buildings. Council holds a selection of property assets to support the delivery of Council's activities which also contribute to the wellbeing of the Community. This ranges from direct support e.g. a community centre, to indirect support e.g. through investment and endowment property which contributes revenue to rates or facilities. Council also provides tenancy services to a wide range of stakeholders and customers.

Note: Council has been working on developing a Community Facilities Strategy over the last 12 months to identify the high level principles which will inform the future development of a Property Strategy. This Strategy will identify and consider all property assets across the wider District alongside a matrix. This will inform decision making on future maintenance and improvement of current assets, as well as capital expenditure on new assets. This Strategy will also analyse the impact of upcoming legislation changes, with particular regard to Earthquake Prone Buildings.

What does this Activity involve?

- The Council owns various properties throughout the District and through the Property Activity the Council ensures that these properties are managed and maintained.
- Council owns the following properties:
 - The Council building in Levin, public halls in Levin, Foxton and Shannon and 27 sets of public toilets throughout the District;
 - Commercial properties which are leased to tenants;
 - Endowment property e.g. Council owns land in Foxton Beach that was formerly owned by the Foxton Harbour Board. Much of this land is leased for residential purposes with rights of purchase. Some of the land has been subdivided to create 70 residential sections down Forbes Road;
 - 115 houses/units in Levin, Foxton and Shannon which are available for senior citizens; and
 - Other community facilities including motor camps, historic and cultural buildings, and depots and carparks.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Management and maintain of Council owned properties.	<i>A healthy local economy and a District that is growing. A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Funder/Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)

Community Halls are available for public use.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls.	10	10	10	10	<i>New Measure</i>
Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review.	8 hrs per day and review annually	8 hrs per day and review annually	8 hrs per day and review annually	8 hrs per day and review annually	<i>New measure</i>
Residential housing is provided for the elderly.	Occupancy Rate (%).	95%	95%	95%	95%	97%
Endowment property is appropriately managed.	Number of sections available for sale.	20	20	20	10	44
Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	Achieved	Achieved	Achieved	Achieved	<i>Achieved</i>
Commercial property is appropriately managed.	Rent is within a percentage range of current market rentals at time of review/renewal.	10%	10%	10%	10%	<i>New measure</i>

Major Projects

The following table shows all major projects scheduled for the Property Activity for the next 10 years. Note: These projects are generally only those with cost estimates over \$250,000.

Project	Year									
	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
Forbes Road Subdivision Extension.						X \$2,585,000				
General Property Renewals.		X \$287,000							X \$618,000	
Hall renewals.		X \$436,680								
Commercial Property Renewals.			X \$262,000	X \$269,000						
Tararua Industrial development	X \$490,000									

What has changed since the 2012-22 LTP?

Since the adoption of the 2012-22 LTP Cyrus Hills Forest has been sold and any remaining small forestry blocks have been incorporated into the Parks Activity. Foxton Beach Motor Camp has also been transferred into the Endowment Activity, as it is located on Endowment Land.

Since the adoption of the 2012-22 LTP additional Council owned buildings have been identified as being earthquake prone. The identification of public buildings as being earthquake prone has had an impact of the use of these facilities.

Challenges Council faces for this Activity:

A key challenge facing Council for this Activity is changing demands and Community expectations with the use of some of Council's facilities declining in some areas but the operational costs increasing. However, demand for other Council owned facilities is increasing and therefore the 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 are signalling an ageing population and with this comes additional requirements in regards to accessibility such as provision of appropriate car parking and entrance ways to buildings.

Vandalism of Council's property is another challenge faced by Council for this Activity. Council's response to vandalism is to ensure that assets are designed to be vandal resistant which involves not just the type of construction but also good design, well considered location, and responsive maintenance.

Finally a number of Council's buildings have been identified as earthquake prone and with new legislation around requirements to upgrade earthquake prone buildings Council must decide what it wants to do with these buildings. Council's response to potentially earthquake prone buildings has been to remove all associated renewal and capital development funding for these buildings, until a decision on the retention/strengthening or disposal of these buildings has been made. The impacts of this are in the short term, an expected increase in reactive and unplanned maintenance as planned renewals are not funded.

Significant negative effects associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

Earthquake prone buildings owned by the Council are possibly a risk if they continue to be utilised without being earthquake strengthen. The Council has already ceased using the service building in Foxton due to the fact that it is an earthquake prone building, and it will decide what to do with the other earthquake prone properties that it owns in the near future.

A key assumption for this Activity is that properties will be maintained in a fit for purpose state, however, some properties showing signs of changes in demand and drop of utilisation. Existing trends are expected to continue.

How much will it cost?

Capital Expenditure Projects for Property

Properties Projects	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
Primary Type - Renewals	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Thompson House Exterior renew & Paint	55	-	-	-	-	-	-	-	-	-
WINZ building condition assessment, preparation and specifications and tender docum	-	-	-	-	34	58	153	-	-	-
Dog Pound office Exterior building and paint	-	-	-	-	-	23	-	-	-	-
Civic Building Internal and external renewals & remedial painting	-	-	-	32	-	-	-	-	-	-
Focal Point Cinema Exterior Fire Exit Doors	-	23	-	-	-	-	-	-	-	-
Focal Point Cinema Replacement of internal membrane gutter	-	23	-	-	-	-	-	-	-	-
Focal Point Cinema Exterior renewal & paint	-	58	-	-	-	-	-	-	-	-
Focal Point Cinema Recarpet	-	-	-	-	-	-	77	-	-	-
Focal Point Cinema Air Conditioning	20	87	-	-	-	-	115	-	-	-
Focal Point Cinema Exterior Paint	-	35	-	-	-	-	-	-	-	-
Foxton Beach community centre Exterior renewals & painting, corrosion proofing, and i	35	-	-	-	-	-	-	-	-	-
Foxton Depot Deferred renewal work to buildings, re-roof	10	-	-	-	55	-	-	-	-	-
Jack Allen Centre Exterior renewals & paint	38	-	-	-	-	-	-	-	-	-
Levin Depot Pole Shed Reroof	-	51	-	-	-	-	-	-	-	-
Levin Depot Levin Depot Buildings renewals & repaint	-	-	-	-	-	-	35	-	-	-
Levin Depot Yard Reseal	-	-	-	-	-	-	31	-	-	-
Community Buildings Programmed renewals	44	46	49	51	54	58	61	63	65	68
Pensioner heat pump renewal, all units over 5 years average age 15 years	-	51	52	54	55	57	-	-	-	-
Pottery Shed Exterior repaint	15	-	-	-	-	-	-	-	-	-
Pottery Shed Replace Roof	-	-	-	-	-	-	18	-	-	-
Shannon Railway Station Roof replacement	-	-	-	38	-	-	-	-	-	-
Shannon Railway Station Exterior renewals & Paint	-	-	-	-	-	57	-	-	-	-
General Property Renewals	9	287	-	210	87	204	-	-	618	-
Commercial Property Renewals	-	-	262	269	-	-	-	-	-	-
Pensioner Residential Property Reactive Renewals	25	26	26	27	28	28	29	30	31	32
Overheads Renewals	31	33	34	35	36	37	38	39	40	41
Total Renewals	282	719	424	715	349	521	557	132	755	141
These Projects are primarily Renewals but contain the following elements:										
Renewals	282	719	424	715	349	521	557	132	755	141
LOS	-	-	-	-	-	-	-	-	-	-
Growth	-	-	-	-	-	-	-	-	-	-
Total	282	719	424	715	349	521	557	132	755	141

Capital Expenditure (continued)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Properties Projects										
Primary Type - LOS	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Thompson House Interior refurbishment, including kitchen (with renewal contribution	80	-	-	-	-	-	-	-	-	-
Thompson House Exterior Fire Escape, egress improvements and disability access inc	80	-	-	-	-	-	-	-	-	-
Focal Point Cinema Toilets upgrade	-	-	-	51	-	-	-	-	-	-
Endowment Subdivision Forbes Rd extension	-	-	-	-	203	2,585	-	-	-	-
Levin Depot New sewer connection	-	58	-	-	-	-	-	-	-	-
Overheads LOS	5	5	6	6	6	6	6	6	7	7
Total LOS	165	63	6	57	209	2,592	6	6	7	7
These Projects are primarily LOS but contain the following elements:										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	165	63	6	57	209	2,592	6	6	7	7
Growth	-	-	-	-	-	-	-	-	-	-
Total	165	63	6	57	209	2,592	6	6	7	7
Properties Projects										
Primary Type - Growth										
Tararua Industrial Development	490	-	-	-	-	-	-	-	-	-
Overheads Growth	12	12	13	13	14	14	14	15	15	16
Total Growth	502	12	13	13	14	14	14	15	15	16
These Projects are primarily Growth but contain the following elements:										
Renewals	-	-	-	-	-	-	-	-	-	-
LOS	-	-	-	-	-	-	-	-	-	-
Growth	502	12	13	13	14	14	14	15	15	16
Total	502	12	13	13	14	14	14	15	15	16
Make up of Total Properties Projects by Type										
Renewals	282	719	424	715	349	521	557	132	755	141
LOS	165	63	6	57	209	2,592	6	6	7	7
Growth	502	12	13	13	14	14	14	15	15	16
Total Properties Projects	949	794	442	786	572	3,127	577	153	776	164

Forecast Funding Impact Statement

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Properties group of activities											
	Annual Plan 2014/15 \$000	Annual Plan 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	944	822	775	831	848	866	907	1,303	1,255	1,111	1,225
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies & Grants for Operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees & Charges	1,656	1,625	1,657	1,686	1,730	1,781	1,832	1,630	1,768	2,018	2,071
Local authorities fuel tax, fines, infringement fees and other receipts	139	119	124	130	137	143	150	155	154	153	152
Internal charges and overheads recovered	595	556	556	578	577	576	603	601	600	634	631
Total Operating Funding (A)	2,739	2,566	2,556	2,647	2,715	2,790	2,889	3,088	3,177	3,282	3,448
Applications of Operating Funding											
Payments to staff and suppliers	1,731	1,584	1,606	1,645	1,677	1,725	1,775	1,828	1,887	1,949	2,015
Finance Costs	826	821	772	802	744	762	773	876	898	895	926
Internal charges and overheads applied	604	692	697	726	739	755	775	795	812	834	861
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	2,567	3,097	3,075	3,173	3,160	3,242	3,323	3,499	3,597	3,678	3,802
Surplus (deficit) of operating funding (A - B)	172	-531	-519	-526	-445	-452	-434	-411	-420	-396	-354
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	57	-	-	-	-	-	-	-	-	-	-
increase (decrease) in debt	397	(1,577)	(1,803)	(1,185)	114	(105)	2,522	343	(77)	480	(196)
Gross proceeds from sale of assets	474	2,640	2,703	1,721	689	709	547	-	-	-	-
Total sources of capital funding (C)	928	1,063	900	536	803	604	3,069	343	(77)	480	(196)
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	-	502	12	13	13	14	14	14	15	15	16
- to improve the level of service	165	165	63	6	57	209	2,592	6	6	7	7
- to replace existing assets	28	282	719	424	715	349	521	557	132	755	141
Increase (decrease) in reserves	907	138	143	146	149	157	111	(43)	(50)	(59)	(82)
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	1,100	1,087	937	589	934	729	3,238	534	103	718	82
Surplus (deficit) of capital funding (C-D)	(172)	(24)	(37)	(53)	(131)	(125)	(169)	(191)	(180)	(238)	(278)
Funding Balance ((A-B)+(C-D))	(0)	(555)	(556)	(579)	(576)	(577)	(603)	(602)	(600)	(634)	(632)
Depreciation	415	362	375	422	423	424	489	523	525	612	614

Activity Expenditure	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Camping Grounds	19	21	21	22	22	23	24	24	24	25	26
Commercial Property	389	380	321	332	338	348	362	491	522	543	555
Council Building	405	377	378	393	392	392	410	409	408	431	430
Endowment Property	257	272	278	286	293	300	309	317	326	337	347
Forestry	26	-	-	-	-	-	-	-	-	-	-
General Property	751	697	720	766	709	740	768	802	825	850	910
Residential Housing	1134	1,157	1,177	1,219	1,252	1,288	1,337	1,377	1,416	1,470	1,516
Total Expenditure including Depreciation	2,981	2,903	2,894	3,018	3,006	3,090	3,209	3,421	3,522	3,656	3,784
Internal Loans attributable to this group of activities	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Loan balance 1st July	136	180	244	531	815	1,097	1,251	1,763	1,822	2,664	3,667
Raised during the year	647	71	297	304	315	198	562	129	915	1,110	1,073
Repaid during the year	(103)	(7)	(10)	(21)	(33)	(44)	(50)	(71)	(73)	(107)	(147)
Forecast loan balance 30th June	680	244	531	815	1,097	1,251	1,763	1,822	2,664	3,667	4,594
Budgeted interest expense	8	11	15	35	53	71	81	115	118	173	238

How will it be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
Commercial and Endowment	100%	0%	100%	0%	100%	0%
	Rationale: Total private good to the lessees.					
Residential Housing	0%	100%	100%	0%	100%	0%
	Rationale: Total private good to the tenants.					
Motor Camps	100%	0%	100%	0%	100%	0%
	Rationale: Total private good to the lessees of the camps.					

Representation and Community Leadership

This Group of Activities comprises of how Council meets its responsibility to represent the community as well as to provide leadership for the community and to involve it in decision making processes and long-term strategic planning.

What does this Activity involve?

The Council is elected every three years by those eligible to vote in the District. The Council is made up of a Mayor (elected at large) and 10 Councillors (representing four Wards). The Council is supported at a governance level by the Foxton Community Board and a number of subcommittees. The core functions of the Representation and Community Leadership Activity are:

- Setting the policy direction of Council.
- Monitoring the performance of Council.
- Representing the interests of the District (on election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgment in the best interests of the District).
- Wherever and whenever possible, facilitating solutions to local needs/issues.
- Employing the Chief Executive (under the Local Government Act 2002, the local authority employs the Chief Executive who in turn employs all other staff on its behalf).

These core functions are achieved by:

- Holding regular meetings which are open to the public.
- Preparing the key policy and planning documents.
- Consulting the public on major decisions.
- Providing Council representation on a wide range of community groups.
- Holding civic functions, including citizenship ceremonies.
- Advocating the District's interests to agencies of Regional and Central Government.
- Keeping abreast of issues, legislation and best practice.
- Balancing the books.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
A fair Representation and Community Leadership programme is operated within the District	<i>A healthy local economy and a District that is growing.</i> <i>A sustainable environment.</i> <i>A community of knowledge, culture and diversity where people are proud to live.</i> <i>Safe, resilient and healthy communities.</i> <i>Positive leadership and effective partnerships.</i>	Provider/Advocator

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Council provides open, accessible processes to local government.	Local body elections will be held in compliance with relevant legislation.	Achieved (only measured in election year)	Achieved (only measured in election year)	Achieved (only measured in election year)	Achieved (only measured in election year)	<i>Achieved in election year</i>
	Number of complaints upheld against the election process.	0	0	0	0	<i>New Measure</i>
Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residents and non resident ratepayers who are satisfied with the way the Council involves the public in its decision making.	>50%	>50%	>50%	>50%	<i>New Measure</i>
	• Council's Community Engagement Strategy is implemented and reviewed every 3 years.	90% of Annual Work Plan is completed	90% of Annual Work Plan is completed	90% of Annual Work Plan is completed	90% of Annual Work Plan is completed	<i>New Measure</i>
Council's planning documents meet statutory requirements and meet Audit NZ standards.	• The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act.	Adopted before 30 June (every 3 years)	Adopted before 30 June (every 3 years)	Adopted before 30 June (every 3 years)	Adopted before 30 June (every 3 years)	<i>New Measure</i>
	The Annual Plan will be adopted annual before 30 June annually.	Achieved	Achieved	Achieved	Achieved	<i>Achieved</i>
	The Annual Report will include an unqualified audit opinion.	Achieved	Achieved	Achieved	Achieved	<i>Achieved</i>

Major Projects

No major projects planned for the Representation and Community Leadership Activity for the next 10 years.

What has changed since the 2012-22 LTP?

No key changes have occurred in the Representation and Community Leadership Activity since the 2012-22 LTP was produced.

Challenges Council faces for this Activity:

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 decision making processes.

Another challenge is the impact that future changes in legislation could impact on the Council and its responsibilities and functions.

Significant negative effects associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

There are no known risks or assumptions associated with Council's planned Representation and Community Leadership Activity.

How much will it cost?

Forecast Funding Impact Statement

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Representation and Governance group of activities											
	Annual Plan 2014/15 \$'000	Annual Plan 2015/16 \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000	Forecast 2019/20 \$'000	Forecast 2020/21 \$'000	Forecast 2021/22 \$'000	Forecast 2022/23 \$'000	Forecast 2023/24 \$'000	Forecast 2024/25 \$'000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted Rates	2,676	2,956	3,019	3,296	3,166	3,238	3,536	3,410	3,500	3,840	3,716
Subsidies & Grants for Operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees & Charges	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	1	3	-	2	3	-	2	3	1	2
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	2,676	2,957	3,022	3,296	3,168	3,241	3,536	3,412	3,503	3,841	3,718
Applications of Operating Funding											
Payments to staff and suppliers	1,403	876	984	1,069	914	1,056	1,158	993	1,158	1,276	1,098
Finance Costs	-	-	-	-	-	-	-	-	-	1	-
Internal charges and overheads applied	1,751	2,039	2,098	2,185	2,221	2,255	2,336	2,386	2,414	2,522	2,586
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	3,154	2,915	3,082	3,254	3,135	3,311	3,494	3,379	3,572	3,799	3,684
Surplus (deficit) of operating funding (A - B)	(478)	42	-60	42	33	-70	42	33	-69	42	34
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	-	-	2	(2)	(3)	8	(6)	(6)	16	(11)	(10)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	-	-	2	(2)	(3)	8	(6)	(6)	16	(11)	(10)
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	(478)	42	(60)	42	33	(70)	42	33	(69)	42	34
Increase (decrease) of investments	-	-	2	(2)	(3)	8	(6)	(6)	16	(11)	(10)
Total applications of capital funding (D)	(478)	42	(58)	40	30	(62)	36	27	(53)	31	24
Surplus (deficit) of capital funding (C-D)	478	(42)	60	(42)	(33)	70	(42)	(33)	69	(42)	(34)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-	-	-	-	-	-

Activity Expenditure	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Community Board	161	160	165	178	175	179	191	189	194	208	207
Elections	1	16	123	6	17	134	7	19	146	8	21
Governance	1903	1,540	1,585	1,638	1,674	1,711	1,757	1,800	1,850	1,908	1,963
Long Term Plan, Annual Plan and Annual Report	1089	1,200	1,210	1,430	1,266	1,295	1,533	1,365	1,399	1,664	1,484
Total Expenditure including Depreciation	3,154	2,915	3,083	3,253	3,132	3,319	3,489	3,373	3,589	3,788	3,675

Note: There are no internal loans associated with this Group of Activities.

How will it be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
Representation and Community Leadership	0%	100%	0%	100%	0%	100%
	Rationale: All residents and ratepayers gain equal benefit regardless of the value attributable to their properties. A fixed charge rated based on separately used or inhabited portions of each rating unit over the whole District would be most appropriate.					

Community Support

This Group of Activities comprises of Activities that provide for the Community's social and economic wellbeing including ensuring that the Community will be able to respond to and recover from an emergency event, providing Community support, providing grants and funding to Community groups, providing visitor information and encouraging economic development within this District.

Emergency Management and Rural Fire

As part of this Activity Council is an active member of the Manawatu-Wanganui Civil Defence Emergency Management Group. This Group is a consortium of local authorities in the Region with a vision to build a resilient and safer Region for our communities in the event a civil defence emergency. This Activity also covers Council's responsibility for Rural Fire.

What does this Activity involve?

- Ensuring that the Community is properly prepared for and educated about emergency events.
- Providing a fully functional Emergency Operating Centre (EOC) and ensuring that trained staff are available and ready to assist our Community to respond to/recover from emergency events.
- Ensuring that people, property and the environment are protected from the impact of rural fire.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Emergency Management and Rural Fire services are provided for the community.	<i>Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Community awareness is promoted and encouraged	5 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieved	Achieved	Achieved	Achieved	<i>Achieved</i>
Council	MCDEM	90% of	95% of	100% of	100% of	<i>New</i>

maintains a functional EOC and trained staff	assessment of readiness and capability.	Council staff	Council staff	Council staff	Council staff	<i>Measure</i>
Rural Fire services are provided.	Percentage of call outs that are responded to.	100% of call outs	100% of call outs	100% of call outs	100% of call outs	<i>New Measure</i>

Major Projects

No major projects planned for the Emergency Management and Rural Fire Activity for the next 10 years.

What has changed since the 2012-22 LTP?

Since the 2012-22 LTP was produced it has become a requirement to implement recommendations arising from the Canterbury Earthquakes Corrective Action Plan.

Challenges Council faces for this Activity:

A challenge Council now faces for this Activity is a much higher level of scrutiny and audit as result of recent disasters in this country including the Canterbury Earthquakes. This will mean a deeper level of commitment of staff time for EOC training and exercising as well as from Council managers and Civil Defence Emergency Management EOC function managers for continuous improvement including time to attend training courses as they arise and participation in EOC exercising as scheduled.

Significant negative effects associated with this Activity:

Aside from providing time for staff training (which will take these staff away from their core roles and cost money) there are no negative effects arising from this Activity.

Key Risks and Assumptions associated with this Activity:

There are no known risks or assumptions associated with Council's planned Emergency Management and Rural Fire Activity.

Community Engagement

The Community Engagement Activity helps to provide a platform for community engagement and social wellbeing within the Horowhenua District. This includes the implementation of Council's Community Wellbeing Strategies, Grants and Funding Schemes, and public communications, media engagement and district marketing.

What does this Activity involve?

- Council leading the development and implementation of the Horowhenua Community Wellbeing Strategy as well as the Education, Youth, Disability, Arts Culture and Heritage, Pride and Vibrancy, and Positive Ageing Action Plans.
- Council taking a lead role in advocating, facilitating and coordinating on behalf of the Community to assist Community groups or find solutions to respond to local needs.
- Advocating on behalf of the community for better health, transport and social outcomes through the Community Wellbeing Executive and Community Wellbeing Forum.

- Providing funding support to Surf Life Saving, Waitarere and Foxton Beach Wardens and Neighbourhood Support, on contract.
- Funding and operating several small contestable grant schemes which are:
 - Community Development Grant.
 - Community Consultation Grant.
 - International Representation Grant.
 - Rural Halls Grant.
 - Vibrant Communities Fund (new).
- Adminstrating or providing administrative support to externally funded contestable grant schemes which are:
 - Horowhenua Creative Communities Scheme.
 - Shannon Community Development Trust.
- Facilitating a Community Capacity Building Programme, providing free or subsidised training to the not-for-profit sector with the aim to increase the capability at a governance and operational level.
- Produce and distribute Council publications
- Produce sector specific publications, such as resource consent guides
- Monitor and update Social and Traditional media
- Provide Communications support to internal staff and departments
- Maintain and update Council's website presence, namely www.horowhenua.govt.nz
- Respond and provide information to media outlets, as required

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Facilitate a Youth Council and Community networks and forums.	<i>A community of knowledge, culture and diversity where people are proud to live. Positive leadership and effective partnerships.</i>	Provider
Advocate for Transport, Health and Community Wellbeing.	<i>A healthy local economy and a District that is growing. A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Advocate
Contestable Grant Schemes are provided.	<i>A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities.</i>	Funder
Administration of externally funded Grant Schemes.	<i>A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Provider
Contracted Services are	<i>Safe, resilient and healthy communities.</i>	Funder

managed.	<i>Positive leadership and effective partnerships.</i>	
Capabilities training for the non-profit sector is provided.	<i>A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Funder
Perform Council's communication function.	<i>A healthy local economy and a District that is growing. A sustainable environment. A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Provider

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Council provides effective leadership in advocating, coordinating and facilitating on behalf of community needs.	Number of Community Wellbeing Executive meetings per year.	5	5	5	5	<i>New Measure</i>
Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Voice meetings per year.	8	8	8	8	<i>New Measure</i>
	Number of Programmes or projects implemented by Youth Voice.	4	4	4	4	<i>New Measure</i>
	Number of Youth Network meetings per year.	6	6	6	6	<i>New Measure</i>
Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Person Network meetings per year.	8	8	8	8	<i>New Measure</i>
	Number of Elder Berries Magazine Publications annually.	4	4	4	4	<i>New Measure</i>

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year.	2	2	2	2	<i>New Measure</i>
Council supports the vision that Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year.	4	4	4	4	<i>New Measure</i>
Council supports the vision that the Horowhenua is fully accessible to all people.	Number of Disability Leadership Forums per year	4	4	4	4	<i>New Measure</i>
Council promotes community empowerment and provides opportunities for community driven initiatives and projects.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria.	100%	100%	100%	100%	<i>New Measure</i>
Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered.	10	10	10	10	<i>New Measure</i>
	Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	80%	80%	80%	80%	<i>New Measure</i>

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	100	100	100	100	New Measure
Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf life saving service is provided at Foxton and Waitarere Beaches.	6	6	6	6	New Measure
Council effectively communicates with its ratepayers and residents.	Number of Council Newsletters "Community Connections" published annually.	10	10	10	10	New Measure
	Number of Media Releases published annually.	100	100	100	100	New Measure
	Council provides a 24/7 telephone contact centre operation for people to phone.	100%	100%	100%	100%	New Measure

Major Projects

No major projects planned for the Community Support Activity for the next 10 years.

What has changed since the 2012-22 LTP?

Since the last LTP was developed the scope of the Community Wellbeing Strategy has broadened to include Pride and Vibrancy, and Arts Culture and Heritage, a community skills training programme (Community Capacity Building) has been introduced, and Council now has a strong Social Media presence.

Challenges Council faces for this Activity:

A challenge facing Council for this Activity is the change in demand and Community expectations. This challenge will be met by ensuring that the services provided by the Community Development 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 faced for this Activity is the need to stay connected to Central Government's Strategic Policies and Direction for providing for Community Development while maintaining a focus on the needs of our local Communities.

Funding requests are regularly higher than the funding available and unfortunately there are limited funds available for this Activity and these funds must be allocated to a wide range of Community organisations not just a few.

Significant negative effects associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

That the role of Local Government will continue to include Community wellbeing as a core service and outcome.

Visitor Information

As part of this Activity the Council's manages the provision of visitor information services in Levin, Foxton and Shannon.

What does this Activity involve?

- As part of this Activity the Council manages contracts which provide the following services:
 - Domestic travel ticketing;
 - Horowhenua attraction, activity and accommodation bookings;
 - Local and regional visitor information, travel maps and resources; and
 - Integrated communications and working partnerships with local service providers.

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Visitor Information services are offered throughout the District	<i>A healthy local economy and a District that is growing. A community of knowledge, culture and diversity where people are proud to live. Positive leadership and effective partnerships.</i>	Funder

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Council supports the promotion of Horowhenua as a tourism destination.	Communities with Visitor Information financially supported.	Levin, Foxton and Foxton Beach, Shannon	Levin, Foxton and Foxton Beach, Shannon	Levin, Foxton and Foxton Beach, Shannon	Levin, Foxton and Foxton Beach, Shannon	<i>New Measure</i>
	Percent of key performance indicators achieved by providers of Visitor Information as set out in annual service level	>85%	>85%	>85%	>85%	<i>New Measure</i>

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
	agreement.					
	Percent of key performance indicators achieved by Destination Manawatu (Regional Tourism Organisation) as set out in annual service level agreement.	>85%	>85%	>85%	>85%	New Measure

Major Projects

No major projects planned for the Visitor Information Activity for the next 10 years.

What has changed since the 2012-22 LTP?

No key changes have occurred in the Visitor Information Activity since the 2012-22 LTP was adopted.

Challenges Council faces for this Activity:

A main challenge facing Council for this Activity is 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 associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

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

Economic Development

The purpose of this Activity is to facilitate economic growth and improved social and economic wellbeing in the Horowhenua District through the support and implementation of strategies targeting increased investment, job growth, skill growth, income growth and an enhanced reputation for the District. Horowhenua District is poised for significant change and has the opportunity to considerably advance its economy, wellbeing and prosperity over the next 10 year period.

What does this Activity involve?

The Economic Development advocacy, support and facilitation across the following service areas:

- Business sector growth and performance

- Sustainable natural resource utilisation
- Infrastructure and policy development / implementation
- Workforce skill development, training and education
- Horowhenua as a vibrant and sustainable place to live and visit

Rationale for this Activity (why we do it):

Activity	Community Outcome	Council Role
Business Sector Support and Advocacy.	<i>A healthy local economy and a District that is growing. Positive leadership and effective partnerships.</i>	Provider/Advocate
Sustainable natural resource utilisation	<i>A sustainable environment. Positive leadership and effective partnerships. A healthy local economy and a District that is growing.</i>	Advocate
Infrastructure and policy development/ implementation.	<i>A healthy local economy and a District that is growing. A sustainable environment. Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Advocate
Workforce skill development, training and education.	<i>A healthy local economy and a District that is growing. A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities. Positive leadership and effective partnerships</i>	Advocate
Horowhenua as a vibrant and sustainable place to live and visit.	<i>A healthy local economy and a District that is growing. A community of knowledge, culture and diversity where people are proud to live. Safe, resilient and healthy communities. Positive leadership and effective partnerships.</i>	Provider/Advocate/ Funder

How we will measure our performance:

Service	How will we measure our performance	Target (15/16)	Target (16/17)	Target (17/18)	Target (18-25)	Baseline (13/14)
Council provides strategic leadership in coordinating economic development activities across the District.	Councils Economic Development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy.	90% of annual work plan is completed	90% of annual work plan is completed	90% of annual work plan is completed	90% of annual work plan is completed	New Measure
	Number of Economic Development Board meetings held per year.	10	10	10	10	New Measure

Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of Business After 5 networking meetings held per year.	10	10	10	10	<i>New Measure</i>
Council advocates for and facilitates business development and new business investment in the Horowhenua.	Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the economic development activity.	>75%	>75%	>75%	>75%	<i>New Measure</i>

Major Projects

No major projects planned for the Economic Development Activity for the next 10 years.

What has changed since the 2012-22 LTP?

Since the adoption of the 2012-22 LTP Council has supported the creation of an Economic Development Unit and has facilitated the development of a comprehensive Economic Development Strategy. A Board has also been created to provide strategic leadership across the areas outlined above.

Challenges Council faces for this Activity:

A challenge faced by the Council in relation to economic development is realising Horowhenua District's economic potential over the coming 10 years. This will require quality leadership and decision making with an appropriate level of strategic and operational resourcing. The Council needs the support of businesses and the wider Community to help facilitate economic development in this District.

Significant negative effects associated with this Activity:

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

Key Risks and Assumptions associated with this Activity:

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

Update on Regional Growth and Prosperity

Councils in the Manawatu-Wanganui Region are collaborating to facilitate economic growth and prosperity for our communities. This collaboration has seen Central Government invest in a Regional Growth Study for the Region which is to be completed in April 2015. This study will

identify key opportunities for growing our regional economy. Central Government has highlighted the importance of Councils collaborating with each other as well as with industry and iwi to facilitate growth.

Councils in the Manawatu-Wanganui Region have also invested in the Central New Zealand Agribusiness Strategy. This Strategy is an implementation plan that will take opportunities identified from the growth study and will put them into practice. The base Strategy will be completed in June 2015.

The Strategy builds on the strength the Region has in agribusiness from primary producers through to processors, research, and development. Collectively Councils in the Manawatu-Wanganui Region see significant advantages in building on our agribusiness base and aim to double the Region's agribusiness exports by 2025. As the results of the growth study and agribusiness strategy are put in place, Councils are likely to continue to invest in growing our prosperity.

How much will it cost?

Forecast Funding Impact Statement

Horowhenua District Council: Funding impact statement for the years 2014/15 to 2024/25 for Community Support group of activities											
	Annual Plan 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000	Forecast 2017/18 \$000	Forecast 2018/19 \$000	Forecast 2019/20 \$000	Forecast 2020/21 \$000	Forecast 2021/22 \$000	Forecast 2022/23 \$000	Forecast 2023/24 \$000	Forecast 2024/25 \$000
Sources of Operating Funding											
General rates, uniform annual general charges, rates penalties	1,595	1,720	1,649	1,679	1,718	1,770	1,810	1,858	1,920	1,970	2,030
Targeted Rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies & Grants for Operating purposes	24	27	28	28	29	30	31	32	33	34	35
Fees & Charges	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	20	13	14	16	18	19	21	23	25	28	30
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Total Operating Funding (A)	1,640	1,760	1,691	1,723	1,765	1,819	1,862	1,913	1,978	2,032	2,095
Applications of Operating Funding											
Payments to staff and suppliers	981	931	826	821	843	873	894	922	958	984	1,020
Finance Costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	679	797	832	867	886	908	929	950	978	1,004	1,029
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	1,660	1,728	1,658	1,688	1,729	1,781	1,823	1,872	1,936	1,988	2,049
Surplus (deficit) of operating funding (A - B)	(20)	32	33	35	36	38	39	41	42	44	46
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development and financial contributions	0	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	20	0	-	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	20	0	-	-	-	-	-	-	-	-	-
Applications of capital funding											
Capital Expenditure											
- to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
- to improve the level of service	-	-	-	-	-	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	32	33	35	36	38	39	41	42	44	46
Total applications of capital funding (D)	-	32	33	35	36	38	39	41	42	44	46
Surplus (deficit) of capital funding (C-D)	20	(32)	(33)	(35)	(36)	(38)	(39)	(41)	(42)	(44)	(46)
Funding Balance ((A-B)+(C-D))	-	-	-	-	-	-	-	-	-	-	-
Depreciation	30	32	32	32	32	32	32	32	32	32	32

Activity Expenditure	Forecast 2014/15 \$'000	Forecast 2015/16 \$'000	Forecast 2016/17 \$'000	Forecast 2017/18 \$'000	Forecast 2018/19 \$'000	Forecast 2019/20 \$'000	Forecast 2020/21 \$'000	Forecast 2021/22 \$'000	Forecast 2022/23 \$'000	Forecast 2023/24 \$'000	Forecast 2024/25 \$'000
Community Development	232	280	297	305	312	325	328	337	351	355	366
Community Grants and Funding	358	395	409	424	435	447	459	473	487	502	519
District Communication	201	172	179	184	189	194	199	205	211	218	225
Economic Development	420	496	505	499	511	524	538	553	568	586	605
Emergency Management	356	287	298	307	312	323	329	336	350	357	366
Rural Fire	123	129	1	1	1	1	1	1	1	1	1
Total Expenditure including Depreciation	1,690	1,760	1,689	1,721	1,760	1,814	1,855	1,905	1,968	2,019	2,081

Note: There are no internal loans associated with this Group of Activities.

How will it be funded?

Activity	Policy Target		Achieved 13/14		Projected 15/16	
	Private Good Fees and charges	Public Good Rates	Fees and charges	Rates	Fees and charges	Rates
Emergency Management and Rural Fire	0%	100%	0%	100%	0%	100%
	Rationale: The majority of the costs for this Activity are for the preparedness for an emergency event. The beneficiaries could be anyone in the District at any time. The rural fire Activity relies on public goodwill and volunteers. It would be impractical to rely on private good to fund the Activity.					
Community Engagement	0%	100%	0%	100%	0%	100%
	Rationale: This Activity should be funded as a true tax with no user charge element.					
Economic Development	0%	100%	0%	100%	0%	100%
	Rationale: The activity should be funded as a true tax with no user charge element. Beneficiaries would be hard to identify.					

Significant Forecasting Assumptions:

The tables below identify the significant forecasting assumptions that Council has made and the risks and the level of uncertainty associated with each assumption as well as the potential effects/impact of this uncertainty.

Population Growth

Assumption	Low level of population growth has been assumed at a rate of less than 1% per year for the 10 year period of the Long Term Plan.																																							
Detailed Forecasts	<p>The 2013 Census results provide the latest detailed population count for the District. Council has assumed a 0.1% per year growth rate for period between the 2013 Census and 1 July 2015, based on the historical growth rate from the 2001 Census to the 2013 Census. This equates to an increase of 67 people and means that as at 1 July 2015 the population of the Horowhenua District is forecast to be 30,163.</p> <p>From 1 July 2015 to 30 June 2025 officers have assumed 0.4% per year population increase resulting in:</p> <ul style="list-style-type: none">120 people per year;1200 people over 10 year period; and <p>As at 30 June 2025 the population forecast is 31, 363.</p> <p>The 0.4% growth rate is based on the ‘Medium population projection’ of the Infometrics review of the Horowhenua District population projections.</p> <p>The below table shows the forecasted population growth annually for the life of this Long Term Plan.</p> <table><tr><th>Census</th><th>Last Year</th><th>This Year</th><th>Yr 1</th><th>Yr 2</th><th>Yr 3</th><th>Yr 4</th><th>Yr 5</th><th>Yr 6</th><th>Yr 7</th><th>Yr 8</th><th>Yr 9</th><th>Yr 10</th></tr><tr><td>2013</td><td>13/14</td><td>14/15</td><td>15/16</td><td>16/17</td><td>17/18</td><td>18/19</td><td>19/20</td><td>20/21</td><td>21/22</td><td>22/23</td><td>23/24</td><td>24/25</td></tr><tr><td>30,096</td><td>30,133</td><td>30,163</td><td>30,283</td><td>30,403</td><td>30,523</td><td>30,643</td><td>30,763</td><td>30,883</td><td>31,003</td><td>31,123</td><td>31,243</td><td>31,363</td></tr></table>	Census	Last Year	This Year	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10	2013	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	30,096	30,133	30,163	30,283	30,403	30,523	30,643	30,763	30,883	31,003	31,123	31,243	31,363
Census	Last Year	This Year	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10																												
2013	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25																												
30,096	30,133	30,163	30,283	30,403	30,523	30,643	30,763	30,883	31,003	31,123	31,243	31,363																												
Risk	Population growth across the Horowhenua District is at a significantly different rate (much higher or lower) than assumed or does not occur at a steady and consistent rate.																																							

Level of Uncertainty	Low
Financial impact	<p>A lower level of growth would result in less demand for services and facilities than the Council has anticipated. This could mean that some of the planned upgrade and/or replacement of assets may be able to be delayed and this could result in a reduction in Council's projected expenditure which could have a flow on effect on rates. It could also mean that the costs of undertaking projects or providing services (e.g. swimming pools) would need to be spread across fewer ratepayers.</p> <p>A higher level of growth would increase demand for services and could mean that services may need replacing or upgrading earlier than anticipated. The Council may have to increase rates or borrow more than assumed to fund the replacement and/or upgrade of these services and facilities. Council may also need to use other funding sources such as Financial or Capital Contributions to fund growth related development. For some services, such as swimming pools, a higher level in population growth could result in an increase in the number of people using those services and therefore the Council would collect a higher amount of user fees and charges.</p>
Data Source	<p>'Usual Residential Population Counts' from the 2013 Census by Statistics New Zealand.</p> <p>Horowhenua District Council - based on an analysis of trends and indicators to identify an expected growth rate over the ten year period of this Long Term Plan.</p> <p>Infometrics Report July 2014 – Review of population projections for the Horowhenua District.</p>

Ageing Population

Assumption	It is assumed that Horowhenua District's population is ageing, with high growth predicted in the over 65 years plus age range in the next 10 years but with little growth occurring in the 20 years and 30 years age ranges.
Detailed Forecasts	It is anticipated that by 2026 31.4% of the District's population will be aged 65 years or older. The 2013 Census confirmed that 23.7% of the Horowhenua population is aged 65 years or older, which is much higher than the New Zealand population as a whole in which the 65 years or older age range makes up 14.3% of the population. This is based on Statistics NZ High growth rate (Assuming a High fertility, Low Mortality and High Migration) which closely approximates the Medium population projection rate from Infometrics review. (Noting that 31.4% is more conservative than the Low or Medium Growth projections). The median age is assumed to increase from 46.1 years in 2013 to

	49.8 years in 2026.
Risk	Population growth for different age groups is substantially different from what is anticipated e.g. there is less of an increase in the age range of 65 years or older and a greater increase in younger age ranges.
Level of Uncertainty	Low
Financial impact	<p>If there was a less of an increase in the 65 years or older age range and more of an increase in the younger age ranges (20 year olds to 40 year olds) then this could place more demand on Council's infrastructure. This is because the younger age groups are likely to have large households (i.e. parents with children) whereas people in the 65 years or older age range are likely to have small households with one or two people. A higher level of demand on infrastructure could result in Council needing to replace or upgrade assets faster than anticipated and this may mean an increase in rates or in Council's level of borrowing.</p> <p>If there was a greater increase in the 65 years or older range than anticipated then this could increase pressure for facilities or services that are targeted more specifically to the needs of an ageing population (e.g. the provision of a hydrotherapy pool) which would mean that Council would either need to reprioritise funds for other projects, increase rates, or borrow to pay for these facilities or services.</p>
Data Source	<p>2013 Census by Statistics New Zealand.</p> <p>Statistics NZ – 2006 Base Populations Projections extended to 2046</p>

Household Growth

Assumption	An increase of 135 additional dwellings per year is assumed which will be 1,350 additional dwellings over the 10 year life of this Long Term Plan. The majority of this growth is anticipated to occur in the rural (or rural lifestyle) sector. Of the urban settlements the Levin residential area would have the highest household growth. It is also assumed that household occupancy rates (the number of houses in the district occupied) will increase slightly while the average number of occupants per dwelling will decrease slightly to 2.2 people.
Detailed Forecasts	<i>Number of dwellings:</i>

According to the 2013 Census there were a total of 15,048 dwellings (occupied and unoccupied) in the Horowhenua District in 2013. The building records for 2013/14 indicate an increase of 108 dwellings for the 2013/2014 year and for the 2014/15 year an increase of 120 dwellings (new builds and relocated buildings) is anticipated. This means that as at 1 July 2015 there is forecast to be 15,276 dwellings in the Horowhenua District.

Census	Last Year	This Year	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
2013	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
15,048	15,156	15,276	15,411	15,546	15,681	15,816	15,951	16,086	16,221	16,356	16,491	16,626

The Horowhenua Development Plan forecasts a range of 120 to 150 new households per annum. The median level of this range is 135 additional households per year or a total of 1,350 households over 10 years. The change in number of dwellings between 2001 and 2013 is an increase of 1,653 dwellings which is equal to an average annual increase of 137 dwellings. As such 135 additional dwellings per year is considered to be a consistent and realistic assumption for the period of 2015 to 2025. The below table shows the forecasted increase in the total number of dwellings over the next ten years.

Where will the growth occur?

The table below sets out the assumption of where the growth in dwellings would occur on an annual basis.

	Residential Areas	Rural Areas
Levin	16	20
Foxton	2	7
Foxton Beach	10	12
Waitarere	8	10
Shannon	1	2
Tokomaru	1	2
Manakau	1	4

Hokio Beach	1	1
Ohau	1	7
Waikawa	1	8
Rural		20
Totals	42	93

Household occupancy rates:

It is assumed that the household occupancy rate will have increased by 1.75% from 84% in 2013 to 85.75% in 2025 due to some of those people who have built dwellings in the District as holiday homes over the last 10 years now moving here to reside in them permanently as they retire. As such, of the 16,626 total forecast dwellings (x 85.57%) there is anticipated to be 14,257 occupied dwellings in 2025.

Average Number of Occupants:

There was an average of 2.5 people per house in the Horowhenua District in 2006 (Census 2006) and this declined to 2.3 in 2013 (Census 2013). It is assumed that the average number of occupants within each dwelling will continue to decline to 2.2 in 2025 due to the ageing population and in particular the high percentage (31.6%) of single person households in the District (3,849 Households).

14,257 (Occupied dwellings) x 2.2 (people per house) = 31,365 people. **Note:** this is 2 more people than the assumed growth in population which is 31,363 in 2025. This is considered to be a consistent and appropriate assumption. Overall we assume the population will be 31,363.

Risk

That future growth of dwellings, occupancy rates and average number of occupants varies substantially (much higher or lower) than the assumed rates. That the growth becomes more highly concentrated in one or two areas rather than across the District as assumed.

**Level of
Uncertainty**

Low to Moderate

Financial impact

A lower level of growth in the number of households would result in less income from rates than predicted. This would have a flow on effect of either increasing the cost of rates per ratepayer for the delivery of services or would mean that the Council would either need to fund some services and/or planned projects through loans or Council would need to consider cutting back some planned projects and/or possibly consider reducing the levels of service.

	<p>A lower level of occupancy or a lower average number of occupants per dwelling could result in there being a reduction in the demand for services and facilities than the Council anticipated. This could mean that some of the planned upgrade or replacement of assets may be able to be delayed and this could result in a reduction in the amount of rates or Council borrowing less.</p> <p>A higher level of growth would increase demand for services and could mean that services need replacing or upgrading earlier than anticipated, however, the Council would have a larger rate base to collect rates from to fund the replacement/upgrade of services. Higher than anticipated growth in one part of the District could require upgrading and renewal projects to be prioritised over other parts of the District.</p> <p>A much higher level of occupancy or a higher average number of occupants per dwelling would result in an increase demand for services and could mean that services may need replacing or upgrading earlier than anticipated. The Council may have to increase rates or increase borrowing more than assumed to fund the replacement and/or upgrade of these services and facilities.</p>
Data Source	<p>The Horowhenua Development Plan (June 2008). Horowhenua District Council – Building Consent Records. Census 2013 - Statistics New Zealand.</p>

Natural Hazards

Assumption	It is assumed that Council has the capacity to borrow any funds it may require to respond to and to recover from a natural hazard event, should such an event occur during the 10 year period covered by this LTP.
Detailed Forecasts	<p>The Horowhenua District is susceptible to a range of natural hazards including flooding and river erosion, coastal erosion, extreme wind events, and inundation (storm surges and tsunamis), land instability (slips, slumps and runoff), seismic activity (ground rupture, shaking and liquefaction) and volcanic activity.</p> <p>Council must have the capacity to borrow funds to respond to a natural hazard event quickly and to be able to provide necessary relief. Council's current debt limit, which is set by the Local Government Funding Agency, is set at 175% of our operating income. Council will come within \$2 million of this limit in year 4 of this LTP (2018/19). This does not give Council sufficient headroom to adequately deal with implication is a major natural hazard events was to occur. Therefore, Council will seek a credit rating in 2015 that will enable the debt limit to increase to 250% of Council's operating income.</p>
Risk	<p>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.</p> <p>There is a risk that a natural hazard event could occur and that cost of recovering from the damage caused by this event would be greater than the funds that are available to Council if it was to stay within its current debt limit set by the LGFA.</p>
Level of Uncertainty	Moderate
Financial impact	<p>If Council required more funds to recover from a natural hazard event then what would be available to Council if it was to stay within its current debt limit then the Council would have to borrow funds at a higher interest rate. This could potentially result in Council having to increase rates to cover the loans.</p> <p>It is noted that the New Zealand Transport Agency (NZTA) provides funding for emergency works required to be done on roads as a result of damage caused by qualifying (natural hazard) events. The NZTA provides assistance at the Council's normal Funding Assistance Rate (FAR) for cumulative claims for the costs of emergency works up to 10% of the Council's approved maintenance programme for the year. For the portion of cumulative claims of the total costs of emergency works that exceed 10% of the Council's approved maintenance programme for the year, the</p>

	<p>NZTA will provide funding at the normal FAR plus an additional 20%.</p> <p>For example in 2015/16 the Council's approved maintenance programme is approximately \$6 million and the Council's normal FAR will be 50% which means the NZTA would provide funding at a rate of 50% for cumulative claims for emergency works of up to \$600,000 and at a rate of 70% for anything beyond \$600,000.</p> <p>An increase in the frequency of natural hazards that has occurred in recent history as well as the severity of these natural hazard events (most notably the Christchurch Earthquake 2011) has resulted in an increase in the cost of insurance.</p>
Data Source	<p>Horowhenua District Council.</p> <p>NZTA – Planning and Investment Knowledge Base.</p>

Climate Change

Assumption	<p>It is assumed that although Horowhenua District may be affected by climate change in the long term (in parallel with predicted national change), that climate change will not impact on this District during the life of this Long Term Plan.</p>
Detailed Forecasts	<p>The Ministry for the Environment has predicted the following changes in temperature, rainfall, sea level rise, and flood risks:</p> <ul style="list-style-type: none">• Temperatures in the Manawatu–Wanganui Region could increase between 0.2°C and 2.2°C (projected on a seasonal and annual mean) by 2040;• Rainfall in the Manawatu–Wanganui Region could potentially decrease by 3% or increase by 10% (projected on a seasonal and annual mean) by 2040 depending on the season or the location.• Sea levels in New Zealand have risen on average 1.6 mm per year over the 20th century. Sea levels are expected to continue to rise in the future. The Ministry for the Environment recommends planning for future sea level rise of at least 0.5m (baseline recommendation) for planning and decision timeframes out to 2090–2099.• More heavy rainfall could increase the risk of flooding. This could have an impact for areas prone to flooding such as the Manawatu flood plains.
Risk	<p>Climate change occurs at a different rate to what has been projected with greater or lesser implications for the Region and the District.</p>

Level of Uncertainty	Low to Moderate
Financial impact	If climate change results in changes that are more significant or which occur sooner than currently predicted then this could place strain on some of Council's core infrastructure e.g. less rain may mean that some water supplies may not be sufficient in the driest months of the year or if there is an increase in heavy rainfalls than this could place additional pressure on Council's stormwater system. If infrastructure needs to be upgraded then this may result in unbudgeted expenditure which could result in an increase in borrowing, the use of Council reserves or an increase in rates.
Data Source	Ministry for the Environment - 'Climate change effects and impacts assessment: A guidance manual for local government in New Zealand' (May 2008). Ministry for the Environment – 'Preparing for Coastal Change: A guide for local government in New Zealand' (March 2009).

Legislative Changes

Assumption	Changes in legislation will not result in a significant effect on Council's finances or levels of service.
Detailed Forecasts	Key areas that could potentially be affected by changes in legislation are in the regulatory and compliance areas of Council including Health, Building and Planning. Possible changes to the Building Act, the Food Act and the Resource Management Act could result in Council having to increase its levels of service or may result in business owners having more responsibility. The changes are as yet unqualified; however, officers will closely monitoring the situation. Changes to the Resource Management Act and the National Policy Statement for Freshwater Management may impact on Wastewater and Stormwater levels of service dependent on the method by which Horizons Regional Council gives effect to those changes. This is not expected to happen until the end of the life of this Long Term Plan.
Risk	There are changes proposed to the Building Act in relation to earthquake-prone buildings; the Food Act in relation to food safety including giving businesses the tools to manage food safety themselves; and the Resource Management Act around potentially introducing a national template for District/Regional Plans and reducing consent processing times. Given the clear mandate of the current Government there is a high level of certainty that legislative changes

	will be made. Such reforms could require Council to implement the legislative changes to its plans, by-laws and regulatory processes. There is uncertainty over the likely cost implications and timing to undertake such changes although there is high expectation that the implementation requirements would fall within the 10 year life of the LTP.
Level of Uncertainty	Moderate
Financial impact	Changes in legalisation may result a requirement to increase levels of service, implement policy and regulatory changes which may not have been foreseen or accurately budgeted for. Such changes could require additional funding from rates or an increase in fees and charges to implement the legislative changes as directed and within the required timeframes.
Data Source	Horowhenua District Council.

Asset Management Plans

Assumption	Council's confidence in the underlying data for the Council's Water, Wastewater, Stormwater, Land Transport (Roothing), Solid Waste, and Parks and Property Asset Management Plans is as identified in the table below:		
	Asset class	Data confidence grade ("A" means little or no assumption in asset and condition data, "E" means all data is assumed).	Method of assessment
	Water	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
	Wastewater	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
	Stormwater	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
	Roothing	B - Data based on sound records, procedure, investigations and analysis, documented properly but has minor shortcomings, e.g. some data is missing	Register analysis
	Solid Waste	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
	Parks and Property	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
Detailed Forecasts	<p>Forecasts for Capital and Opex expenditure in Wastewater, Water, Stormwater and Roothing Activities are based on the information in the Asset Management Plans and summarised in the Infrastructure Strategy.</p> <p>Forecasts for Capital and Opex expenditure in Property, Parks, and Solid Waste Activities are based on the information in the Asset Management Plans.</p>		
Risk	<p>Roothing and Wastewater have a high degree of certainty in long term expenditure projections. Water, Solid Waste and Parks have a reasonable degree of certainty but are subject to better understanding of asset condition. Property and Solid Waste have a fair degree of certainty but are subject to impending decisions on future of ownership, management and operation.</p> <p>The Asset Management Plans are based on the best information currently available to Council. However, Council's</p>		

	information on the condition of its underground assets is continually improving and as this information improves Council will have a better understand of what assets require renewal and replacement by when.
Level of Uncertainty	Moderate
Financial impact	More certainty on the condition on underground assets may result in changes to planned replacement programmes and changes to funding requirements.
Data Source	Water, Wastewater, Stormwater data is from GIS based registers (Horowhenua District Council). Roading data and some Stormwater data is from the RAMM asset management system. Solid Waste, Parks and Property data is in spreadsheet registers (Horowhenua District Council).

Asset Revaluations

Assumption	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. Council is also assuming that the expected useful lives of significant assets will remain the same.
Detailed Forecasts	Asset revaluations take place every 3 years with the last revaluation occurring in 2014. This is done in accordance with the accounting standards applicable to each class of asset and is shown in the financials as an annual adjustment to asset values and equity equivalent to the inflation rate applied to the opening asset values. Infrastructure asset valuations are based on Councils own recent contract prices where relevant work has been undertaken, otherwise inflation adjustments have been made to reflect regional cost change, or construction cost indices applicable to each Activity.
Risk	Asset valuations could be higher or lower than assumed. Key impacts on valuation of infrastructure assets are oil prices and regional economic activity within each relevant sector.
Level of Uncertainty	Moderate
Financial impact	Increases in valuations would require a higher level of depreciation funding as the cost of renewals increases and this would impact on other Council spending or would require the Council to increase rates. A change in asset

	valuation would also impact on the long term renewals and capital addition expenditure projections. Decreases in valuations would require less in depreciation funding as the cost of renewals decreases and this would have a flow-on effect for rates.
Data Source	Horowhenua District Council.

Useful Lives of Assets

Assumption	Asset lives are based on the National Asset Management Steering Group “Valuation and Depreciation Guidelines” 2002 and have been used in the Council’s Asset Management Plans and Asset Valuation report 2014. As such it is assumed that assets will last as long as estimated in Council’s Asset Management Plans and Infrastructure Strategy and this is reflected in the Accounting Policies.																																																															
Schedule of assumed asset lives	The useful lives of Council’s assets are as estimated in the below tables:																																																															
	<table><tr><th>Asset Description</th><th>Life (YEARS)</th></tr><tr><td colspan="2">ROADING</td></tr><tr><td>Crossing</td><td>100</td></tr><tr><td>Bridge</td><td>40-100</td></tr><tr><td>Crossing</td><td>50</td></tr><tr><td>Drainage</td><td>50-100</td></tr><tr><td>Footpath</td><td>20-100</td></tr><tr><td>Marking</td><td>1</td></tr><tr><td>Minor Structure</td><td>60</td></tr><tr><td>Railing</td><td>15-50</td></tr><tr><td>Shoulder</td><td>40</td></tr><tr><td>Sign</td><td>12</td></tr><tr><td>Street Light Lamp</td><td>10-25</td></tr><tr><td>Street Light Pole</td><td>25-50</td></tr><tr><td>Sw Channel</td><td>10-100</td></tr></table>		Asset Description	Life (YEARS)	ROADING		Crossing	100	Bridge	40-100	Crossing	50	Drainage	50-100	Footpath	20-100	Marking	1	Minor Structure	60	Railing	15-50	Shoulder	40	Sign	12	Street Light Lamp	10-25	Street Light Pole	25-50	Sw Channel	10-100	<table><tr><th>Asset Description</th><th>LIFE (YEARS)</th></tr><tr><td colspan="2">WASTEWATER</td></tr><tr><td>Treatment</td><td>1-100</td></tr><tr><td>Airvalve</td><td>25</td></tr><tr><td>Cleaning Eye</td><td>80</td></tr><tr><td>Junction</td><td>80</td></tr><tr><td>Lac</td><td>80</td></tr><tr><td>Lateral</td><td>60-100</td></tr><tr><td>Lateral Cleaning Eye</td><td>80</td></tr><tr><td>Manhole</td><td>80</td></tr><tr><td>Meter</td><td>20</td></tr><tr><td>Pipe</td><td>40-100</td></tr><tr><td>Pump Station</td><td>60</td></tr><tr><td>Pump Station Mechanicals</td><td>15</td></tr><tr><td>Storage</td><td>50</td></tr></table>		Asset Description	LIFE (YEARS)	WASTEWATER		Treatment	1-100	Airvalve	25	Cleaning Eye	80	Junction	80	Lac	80	Lateral	60-100	Lateral Cleaning Eye	80	Manhole	80	Meter	20	Pipe	40-100	Pump Station	60	Pump Station Mechanicals	15	Storage	50
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Traffic Facility	8	Valve	60
Road Surface	3-25	STORMWATER	
Basecourse	60	Airvalve	25
Formation	100	Catchpit	80
WATER		Channel	60-100
Treatment	1-100	Culvert	50-100
Airvalve	25	Detention Area	80
Borehole	40	Inlet/Outlet	80
Hydrant	60	Junction	60
Intake	60	Lateral	80
Junction	60	Manhole	80
Lateral	30-100	Pipe	40-100
Meter	20	Pump Station	100
Pipe	30-100	Pump Station Mechanicals	15
Pump Station	100	Soak Pit	60
Pump Station Me	15	Soak Trench	60
Backflow Preventer	20	Valve	60
Service Meter	20	PARKS	
Sprinkler	10	Playground Equipment	20-40
Storage	50	Surfaces	10-50
Valve	60	Buildings	50-100
PROPERTY		Aquatics Mechanical Plant	10-30
Structure	50-80	Aquatics Treatment	20-50
Roof	40	SOLID WASTE	
Fitout	20-40	Buildings And Minor Structures	50-100
Building Services	40	Roading	50
Minor Structures	50-80	Landfill Cells	33
		Electrical Service	10

Risk	Council has estimated the useful lives of its assets on the best information available to it currently. As Council's information improves over time these estimates will become more certain. There is a risk that assets could deteriorate at a faster or slower rate than anticipated and this would mean that they may need to be replaced earlier or later than currently forecast.
Level of Uncertainty	Moderate
Financial impact	<p>Unanticipated asset deterioration may result in unbudgeted expenditure which could result in an increase in borrowing, the use of Council reserves, or an increase in rates.</p> <p>If assets take longer to deteriorate than anticipated then the Council would not need to replace them as early as planned. Council would have more time to set aside funds for the replacement of the asset and would therefore borrow less when the asset eventually did require replacement.</p> <p>Changes in timing around the requirement to replace assets could also result in the cost of replacing an asset changing (i.e. being more or less expensive than anticipated). Therefore Council would either need to come up with funds if the cost of the project had increased or Council could borrow less if the replacement costs had decreased.</p>
Data Source	National Asset Management Steering Group "Valuation and Depreciation Guidelines" (2002). Horowhenua District Council Asset Management Plans.

Sources of funds for replacement of significant assets

Assumption	It is assumed that funding for the replacement of significant assets will be in accordance with the Council's Revenue and Finance Policy and Financial and Infrastructure Strategies.
Detailed Forecasts	<p>Funding sources used to finance capital expenditure (i.e. replacement of significant assets) are as per the Revenue and Finance Policy (in order of hierarchy):</p> <ol style="list-style-type: none"> 1. <u>Third party sources</u>: These are sources that relieve the burden on ratepayers generally. These are not commonly available, but include any government subsidies for water and wastewater schemes and third party donations.

	<p>2. <u>Rates</u>: This reflects a prudent propensity on the Council's part to ensure that special purpose reserves are only utilised on a selective basis on relatively significant works in the context of long term planning, rather than on minor works over a shorter term, and a prudent reluctance to increase loan indebtedness unless necessary.</p> <p>3. <u>Reserves</u>: In particular funds that may be held for larger capital works in specific activities. An example includes water, wastewater, roading and property works financed from the Foxton Beach Freeholding Fund.</p> <p>4. <u>Borrowing</u>: This reflects a prudent reluctance to increase loan indebtedness unless necessary. Although it is the last option considered, the LTP provides for substantial new borrowing to achieve an element of intergenerational equity in the financing of a range of major capital expenditure works. Note - loan funding is also used for infrastructural asset renewals where the rate generated reserves are inadequate due to the level of renewals in any one year.</p>
Risk	There are insufficient funds available for the replacement of significant assets.
Level of Uncertainty	Low
Financial impact	If the assumed funding sources were not available and a significant asset needed to be replaced then Council would either have to borrow funds and incur higher than usual interest on this loan or defer other planned works that are of lower priority and use the funds that were initially allocated to them to replace the significant asset.
Data Source	Horowhenua District Council.

Interest Costs

Assumption	Council is assuming for the ten year period of this Long Term Plan that the interest rate for new borrowing will be between 6% and 6.5%.
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Detailed Forecasts	The table below identifies the assumed interest costs over the 10 year life of the Long Term Plan.									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	6.00%	6.25%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%	6.50%
Risk	Interest rates can vary subject to market conditions and could fluctuate beyond what is anticipated, however, 6% to 6.5% is a conservative projection.									
Level of Uncertainty	Moderate									
Financial impact	Higher interest rates will have an impact on Council’s interest expense and consequently the affordability of services provided and the ability to afford capital improvement which are funding from borrowing.									
Data Source	Horowhenua District Council.									

Depreciation

Assumption	Council is assuming that by 2018 that depreciation funds will be adequate to fund asset renewal expenditure.
Detailed Forecasts	Council has estimated future depreciation on the basis of recent asset valuations and planned capital expenditure, using straight line percentage calculations of depreciation as laid out in the accounting policies.
Risk	The actual cost of renewals may be higher or lower than depreciation.
Level of Uncertainty	Moderate
Financial impact	Underfunding of depreciation would result in increased borrowing requirements to fund asset renewals or potentially not undertaking some renewals as early as initially anticipated. Overfunding of depreciation would result in Council surpluses that could be used to reduce debt.
Data Source	Accounting Policies - Horowhenua District Council.

Resource Consents

Assumption	That Council will obtain any resource consents that are required to ensure that it's Water, Wastewater, Stormwater and Solid Waste Activities (and any other activity) can continue to operate. Also that these consents are granted within required timeframes and within anticipated expenditure.
Detailed Forecasts	Expenditure estimates for resource consents have been prepared based on experience with and observations of trends of previous resource consent processes and standards. These costs have been built into the overall costs of each specific project.
Risk	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. The timeframe to obtain consent could take longer than anticipated and delay the implementation or construction associated with the consent.
Level of Uncertainty	Moderate
Financial impact	Levels of rating, debt and capital maintenance expenditures would be higher than expected and/or a reorganisation of other expenditure would need to be undertaken. If the consent process takes longer than anticipated then the costs for the project may need to be extended beyond the anticipated timeframe for the project. If the consent conditions impose more onerous requirements on Council (particularly conditions with ongoing costs such as monitoring) than anticipated or the legal processes involved with the consent are more protracted, these factors could result in the overall cost of the project being higher. This would require additional funding from borrowing, rates, user fees and charges or other sources.
Data Source	Horowhenua District Council.

Local Government Funding Agency (LGFA)

Assumption	That the Local Government Funding Agency (LGFA) remains in existence and is Council's preferred source of debt funding. Also that the deed guarantee obligations on default of any Council under the deed will not occur.
Detailed Forecasts	Council is a shareholder of the LGFA and each of the shareholders of the LGFA is a party to a deed of guarantee, whereby the parties to the deed guarantee have obligations to the LGFA in the event of default.

Risk	The risk of a local authority borrower defaulting is extremely low and highly unlikely especially given that all of the borrowings by a local authority from the LGFA are secured by rates.
Level of Uncertainty	Low
Financial impact	Given the extremely low likelihood of the event of default by a local authority borrower, Council has insufficient information to reliably forecast any potential impact of its shareholding.
Data Source	Horowhenua District Council.

Asset Sales

Assumption	Council is assuming that it will sell approximately \$5 million of its non-core assets within the first 3 years of this LTP period and that these assets will be sold during the year that they are identified for sale. Council assumes that revenue from these asset sales will be used to pay off some of Council's debt. Council is also assuming that it will sell 6 sections per year at its Foxton Beach subdivision and that these sections will be sold in the year they are identified for sale.
Detailed Forecasts	Council is currently putting together a Property Strategy and as part of this Strategy it will identify which of its non-core assets will be sold.
Risk	That Council sells more or less than \$5 million of its non-core assets or more or less sections at its Foxton Beach subdivision.
Level of Uncertainty	Moderate
Financial impact	If Council sells less than \$5 million of non-core assets or less sections at its Foxton Beach subdivision then it would pay off its debt at a slower rate than anticipated and would accumulate a higher level of interest. If Council sells more than \$5 million in non-core assets or more sections at its Foxton Beach subdivision then it could pay off debt faster and would incur less interest than anticipated.
Data Source	Horowhenua District Council.

Inflation

Assumption	Annual increases in inflation will be in accordance with the inflation adjusters that have been provided by Business and Economic Research Ltd (BERL) and endorsed for use by the Society of Local Government Managers (SOLGM).																																																																												
Detailed Forecasts	<p>The tables below detail the inflation adjusters that have been used for each category.</p> <p>Adjustors: % per annum change</p> <table> <tr> <th></th><th>Roading %</th><th>Property, Parks & Reserves %</th><th>Water %</th><th>Staff %</th><th>Other %</th></tr> <tr> <th>Year ending</th><th colspan="5">% pa change</th></tr> <tr> <td>June 2016</td><td>1.2</td><td>2.2</td><td>5.2</td><td>1.8</td><td>2.3</td></tr> <tr> <td>June 2017</td><td>1.4</td><td>2.4</td><td>3.8</td><td>1.9</td><td>2.5</td></tr> <tr> <td>June 2018</td><td>2.2</td><td>2.5</td><td>3.0</td><td>2.0</td><td>2.6</td></tr> <tr> <td>June 2019</td><td>2.4</td><td>2.6</td><td>3.2</td><td>2.1</td><td>2.7</td></tr> <tr> <td>June 2020</td><td>2.5</td><td>2.8</td><td>3.3</td><td>2.2</td><td>2.9</td></tr> <tr> <td>June 2021</td><td>2.7</td><td>2.9</td><td>3.5</td><td>2.3</td><td>3.0</td></tr> <tr> <td>June 2022</td><td>2.8</td><td>3.0</td><td>3.7</td><td>2.4</td><td>3.1</td></tr> <tr> <td>June 2023</td><td>3.0</td><td>3.2</td><td>3.8</td><td>2.5</td><td>3.3</td></tr> <tr> <td>June 2024</td><td>3.1</td><td>3.3</td><td>4.0</td><td>2.6</td><td>3.4</td></tr> <tr> <td>June 2025</td><td>3.3</td><td>3.4</td><td>4.2</td><td>2.7</td><td>3.6</td></tr> </table>						Roading %	Property, Parks & Reserves %	Water %	Staff %	Other %	Year ending	% pa change					June 2016	1.2	2.2	5.2	1.8	2.3	June 2017	1.4	2.4	3.8	1.9	2.5	June 2018	2.2	2.5	3.0	2.0	2.6	June 2019	2.4	2.6	3.2	2.1	2.7	June 2020	2.5	2.8	3.3	2.2	2.9	June 2021	2.7	2.9	3.5	2.3	3.0	June 2022	2.8	3.0	3.7	2.4	3.1	June 2023	3.0	3.2	3.8	2.5	3.3	June 2024	3.1	3.3	4.0	2.6	3.4	June 2025	3.3	3.4	4.2	2.7	3.6
	Roading %	Property, Parks & Reserves %	Water %	Staff %	Other %																																																																								
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Risk	Council uses standard BERL adjusters however these are predictions and future rates of inflation are subject to a large number of variables which are beyond Council's control and are difficult to forecast.																																																																												
Level of Uncertainty	Low to Moderate																																																																												
Financial impact	Rates of inflation greater than those assumed would impact on future cost estimates and the ability of the community to afford the consequential rate increases.																																																																												

Data Source	The inflation adjusters have been provided by BERL and have been endorsed for use by the SOLGM.
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Investment Revenue

Assumption	Council is assuming that dividends will be zero (or immaterial) and that the rate of interest earned on all future investments for the life of this Long Term Plan will be between 4% and 4.5%.
Detailed Forecasts	Most of Council's interest revenue is tagged to special funds and is not a direct supplement to rating revenue or offset against rates requirements. The proposed utilisation of these special funds does not rely unduly on accumulations of interest earnings.
Risk	The assumed rate is in the range of rates experienced in recent and current prevailing economic environments. There is potential for interest earned to be higher or lower than estimated.
Level of Uncertainty	Low to Moderate
Financial impact	Lower interest rates on Council's investments would lead to lower revenue. However, investment revenue is not significant and as such there would be only a minimal financial impact for Council if these rates were lower than anticipated.
Data Source	Horowhenua District Council

NZTA subsidy (Funding Assistance Rates)

Assumption	It is assumed that the roading subsidies (Funding Assistance Rates) that the Council currently receives from the New Zealand Transport Agency (NZTA) will increase from 50% in 2015/16 to 59% by 2025.
Detailed Forecasts	<p>Council works closely with its co-investment partner, the NZTA to undertake its land transport activities. An increase in funding from previous years is required from both Council and the NZTA for maintenance and renewals to prevent degradation of the District's roading network.</p> <p>Currently Council receives a subsidy of 47% from the NZTA. This subsidy will increase to 50% in 2015/16 and the Council is assuming that this will increase to 59% over the ensuing 9 years.</p>

Risk	Subsidies for roading are calculated annually so it is possible that in the later years of the LTP that the NZTA may not approve as much of a subsidy as Council has requested or there may be a variation in the criteria for inclusion in the subsidised works programme.
Level of Uncertainty	Moderate
Financial impact	If NZTA does not approve the requested subsidy in any one year then the Council will have to either increase the funds available for non-subsidised road works which would result in an increase in rates or an increase in borrowing to what Council has initially predicted. Alternatively the Council would have to reduce the amount of road works that it had intended to undertake.
Data Source	Transport Activity Management Plan – Horowhenua District Council.

Development Contributions

Assumption	Council assumes that Development Contributions will no longer be charged from 1 July 2015 and that Council will rely on alternative funding sources, such as borrowing and potentially financial contributions, to cover the costs associated with the growth component of development.
Detailed Forecasts	Capital expenditure to service additional demands caused by growth will no longer be funded by Development Contributions but instead will be funded by rates or borrowing. Council is also exploring the possibility of re-introducing Financial Contributions.
Risk	Following public consultation the Council may decide to retain its current Development Contributions Policy or revise this policy and continue to charge Development Contributions in some other capacity. There is also a risk that growth could be higher than anticipated which could have financial implications if Development Contributions are no longer charged.
Level of Uncertainty	Low
Financial impact	If Development Contributions were charged in some capacity then this source of funding would continue to be available for Council to use it for capital expenditure resulting from growth and this would mean that funds from

	<p>another source would not be needed.</p> <p>If Development Contributions are no longer charged and growth was higher than anticipated then Council would need to borrow more to fund the growth aspects of capital projects.</p>
Data Source	Horowhenua District Council.

Financial Contributions

Assumption	Council assumes that a Financial Contributions Policy will be adopted and implemented within the next 18 months which would enable Council to charge Financial Contributions for development in new growth areas (as identified by Council in its Policy). For this LTP period Council is not anticipating that any development would occur in the new growth areas and as such it is assumed that no revenue will be collected from Financial Contributions.
Detailed Forecasts	A Financial Contributions Policy is currently being drafted by Council Officers. In accordance with section 106(2)(f) of the Local Government Act 2002 the Policy must, if Financial Contributions will be required, <i>summarise the provisions that relate to financial contributions in the District Plan</i> . The Horowhenua District Plan does not currently include any specific provisions for Financial Contributions. Therefore Council's Financial Contributions Policy will not be able to be implemented until such time as a Plan Change to the District Plan providing for Financial Contribution to be charged has been initiated and become operative. The Plan Change would not be initiated until Council has confirmed the Financial Contributions Policy. The time taken for the Plan Change to be made operative could be potentially 18 months from the time the Policy is adopted.
Risk	That the Financial Contributions Policy takes more or less than 18 months to become operative. That development (whether it be a low level or a high level) will occur within the 100% growth areas.
Level of Uncertainty	Low-Moderate
Financial impact	<p>If the Financial Contributions Plan Change takes longer than 18 months to become operative then the Council would not be able to charge these contributions for longer. If it takes less time to become operative then the Council would be able to charge these contributions earlier. Either way the financial impact should be minimal given that Council has not budgeted on any development incurring financial contribution occurring in the new growth areas during the LTP period.</p> <p>If development occurs within the new growth areas prior to the Financial Contributions Plan Change becoming operative then the costs of providing services to these areas may be recouped (to some extent) through other mechanisms e.g. charges to connect to Council services. Any costs not recovered through these mechanisms will need to be covered by Council from other funding sources such as rates. Once the Financial Contributions Plan</p>

	Change is operative if development occurs within the new growth areas then Council will be able to charge financial contributions to cover the cost of extending services to areas where development is occurring.
Data Source	Horowhenua District Council.

PLANNING FEES & CHARGES 2015-2016

Schedule of Fees and Charges under the Resource Management Act 1991.

Horowhenua District Council's Planning fees and charges for the financial year 1 July 2015 - 30 June 2016 are provided below.

All fees are stated as GST inclusive and are effective from 1 July 2015. Council reserves the right to review any fees and charges at any time. Please contact [Council](#) for any updates.

Costs for Resource Consents and Other Applications

Horowhenua District Council charges fees for processing of a wide variety of planning related applications processed under the Resource Management Act or Local Government Act as listed below. The fixed charge is a deposit paid up front to enable Council staff to commence the process, actual charges are billed in accordance with time spent by staff on processing the application together with other associated costs.

Any work on applications will only commence on payment of the relevant fixed charge. Upon completion of processing an application the Council will invoice for any additional charges for any costs not covered by the fixed charge. The additional charges are set out below with the fixed charged.

Planning			
ACTIVITY	Fixed Charge	Additional Charge per Hour Processing Time	Notes (Please refer below)
Land Use Consent			
Fast Track Consent	\$480.00	No	1
Minor Land Use Consent	\$750.00	Yes	2
Other Land Use Consent	\$980.00	Yes	2
Subdivision Consent			
Minor Subdivision / Boundary Adjustment	\$930.00	Yes	2
Other Subdivision			
- 2 to 5 Additional Lots	\$1,735.00	Yes	
- 6 to 10 Additional Lots	\$2,790.00	Yes	
- More than 11 Lots	\$4,460.00 + \$270.00 per Lot over 15 Lots	Yes	
Certificate of Compliance	\$565.00	Yes	
Existing Use Certificate	\$565.00	Yes	
Vetting of Draft Applications (first hour free)	\$0.00	Yes	

District Plan Amendments			
Private Plan Change	\$5,485.00	Yes	3
New Designation / Heritage Order	\$2,230.00	Yes	
Alteration of Designation / Heritage Order	\$1,115.00	Yes	

Planning			
ACTIVITY	Fixed Charge	Additional Charge	Notes (Please refer below)
Other Applications			
Section 223 Application	\$155.00	No	
Section 224 (c) or (f) Application	\$340.00	Yes	
Section 221 Consent Notice or Amendment / Cancellation	\$205.00	Yes	
Section 125 Application	\$360.00	Yes	
Section 127 Application	\$465.00	Yes	
Section 357 Lodgement Fee	\$560.00	Yes	6
Outline Plan Approval or Waiver	\$360.00	Yes	
Bond Preparation	\$165.00	Yes	
Any other Application or Certificate under the RMA	\$205.00	Yes	
Any application under those provisions of the Local Government Act 1974 not repealed (eg. Section 348)	\$205.00	Yes	
Notification and Hearing Costs			
Limited Notification	\$1,115.00	Yes	
Full Notification	\$2,230.00	Yes	
Hearing Costs	\$3,285.00	Yes	4
Commissioner Costs (at applicant's request)	\$1,675.00	At Cost	
Commissioner Costs (at submitter's request)		At Cost	7
Commissioner Costs (at Council appointment)		At Cost	5
Monitoring Costs			
Land Use Consents			
– Per Inspection	\$145.00	Yes	
Subdivision Consents			
– Per Inspection	\$145.00	Yes	
Residential Relocated Buildings			
-Refundable Monitoring Fee	\$1500.00	No	8
Council Officer's Hourly Rates			
Planning Services Manager		\$172.00	
Senior Planner		\$162.00	
Planner		\$145.00	
Engineer		\$145.00	
Monitoring Officer		\$145.00	
Administration Officer		\$ 103.00	
Other Charges			
Consultant S42A Planning Reports (at applicant's request)		At Cost	
Consultant S42A Planning Reports (at Council's request)		At Cost	
Specialist Reports		At Cost	
Mileage		At AA Rates	
Disbursements (Photocopying, Printing Docs & Maps, Food, etc).		At Cost	
Documents on CD	\$10.00	No	
Digital Capture Levy	\$25.00	No	
Pre-Hearing Meetings		At Cost	
Title Searches		At Cost	

Applicants may apply for the remission of any charges, and have the right of objection and appeal to any "Additional" charges incurred (S36(6) of the Resource Management Act). Objections shall be heard by the Hearings Committee.

Notes to Fee Schedule:

1. Fast Track Consents apply only for applications of the nature and within the scope of what is described in "Table One" below.
2. Minor land use consent is defined as any non-notified land use application for an activity in any one zone (not being a Fast Track Consent) which is a controlled activity or does not comply with one standard specified in the District Plan and for which the applicant supplies with the application sufficient evidence of consultation with potentially affected persons.
A minor subdivision is a controlled activity subdivision for up to 1 additional lot including a boundary adjustment and not needing land use consent.
An other "land use" or "subdivision" application is any application other than a minor application as defined above, made under sections 9 and/or 11 of the RMA.
3. Where the Council, in its own discretion, adopts a Private Plan Change no further fee above the fixed charge shall be due.
4. Based on a Chair at \$100/hr plus 2 Councillors' at \$80/hr – average hearing 6 hours. Plus Administration & Technical Assistance 6 hrs at the prescribed rates.
5. Commissioners' costs shall not exceed the equivalent cumulative cost as if a quorum of the Hearings Committee had heard the application. It includes time in pre-hearings, site visits, deliberations and costs for drafting the decision. Commissioner charges in the case of hearings where Council has vested interests are justified on the basis that the applicant is not entitled to a free hearing, but should not have to pay more than would have occurred otherwise. Specialist costs shall include Consultants as appointed by the Council and the costs of legal advice, provided that in the latter instance such costs may be waived in whole or in part at the discretion of the Planning Services Manager and/or the Chief Executive Officer.
6. The Council will charge a fixed lodgement fee for objections lodged under Section 357 of the Resource Management Act. There will be no hearing fee although additional charges will be tracked. Where the decision is to uphold the objection in full the fixed lodgement fee will be refunded in full and there will be no additional charges. Where the objection is dismissed or partially upheld then the lodgement fee shall not be contestable and additional charges shall be split equitably where a partial decision is reached according to the opinion of the Chief Executive Officer.
7. The submitter(s) pay the actual cost of the application being heard and decided less any charges payable by the applicant for the amount that it is estimated by the Group Manager – Customer & Community Services it would cost for the application to be heard and decided if the request has not been made. (Section 36 (1)(ab) of the RMA refers).
8. The refundable monitoring fee is to be required for residential relocated buildings (over 40m² gross floor area) in the Residential, Rural, Greenbelt Residential and Commercial Zones that comply with the requirements of the Plan as a permitted activity. The refundable monitoring fee will be used by the Horowhenua District Council to cover the costs of monitoring inspections necessary to ensure that the reinstatement required is completed. Should the reinstatement work not be completed within 9 months of the building being delivered to the destination site, the monitoring fee may be used by Horowhenua District Council officers to fulfil the requirements of lodging and processing a resource consent application for the relocated building.

Table One:

Rule	Scope
Residential Zone	
15.6.2(a)-(b) Maximum Building Height	Any non-compliance that does not exceed 0.3m
15.6.3(a) Daylight Setback Envelope	Any non-compliance that does not exceed 0.5m
15.6.4(b) Building Setback from Boundaries	Any non-compliance that does not exceed 0.5m
15.6.5(a) Separation Distance between detached residential dwelling units.	Any non-compliance that does not exceed 0.5m
15.6.7(a)-(b) Maximum Building Coverage	Any non-compliance up to 3% of permitted floor area.
15.6.8(a)-(c) Accessory buildings	Any non-compliance up to 5m ²
Greenbelt Residential Zone*	
18.6.1(a) Maximum Building Height	Any non-compliance that does not exceed 0.5m
18.6.3(b) Building Setback from 'Other' Site Boundaries	Any non-compliance that does not exceed 1.0m
18.6.3(f) Dwelling Setback from Rural Zone Boundary	Any non-compliance that does not exceed 5m
18.6.6(a) Maximum Building Coverage	Any non-compliance up to 3% of permitted floor area.
Rural Zone	
19.6.2(a) Maximum Building Height	Any non-compliance that does not exceed 0.5m
19.6.4(a)(iii) Building Setback from 'Other' Site Boundaries – sites over 5000m ²	Any non-compliance that does not exceed 3.0m
19.6.4(a)(viii) Building Setback from 'Other' Site Boundaries – sites less than 5000m ²	Any non-compliance that does not exceed 1.0m
19.6.4(b)(vi) Building Setbacks for 5000m ² where they share a boundary with a site of at least 20,000m ²	Any non-compliance that does not exceed 3.0m

* Rule reference numbers for the Greenbelt Residential Zone may change as a result of Plan Variation 1.

Procedure for processing fast track consents:

An application for a fast track consent will need to be made using the standard 'form 9' application form for a resource consent and it must be accompanied by all the usual information (i.e. a certificate of title with any relevant interests, a site plan and elevations, an assessment of environmental effects, photographs of the site, and written approvals of affected persons, if applicable). A fee of \$480.00 must be paid upfront when a fast track application is lodged with the Council.

Note:

Should the processing planner become aware of additional non-compliance with the District Plan, the applicant will be notified that the application will no longer be processed as a fast track consent and the applicant will be informed that additional fees may apply.

Policy

The Horowhenua District Council will utilise the following as policy in the recovery of costs under the Resource Management Act.

1. The Council, in accordance with its Revenue and Financing Policy, will recover 60-70% of actual and reasonable costs associated with the consent processing function under the RMA as defined by a scale of fees and charges approved in the required manner.
2. Costs will be recovered through the application of 'fixed' and 'additional' charges to be applied in accordance with a scale of charges. That scale will define both 'fixed' charges (a deposit) and 'additional' charges as determined in respect of each type of application defined in the scale. Where the costs of any application are less or greater than the fixed charge by more than one hours' value the Council will refund or invoice the applicant respectively by an amount equivalent to the difference between the final amount and the fixed charge.
3. Fixed charges are refundable where the fixed charges received total less than the actual cost of the activity subject to point 2 above.
4. Where requested, an estimate of additional charges will be given as required under the Resource Management Act.
5. The Council will not commence (or continue if applicable) processing of any application without the pre-payment of any fixed charge.
6. Costs against each application will be recorded for all costs incurred in processing the application and a final account will be drawn up in accordance with the procedures set out below.
7. A minimum charge equivalent to one hour's time shall be accrued in respect of any application. This charge shall not be refundable.
8. Where additional charges are incurred and are not met, the Council will administer the debt in accordance with normal practice. This may include the use of a debt recovery service.
9. Where an application is heard by an independent Commissioner at the request of the applicant, the applicant shall bear the full costs of that Commissioner.

10. Where an application is heard by an independent Commissioner at the request of the submitter(s), cost will be allocated in accordance with the procedure described under Note 7 of the Fee Schedule.
11. Objections to additional charges will be heard by the Hearings Committee where not resolved by Officers under delegated authority to remit such charges.
12. Administrative charges are payable regardless of the outcome of the application.
13. Where an application is for both subdivision and land use consent, the subdivision "fixed" fee shall apply.

Council Controlled Organisations

Legislative context

The Local Government Act (LGA) 2002 defines Council Controlled Organisations (CCOs) as (section 6 (1)(b)):

An organisation in respect of which one or more local authorities have, whether or not jointly with other local authorities or persons-

- 1. control, directly or indirectly, of 50% or more of the votes at any meetings of the members or controlling body of the organisation; or*
- 2. the right, directly, or indirectly, to appoint 50% or more of the trustees, directors, or managers (however described) of the organisation.*

Horowhenua District Council has one organisation which fits within the definition which is Te Horowhenua Trust.

Te Horowhenua Trust

Nature and scope of activities

Te Horowhenua Trust (the Trust) is contracted by Council to deliver a diverse range of functions from the Levin Culture and Community Centre (Te Takere) and to maintain a comprehensive library service in Shannon and Foxton. The Trust also acts as Council's general service centre in Shannon as well as delivering Visitor Information Services in Levin.

Policies and Objectives on Ownership and Control

The Council set up the Trust in 1997 by vesting its library assets in the Trust, transferring its library staff to the employ of the Trust and entering into contractual arrangements whereby the Trust receives an annual operating grant from Council. The Trust sets its policies, employs its staff, and sets its budget. While historically Te Horowhenua Trust has engaged in its activities without reference to Council, since the opening of Te Takere, Horowhenua District Council and Te Horowhenua Trust work much more closely together.

The Council appoints all of the Trustees; two of which are Councillors. The Council and the Trust negotiates an annual management agreement, which specifies the annual operational grant from Council, as well as a service agreement for Council to provide specific services to the Trust.

Monitoring and Performance

Te Horowhenua Trust submits an annual Statement of Intent, which once accepted by Council forms the basis for Council to monitor the performance of Te Horowhenua Trust.

Key performance targets relate to the following:

- Number of visitors to Te Takere;

- Participation in Te Takere events and activities;
- Use of Te Takere;
- Library performance measures (including internet);
- Revenue; and
- Visitor Information and bookings.

The Trust's annual accounts are audited by Audit NZ. The Council receives the Trust's audited annual reports.

Council Controlled Organisations (Exempt)

In accordance with section 7(3) of the LGA the Council can, by resolution, exempt small CCOs that are not Council Controlled Trading Organisations from the requirements of CCOs.

The Council has two CCOs that have been exempt, these are the Manawatu-Wanganui Local Authority Shared Services Limited (MW Lass Ltd) and the Shannon Community Development Trust.

Manawatu-Wanganui Local Authority Shared Service Limited (MW LASS Ltd)

MW LASS Ltd brings together Horizons Regional Council and Horowhenua, Manawatu, Rangitikei, Ruapehu, Tararua and Wanganui District Councils. MW LASS Ltd was established in 2008 to investigate, develop and deliver shared services.

MW LASS Ltd provides for the Councils in this Region (excluding Palmerston North City Council) to work together on mutually beneficial joint projects to ensure consistent levels of service throughout the Region and to reduce the individual costs of delivering these services incurred by each Council. The projects that have been developed through MW LASS Ltd to date include (but are not limited to):

- The Regional Archives Project (which included the construction and operation of a regional archives facility);
- Joint debt collection service; and
- Shared valuation database system.

MW LASS Ltd is managed by its own Chief Executive and member Councils are all represented by their Chief Executives on the Board of Directors.

Shannon Community Development Trust

The Shannon Community Development Trust was established in July 2012. The Shannon Community Development Trust distributes funds for the benefit of the residents of Shannon for:

- Educational activities including scholarships for educational purposes;

- The alleviation of hardship;
- The provision of training and equipment for the protection of the community; and
- The provision of financial assistance for events recognising the involvement of community members.

The Council is responsible for the appointment of all Trustees, but does not control, either directly or indirectly, any votes at any Trust meeting. Horowhenua District Council provides administrative support to the Trust for operational purposes.

Development of Māori Capacity to Contribute to Decision Making

As a Council, we recognise the importance and special position of Tangata Whenua within this District and the important role Māori have to play in Council's decision-making processes. Schedule 10 of the Local Government Act (LGA) 2002 requires Council to include in its LTP any steps that it intends to take, having considered ways in which it might foster the development of Māori capacity to contribute to the decision making processes of the Council over the next 10 years.

The LGA (Parts 2 and 6) provides principles and requirements for local authorities that are intended to facilitate participation by Māori in their decision making processes. In accordance with section 81 of the LGA the Council must:

1. Establish and maintain processes to provide opportunities for Māori to contribute to the decision making processes of the local authority;
2. Consider ways in which it may foster the development of Māori capacity to contribute to the decision making processes of the local authority; and
3. Provide relevant information to Māori for the purposes of (1) and (2) above.

Through its decision making processes Council recognises the principles of the Treaty of Waitangi and kaitiakitanga. Council's Significance and Engagement Policy sets out about what the community including Māori can expect from Horowhenua District Council regarding consultation and ways they can influence and participate in Council's decision-making processes. The Council endeavours to provide for the relationship of Māori and their traditions with their ancestral lands, water sites, waahi tapu and other taonga, when it is considering a significant decision (as per Council's Significance and Engagement Policy, December 2014) in relation to land or a body of water and this is consistent with the requirements of section 77 of the LGA.

Council is also developing and entering into Memorandums of Partnership to help facilitate Māori involvement in local decision making processes. Memorandums of Partnership are enabling documents which have already provided significant benefit to the respective parties and their ongoing communication on a number of matters of mutual interest. These documents are becoming increasingly important as Council seeks closer and meaningful working relationships with the Māori community, to achieve effective consultation and engagement on a wide range of issues affecting the Horowhenua District.

Council currently has formalised memorandums of partnership with the following Iwi:

- Muaūpoko Tribal Authority
- Ngāti Tukorehe
- Rangitaane O Manawatu
- Te Kotahitanga o Te Iwi o Ngāti Wehi Wehi

Council is committed to encourage, develop and enter in to formal relationships with other Iwi, hapū or marae. Council is currently exploring a formal relationship with Ngati Whakatere. Ngāti Raukawa ki te Tonga is another local iwi with strong ties to the Horowhenua District. While Council does not have an official Memorandum of Partnership with Ngāti Raukawa, they are a key stakeholder in our District and are often involved in consultations.

Through the Horowhenua District Plan, Council identifies the following initiatives to develop the Māori capacity to contribute to decision-making:

- Council will support representatives from local Iwi becoming accredited Commissioners.
- Council will consider using independent accredited Māori Commissioners to sit on the Council Hearing Committee for notified consent applications or plan change hearings.
- Council will facilitate the establishment of a forum for the discussion of resource management issues of mutual concern to Tangata Whenua and Council. This forum will be developed through relationship agreements between Council and Tangata Whenua.

Māori see people and the environment as closely interrelated and share with Council a strong interest in maintaining and protecting the environment as well as developing the economic future of the area. The Council is committed over the period covered by this Long Term Plan and beyond to continuing the process of consultation and engagement with local Māori. To date Council has worked with Iwi on a number of collaborative projects including our prestigious Culture and Community Centre, Te Takeretanga o Kura-Hau-Pō, and the Council looks forward to their continued engagement in other significant projects in the future.

Summary of Council's policy on determining significance

Legislative requirements:

In accordance with section 76AA of the Local Government Act (LGA) 2002 the Council is required to have a Significance and Engagement Policy (Policy). This Policy is required to set out the following:

- (a) Council's general approach to determining the significance of proposals and decisions in relation to issues, assets, and other matters;*
- (b) any criteria or procedures that are to be used by Council in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences;*
- (c) how Council will respond to community preferences about engagement on decisions relating to specific issues, assets, or other matters, including the form of consultation that may be desirable; and*
- (d) how Council will engage with communities on other matters.*

Determining whether a decision is significant:

The Policy outlines the criteria and procedures for Council when determining whether or not a decision is significant. In accordance with its general approach, Council will determine all decisions to be significant unless the impact on the:

- Current or future cultural, economic, environmental and social wellbeing of the District is minimal;
- Achievement of, or ability to achieve, the Council's stated levels of service as set out in the current Long Term Plan is minimal;
- Capacity of the Council to perform its role and carry out its activities, now and in the future is unaffected; and
- Financial resource and other costs of the decision are minimal or included in an approved Long Term Plan.

Engagement with the Community

Community involvement in Council's decision making process for significant decisions is important. The Policy outlines how Council intends to engage with the community during its decision making process for significant decisions.

The Policy describes different levels of community engagement and these are; inform, consult, involve, collaborate and empower. At a high level the extent to which Council will engage with the community on a decision aligns with the significance of the decision that is to be made.

Decision making

When making decisions, Council will:

- Identify and assess as many options as are practicable;
- Quantify the costs and benefits resulting from the decision to be made;
- Provide detailed information accessible to the public; and
- Maintain clear and complete records showing how compliance with the Significance and Engagement Policy was achieved.

If the issue, proposal, decision, or other matters concerned involved a significant decision in relation to land or a body of water, Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

Review of the Significance and Engagement Policy

As part of the engagement process for the adoption of this Policy and subsequent reviews, the Council will work with people in the Horowhenua District their engagement preferences and will review these preferences each Long Term Plan process as part of a review of the Community Engagement Strategy.

The Council will also take into account views already expressed in the community, where there has been no material change to the issue since previous engagement, and make judgements on the level of support for those views, when determining the significance of a decision.

Note: *This is just a summary of the Significance and Engagement Policy. The full version of this Policy is available online on Horowhenua District Council's website (<http://www.horowhenua.govt.nz/Council/Council-Documents/Policies/>) or it is available upon request from the Council's civic building in Levin.*

Adoption of 2015-2025 Long Term Plan Consultation Document

1. Purpose

The purpose of this report is to adopt Council's 2015-2025 Long Term Plan Consultation Document for public consultation.

2. Executive Summary

- 2.1 As part of the development of Council Long Term Plans the 2014 amendments to the Local Government Act 2002 now require Councils to use a Consultation Document to consult with the community on the Long Term Plan. Adoption and notification of the Consultation Document triggers the start of the formal consultation period.
- 2.2 Council proposes to release the 2015-2025 Long Term Plan Consultation Document for public consultation on 27 February 2015. The consultation period for submissions will run through to 3 April 2015. A series of community discussions will be held mid-March to allow the community to engage directly with Councillors and Council officers. Meetings with stakeholder groups will also occur during this period. Hearings of submissions are scheduled to occur 5, 6 and 7 May. Deliberations would take place during 26, 27 and 28 May with the final adoption of the 2015-2025 Long Term Plan to occur 24 June 2015.

3. Recommendation

- 3.1 That Report 15/33 Adoption of 2015-2025 Long Term Plan Consultation Document be received.
- 3.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 3.3 That the 2015-2025 Long Term Plan Consultation Document be adopted for public consultation.
- 3.4 That, if necessary, the Senior Manager – Strategic Planning, in consultation with the Mayor and Chief Executive, be authorised to correct any minor errors or omissions in the 2015-2025 Long Term Plan Consultation Document before it is publicly notified.

4. Background / Previous Council Decisions

- 4.1 The 2015-2025 LTP Consultation Document is the compilation of approximately seven months of Council briefings and information that has been presented to Council. The Consultation Document is informed by several Council Policies and Strategies. The Consultation Document is a new requirement for Council and has resulted from the 2014 amendments to the Local Government Act.
- 4.2 The documents informing the Consultation Document include but are not limited to the following:

- Financial Strategy
- Infrastructure Strategy
- Revenue & Financing Policy
- Council Activity Statements
- Forecasting Assumptions
- Funding Impact Statement
- Financial Contributions Policy
- Council's Community Outcomes
- Rates Remission Policy

- 4.3 Some of these documents have already been adopted by Council prior to this meeting, other documents such as the Financial Contributions Policy and Revenue and Financing Policy have been the subject of Council briefings and are being presented at this meeting for adoption prior to the this report. Legally they must be adopted prior to the adoption of the Consultation Document.

5. Discussion

- 5.1 The Consultation Document is a new requirement for Councils and while the legislation provides some guidance on what can and cannot be included in the Consultation Document, there remains a high level of flexibility as to how this information is presented to the community.

- 5.2 Section 93B of the LGA sets out that:

“The purpose of the consultation document is to provide an effective basis for public participation in local authority decision-making processes relating to the content of a long-term plan by—

(a) providing a fair representation of the matters that are proposed for inclusion in the long-term plan, and presenting these in a way that—

(i) explains the overall objectives of the proposals, and how rates, debt, and levels of service might be affected; and

(ii) can be readily understood by interested or affected people; and

(b) identifying and explaining to the people of the district or region, significant and other important issues and choices facing the local authority and district or region, and the consequences of those choices; and

(c) informing discussions between the local authority and its communities about the matters in paragraphs (a) and (b)”.

- 5.3 It is acknowledged that the change from a Draft LTP and Summary LTP document to a Consultation Document with a suite of supporting documents will be a big step change for the local community to come to terms with. While the information is designed to be presented in a way that is engaging and informative, there are likely to be those who are suspicious about what might be hiding given that the 'usual' information is not all packaged up together in a single Draft LTP. This new format and process has placed even greater emphasis on the need to ensure the individual documents are all telling the same story and that the dependencies and linkages

- between the documents are well understood. The independent audit process has been closely checking to ensure there are no inconsistencies.
- 5.4 In recognising the challenge facing the community of keeping up with this change, the Consultation Document prepared for this LTP could be described as a transitional document in that it provides optional information about all Council activities as well as the mandatory information about the key issues. Future Consultation Documents may be more succinct and contain less information beyond the mandatory information requirements.
- 5.5 The Consultation Document focuses on two key issues, two key strategies and several 'Hot Topics' which include a number of ideas or issues that Council is seeking community feedback on.
- 5.6 The two key issues are:
- Our Rating System - should we rate based on Land Value or Capital Value?
 - Development Contributions - should we keep charging development contributions?
- 5.7 The two key strategies are the
- HDC Infrastructure Strategy (including water supply, wastewater, stormwater and roading)
 - HDC Financial Strategy (including debt levels and projected rates increases)
- 5.8 The Hot Topics include:
- Water Tanks in new homes
 - Planning Fees and Charges for 2015/16
 - Paid Parking in Levin Mall car park
 - Horowhenua as a Smokefree Environment
 - Aquatics Swim School fees and charges
 - Foxton Beach Freehold Account funding for Whitebait Creek, Te Awahao-Nieuwe Stroom and Foxton Beach Parks and Reserves
- 5.9 The key issues and strategies and Hot Topics were identified by Council through a series of Council briefings late December 2014. Essentially these were the matters that Council most wanted to engage with the community on.
- 5.10 All matters contained in the Consultation Document (and supporting documents) are open to public submission. The usual LTP process of submissions, hearings, deliberations and final decisions by Council remains unchanged from previous LTP processes. Section 7 of this report goes into more detail about the details of the consultation process Council will be following for this LTP.
- 5.11 The Consultation Document and supporting documents cover the background, options and consequences of the issues and matters Council is consulting on. It is not the intention of this report to go into any detail on each of the key issues or matters in the Consultation Document as that would be duplicating what is available in Appendix 1.
- 5.12 The matters contained in the document reflect the discussion, debate and direction provided by Council to officers over the last seven months through the Council briefings that have been held on these matters. The Consultation Document needs to be read as Council's proposal. Where specific options have been identified a

preferred Council option has been specified. If for instance there were no submissions on a particular topic it should be understood that the preferred option is the direction Council would be likely to proceed with.

- 5.13 Unlike previous LTP processes there is no Draft LTP adopted which combines all components making up the LTP. This has meant that the various documents making up the LTP or supporting the Consultation Document have all been presented to Council under separate reports and prior to seeking adoption of the 2015-2025 LTP Consultation Document. This has meant that the focus of past LTPs on rates increases, or balancing the budget have been addressed previously in the related document (e.g. Financial Strategy or Revenue & Financing Policy). While the matters of rate increases and balancing the budget are identified in the Consultation Document this report does not discuss the proposals or the implications instead leaving that to the Council report on the relevant document.
- 5.14 The Consultation Document content has been subject to an independent audit by Audit NZ and also a Hot Review Audit (which is essentially an audit of the audit). The Hot Review audit is undertaken by a separate review panel and is designed to ensure there is consistency between the audits being undertaken across New Zealand. All Councils are required to go through the Hot Review Audit at this stage of the process. The audit opinion that will be presented to you at this meeting and will be included in the Consultation Document (a legislative requirement s93C(4) LGA) before the document is printed and released for public submission.

6. Options

The two options Council has are:

Option 1: Adopt the 2015-2025 LTP Consultation Document for public submission.

Option 2: Delay the Adoption of the 2015-2025 LTP Consultation Document and provide specific direction to officers on the changes required to the current version.

Option 1: Adopt the 2015-2025 LTP Consultation Document for public submission.

This is Officer's preferred and recommended option. If the 2015-2025 LTP Consultation Document is adopted today then officers can proceed to publicly notify the Consultation document on 27 February 2015 and make the supporting documents available to the public for their use. The scheduled submission period, public engagement events, hearings and deliberations would all be able to continue as planned.

Option 2: Delay the Adoption of the 2015-2025 LTP Consultation Document and provide specific direction to officers on the changes required to the current version.

Option 2 would be appropriate only if the Council considered that there needed to be fundamental changes to the 2015-2025 LTP Consultation Document. Delaying the adoption and public notification of the 2015-2025 LTP Consultation Document would potentially mean adjusting the timeframes for the scheduled submission period, public engagement events, hearings and deliberations. Depending on the length of delay it has potential to compromise the ability of Council to adopt the LTP (Proper) by the required date of 30 June 2015. Most likely it would have the effect of reducing the quality of service that officers are able to provide throughout the LTP process. For instance shorter timeframes would compromise the ability of officers to be able to provide draft recommendations to submitters 3-5 days before the hearing.

A resolution has been included to enable officers in consultation with the Mayor and Chief Executive to correct minor errors and omissions to the 2015-2025 LTP Consultation Document before it is publicly notified. This enables officers to correct minor errors or omissions to this document without delaying the public notification of the 2015-2025 LTP Consultation Document due to needing to bring the amended document back to Council for adoption.

The costs associated with both options are the same. For the reasons set out above for each option, officers recommend Option 1.

6.1 Cost

The costs of producing, advertising and distributing the Consultation Document are part of the Long Term Plan project costs. The project remains within budget.

6.1.1 Rate Impact

The adoption of the 2015-2025 LTP Consultation Document will not of itself have a rate impact. It is acknowledged however, that the content of the Consultation Document does seek community feedback on the rate impact of Council's plans for the next 10 years.

6.2 Community Wellbeing

The adoption of the 2015-2025 Long Term Plan Consultation Document is in itself not considered to have any impact on Community Wellbeing.

6.3 Consenting Issues

There are no consents required or consenting issues arising.

6.4 LTP Integration

Although not forming part of the LTP itself, the Consultation Document captures the key issues within the Long Term Plan and is the legally recognised basis for consulting on these issues.

7. Consultation

- 7.1 Following its adoption, the 2015-2025 Long Term Plan Consultation Document will be published in an accessible and user-friendly format that will be used for public consultation. The following is an outline of consultation dates for the Long Term Plan 2015-2025.

18 February 2015	2015-2025 Long Term Plan Consultation Document adopted
27 February 2015	Consultation Document publicly notified - Public Submissions Open
16-19 March 2015	Community Discussions – Consultation Events
3 April 2015	Public Submissions Close
5, 6 & 7 May 2015	Hearings of Submissions
26, 27 & 28 May 2015	Deliberations
24 June 2015	Long Term Plan Adopted

- 7.2 Ratepayers will be receiving a notice with their next rates demand (mid-February) advising of the upcoming LTP process and the chance to have their say on the issues raised. All interested individuals and parties will be able to access a copy of the 2015-2025 Long Term Plan Consultation Document online at www.horowhenua.govt.nz/ltp, or alternatively hard copies would be available from the Council Office and Levin, Shannon or Foxton libraries.
- 7.3 A robust communications campaign will underpin the Long Term Plan consultation process, to encourage residents and ratepayers to have their say and engage in the decision making process. The 4 March 2015 issue of the Community Connection will also include a feature about the Long Term Plan.
- 7.4 All those who make a submission to the Long Term Plan process will be given the opportunity to speak to their submission at the hearings. For those submitters who indicate they do wish to be heard, Officers will provide a draft officer recommendation in advance of the hearing. The purpose of sending out draft recommendations to submitters is to allow submitters to see how Officers have considered their written submission and to give them a chance to provide further clarification in their verbal submission. It is acknowledged and will be communicated to submitters that the draft recommendations made by Council Officers are recommendations only, the final decisions lie in the hand of Councillors and may be different from the Officers recommendation.

8. Legal Considerations

The Long Term Plan process is guided by legislation and requires that the Consultation Document is adopted by Council to begin consultation under the Local Government Act.

9. Financial Considerations

There is no financial impact in adopting the 2015-2025 LTP Consultation Document for public consultation. The LTP process is provided for in existing budgets.

10. Other Considerations

There are no other considerations

11. Next Steps

- 11.1 Should the 2015-2025 LTP Consultation Document be adopted then the design version of the Consultation Document will be finalised with the Audit Report included and then publicly notified. The public notification of the Consultation Document will start the formal submission period. The submission period would enable the public to comment on what Council is proposing as part of its 2015-2025 LTP which includes the supporting documents.
- 11.2 Officers anticipate that the Consultation Document would be publicly notified on 27 February 2015 with the submission period closing on the 3 April 2015. Once the submission period has closed Hearings will be held, officers will make recommendations on the submissions for Councillors, Council will then deliberate, issue their decisions, and adopt the 2015-2025 LTP (Proper) by 30 June 2015.

Confirmation of statutory compliance


In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

1. Appendices

No.	Title	Page
A	Long Term Plan Consultation Document (<i>Under Separate Cover</i>)	

Author(s)	David McCorkindale Senior Manager - Strategic Planning	
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Approved by	David Clapperton Chief Executive	
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Notice is hereby given that an extraordinary meeting of Horowhenua District Council will be held on:

Date: Wednesday 17 December 2014
Time: 5.00 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council OPEN AGENDA

MEMBERSHIP

Mayor	Mr B J Duffy	
Deputy Mayor	Mr G G Good	
Councillors	Mr W E R Bishop	
	Mr R J Brannigan	
	Mr R H Campbell	
	Mr M Feyen	
	Mrs V M Kaye-Simmons	
	Mrs J Mason	
	Mrs C B Mitchell	
	Mr A D Rush	
	Ms P Tukapua	
Reporting Officer	Mr D M Clapperton	(Chief Executive)
Meeting Secretary	Mrs K J Corkill	

Contact Telephone: 06 366 0999
Postal Address: Private Bag 4002, Levin 5540
Email: enquiries@horowhenua.govt.nz
Website: www.horowhenua.govt.nz

Full Agendas are available on Council's Website
www.horowhenua.govt.nz

Full agendas are also available to be collected from:
Horowhenua District Council Service Centre, 126 Oxford Street, Levin,
Foxton Service Centre/Library, Clyde Street, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takere/Library, Bath Street, Levin

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the Chief Executive Officer or the Chairperson.

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1 Apologies

At the close of the agenda no apologies had been received.

2 Public Speaking Rights

Notification to speak is required by 12 noon on the day of the meeting. Further information is available on www.horowhenua.govt.nz or by phoning 06 366 0999.

3 Late Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

4 Declaration of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5 Announcements

Financial Strategy

1. Purpose

To adopt the Council's Financial Strategy required under s101A of the Local Government Act.

2. Executive Summary

The Financial Strategy covers the key financial parameters that the Council will operate within, including limits on rates and debt.

The focus of this Financial Strategy is to balance the budget by year 4 (2018/19) while ensuring that our infrastructural assets are maintained and comply with regulatory and environmental legislative requirements.

3. Recommendation

- 3.1 That Report 14/925 Financial Strategy be received.
- 3.2 That this decision is recognised as significant in terms of S76 of the Local Government Act.
- 3.3 That Council adopts the Financial Strategy for the 2015/25 Long Term Plan to form part of the Consultation Document for that LTP.

4. Background / Previous Council Decisions

- 4.1 The Financial Strategy is a requirement of s101A of the Local Government Act 2002. The Strategy outlines the key financial parameters and limits that the Council will operate within. It sets out how Council will return to balanced budgets within four years in a challenging environment. Council faces the need to renew our infrastructural assets to meet new environmental standards (i.e. comply with Horizons One Plan) as well as new health standards such as the water quality standards. This is coupled with the need to increase income to balance the operating budgets to avoid increasing debt.
- 4.2 Council has in recent years focused on increasing income to balance the operating budget and to keep debt to a minimum by increasing the proportion of rates funding of infrastructure renewals and therefore avoiding use of debt funding. This has meant above average rate increases since the 2013/14 financial year. A similar high level of rate increase needs to occur for the first three years of the LTP to ensure balanced operating budgets from year 4 onwards.
- 4.3 Council has set a capital expenditure programme to meet the obligation of maintaining levels of service that these assets provide as well as upgrading the assets to meet regulatory requirements. To fund this capital expenditure programme Council has the option of using a combination of the following two funding options; debt and rates income.

- 4.4 Lowering debt would increase rates and vice versa unless the capital programmed is reduced. For 6 years out of the last 7 years Council has spent more than it earned and borrowed to fund the difference. This is not sustainable in the long-term. Council is not living within its means. If this trend is not reversed Council would end up with not only unsustainable debt but with assets in poor condition which may result in a lower level of service that these assets provide to the community.
- 4.5 The Financial Strategy is Council's plan to remedy these underlying issues over the course of the 10 years covered by the LTP.

5. Discussion

- 5.1 Council has had briefing meetings and has accepted the parameters and thrust of the Financial Strategy.
- 5.2 The main themes of the strategy can be summarised under the headings;
- Purchase and maintenance of assets in a challenging environment.
 - Keeping debt within the prudential and manageable limits
 - Endeavouring to keep rates at an affordable level
 - Bringing the Council into a balanced budget as soon as practicably able while maintaining assets, managing debt and keeping rates affordable.
- 5.3 Assets (especially core infrastructural assets such as Roading, Water and Wastewater networks) need to be maintained so that they continue to deliver the levels of services that ratepayers have come to expect. This is in an environment of aging infrastructure and increasing compliance issues with Horizon's One Plan and meeting New Zealand Drinking water standards.
- 5.4 Council has used debt in the past to fund the renewal of assets and to keep rates affordable. This is unsustainable and has resulted in above average debt and an unbalanced budget.
- 5.5 Over the past three years ratepayers have experienced above average and above inflation rate increases. These above normal increases are programmed to occur for a further 3 years while Council strives to achieve a balanced budget. S100 of the Local Government Act 2002 states that *"a local authority must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses"*. Council has run deficits in 6 of the last seven years. The strategy seeks to bring a balanced budget by year 4 of the LTP (2018/19).

6. Options

A financial Strategy is a legal requirement of the next LTP. However, there are options discussed within the strategy that may be modified following consultation on the LTP.

6.1 Cost

The cost of producing the Financial Strategy has been internal labour costs budgeted for within the overall budget for the LTP production.

6.1.1 Rate Impact

The rating impact of this document is nil; however, the impact on future rate levels and limits are part of the strategy and are a legal requirement of the

Strategy. Future Council decisions on rate increases and rate levels will be benchmarked against the Financial Strategy as part of the new prudential benchmarking disclosure in Annual Reports.

6.2 Community Wellbeing

The LTP development is about achieving community outcomes. The financial strategy is an integral part of the LTP.

6.3 Consenting Issues

There are no consenting issues arising from adoption of the Financial Strategy.

6.4 LTP Integration

The Financial Strategy is an integral part of the next LTP.

7. Consultation

The Financial Strategy will form the cornerstone of the Consultation Document for the 2015/25 LTP.

8. Legal Considerations

S101A of the Local Government Act sets out the requirements of a Financial Strategy.

Financial strategy

- (1) A local authority must, as part of its long-term plan, prepare and adopt a financial strategy for all of the consecutive financial years covered by the long-term plan.
- (2) The purpose of the financial strategy is to—
 - (a) facilitate prudent financial management by the local authority by providing a guide for the local authority to consider proposals for funding and expenditure against; and
 - (b) provide a context for consultation on the local authority's proposals for funding and expenditure by making transparent the overall effects of those proposals on the local authority's services, rates, debt, and investments.
- (3) The financial strategy ... must—
 - (a) include a statement of the factors that are expected to have a significant impact on the local authority during the consecutive financial years covered by the strategy, including—
 - (i) the expected changes in population and the use of land in the district or region, and the capital and operating costs of providing for those changes; and
 - (ii) the expected capital expenditure on network infrastructure, flood protection, and flood control works that is required to maintain existing levels of service currently provided by the local authority; and
 - (iii) other significant factors affecting the local authority's ability to maintain existing levels of service and to meet additional demands for services; and
 - (b) include a statement of the local authority's—
 - (i) quantified limits on rates, rate increases, and borrowing; and
 - (ii) assessment of its ability to provide and maintain existing levels of service and to meet additional demands for services within those limits; and
 - (c) specify the local authority's policy on the giving of securities for its borrowing; and
 - (d) specify the local authority's objectives for holding and managing financial investments and equity securities and its quantified targets for returns on those investments and equity securities.

9. Financial Considerations

The Financial Strategy set out the Council's plan for its overall funding over the next ten years and forms part of the next LTP.

10. Other Considerations

The strategy touches on many aspects of public interest mainly rate levels, rate increases and debt. As such it will be the cornerstone policy of a suite of policies

that inform the next LTP and the Consultation Document that is to be used to consult on the LTP.

11. Next Steps

The Financial strategy will inform the Consultation Document to be produced, audited and adopted for consultation in February 2015. The strategy will be published in full as part of the LTP document produced and adopted before the 30 June 2015.

12. Supporting Information

Strategic Fit/Strategic Outcome

The Financial Strategy set the strategic financial focus for at least the next three years. The new prudential benchmarks will benchmark council's actual achievement against the financial strategy in future Annual Reports.

Decision Making

The strategy is part of the LTP suite of policies and must be consulted on as part of the LTP consultation process.

Consistency with Existing Policy

The strategy will replace the current strategy but is not inconsistent with the thrust of the previous strategy.

Funding

Confirmation of statutory compliance


In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

1. Appendices

No.	Title	Page
A	LTP 15 Financial Strategy	12

Author(s)	Doug Law Group Manager - Finance	
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Approved by	David Clapperton Chief Executive	
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Financial Strategy

The Financial Strategy covers the key financial parameters that the Council will operate within, including limits on rates and debt.

Balancing the budget while maintaining Council's infrastructure.

The focus of this Financial Strategy is to balance the budget by year 4 (2018/19) while ensuring that our infrastructural assets are maintained and comply with regulatory and environmental legislative requirements.

The Financial Strategy is a requirement of s101A of the Local Government Act 2002. The Strategy outlines the key financial parameters and limits that the Council will operate within. It sets out how Council will return to balanced budgets within four years in a challenging environment. Council faces the need to renew our infrastructural assets to meet new environmental standards as well as new health standards such as the water quality standards. This is coupled with the need to increase income to balance the operating budgets to avoid increasing debt.

Since 2009 Council's debt has increased from \$21million (m) to \$56.75m as at 30 June 2014. Operating deficits have become a norm, while many asset renewals have been loan funded rather than rate funded. This is not sustainable and must be remedied.

There is a balance to be found between balancing the operating budget, prudent debt levels, levels of service and the resulting rate increases.

Council has in recent years focused on increasing income to balance the operating budget and to keep debt to a minimum by increasing the proportion of rates funding of infrastructure renewals and therefore avoiding use of debt funding. This has meant above average rate increases since the 2013/14 financial year. A similar high level of rate increase needs to occur for the first three years of the LTP to ensure balanced operating budgets from year 4 onwards.

Purchasing and Maintaining Assets

Council is facing a challenging environment. The main challenges are detailed below. Council has had to respond to these challenges while trying to reach a balance between loan funding and rate funding.

- provision of affordable funding for asset renewals to:
 - increase pipe condition and lower water leakage in the water network;
 - reduce stormwater infiltration to the wastewater network;

- lower long run operational costs by reducing reactive maintenance and renewal works; and
- maintain treatment plant asset condition.
- provision of affordable funding to maintain Levels of Service, particularly in regard to meeting increased resource consent requirements and meeting quality standards including:
 - achieving compliance with Horizons Regional Council's "One Plan";
 - Achieving compliance with New Zealand Drinking Water Standards;
 - Sustainability of the water source at Foxton and Foxton Beach;
 - Improve quality of stormwater discharge into Lake Horowhenua;
 - Eliminate backlog maintenance of road surface renewal; and
 - Maintain road surface condition.

Assets (especially core infrastructural assets such as Roothing, Water and Wastewater networks) need to be maintained so that they continue to deliver the levels of services that ratepayers have come to expect and as defined in the Activity section of the Long Term Plan (LTP).

To meet the challenges of maintaining our aging assets as well as new standards Council will need to spend more in the early years of the LTP as assets need to be renewed in this timeframes to avoid failures.

Item 8.1

Attachment A

Table 1: Asset expenditure and loans

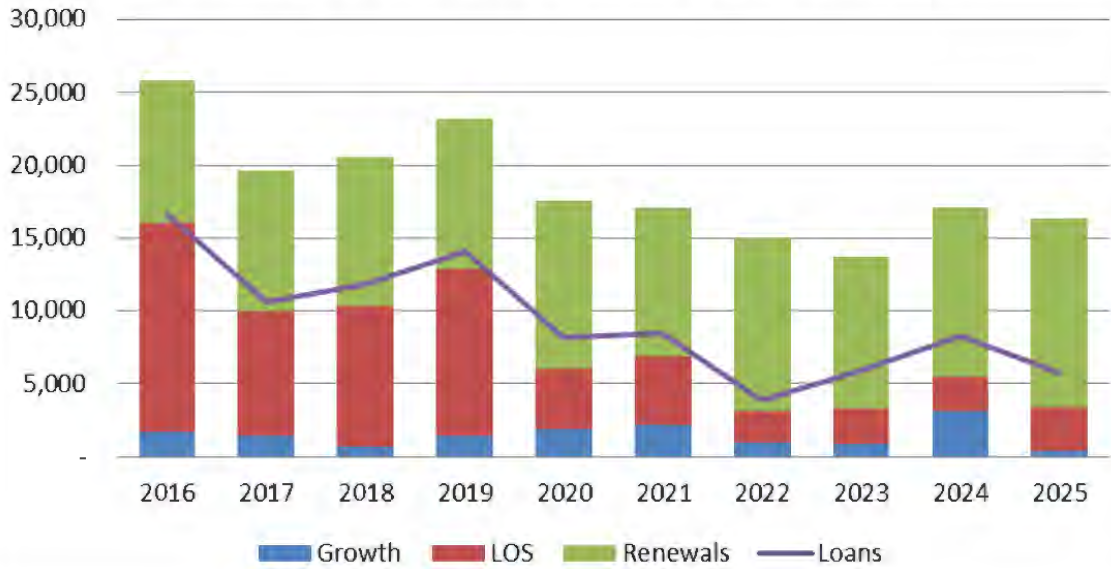
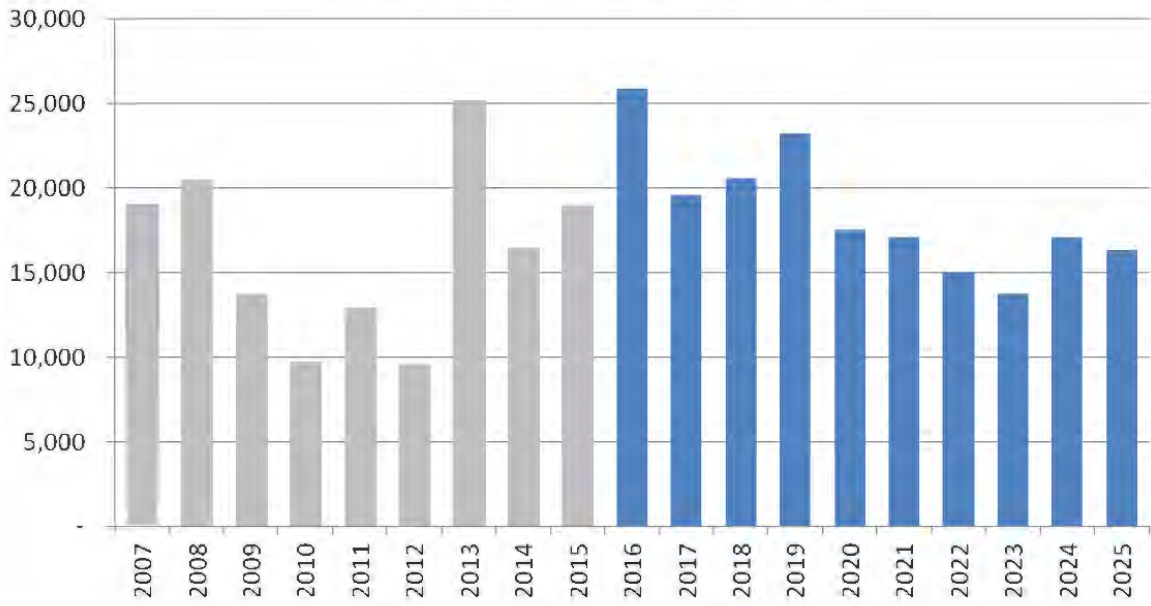


Table 2: Spending on Assets



To reduce the need to borrow Council intends to progressively pay for more spending on assets from rates and operating surpluses as opposed to loans. Council's ability to do this in the first three years of this Strategy is limited but Council will achieve more rates funding of assets from year 4 onwards. This is why rates increases are above average and above inflation for 7 of the 10 years. Table 1 shows the make-up of Council's proposed capital expenditure and how much of that is loan funded.

The principle of intergenerational equity is that growth and new assets including increases in Level of Service (LOS) should be paid for by loan funding to ensure future generations pay for new assets which they will be able to utilise and benefit from. Whereas rates funding should be used for the replacement (renewal) of assets, ensuring that current generations contribute to the asset replacement as they use the asset. Council has not funded renewals from rates in the past. This has resulted in the need to loan fund renewals in order to maintain assets which is not sustainable. Therefore rates income needs to increase to cover the long term renewals and to ensure that the limit to debt is manageable.

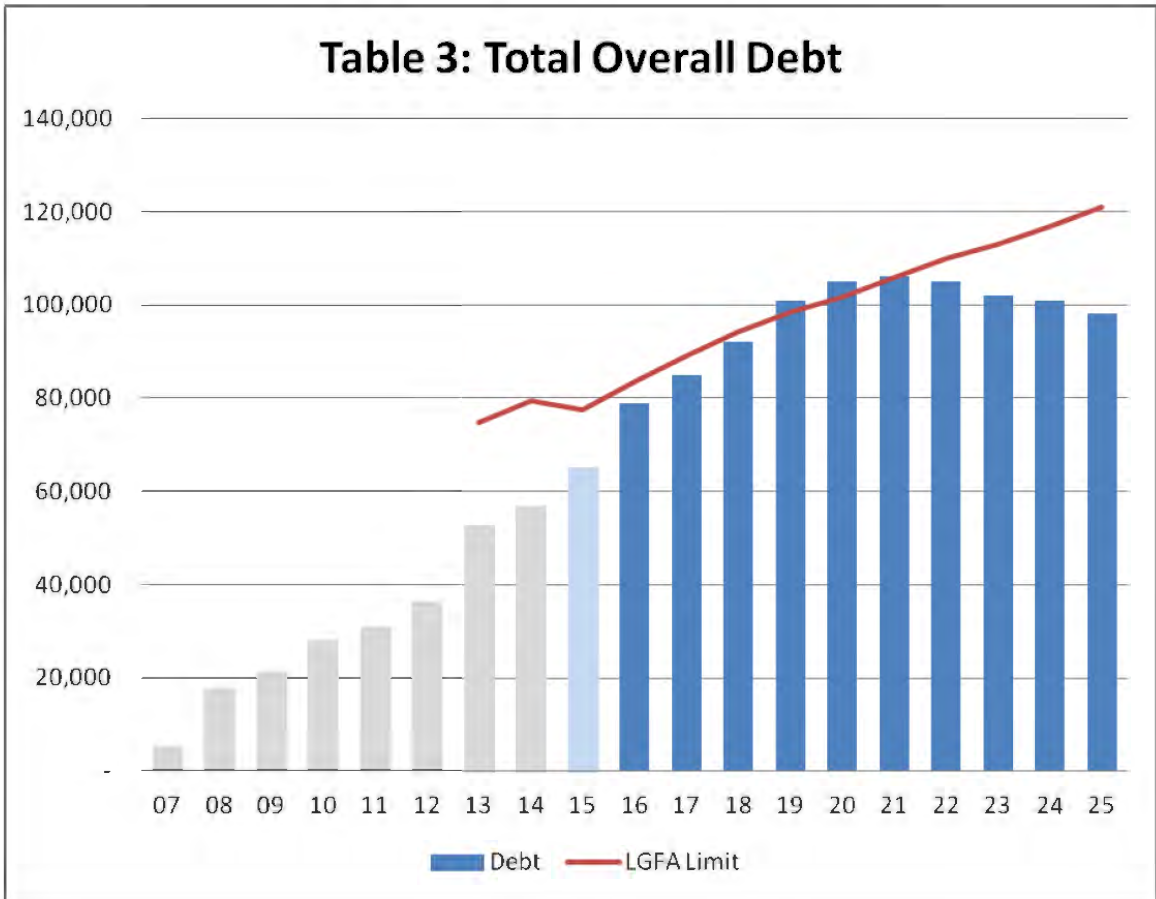
Asset Sales

The Council is investigating selling some of its property assets in order to pay off debt earlier than originally projected. For this LTP the Council is anticipating \$5m of such asset sales in the first three years. The decisions on which non-core assets will be sold will be firmed up over the next year when Council adopts a new property strategy.

Debt

By June 2015 Council expects to owe \$65m which equates to approximately \$2,100 per rate payer.

As discussed above Council faces the need to spend above average amounts in asset expenditure. Council has used debt in the past to fund the renewal of assets and to keep rates affordable. This is unsustainable and has resulted in above average debt and an unbalanced budget. In the future debt should be used to fund new assets rather than renewals.



Council debt is predicted to peak at \$106m in 2021. Table 3 shows the debt profile. It also shows the current limit to debt set by the Local Government Funding Agency (LGFA) which is the agency where Council sources the bulk of its loan funding. This limit is set at 175% of Council's operating income. Although the table shows that this limit will be breached in years 4 to 6 (2018/19 to 2020/21), Council will seek a credit rating in early 2015 that will enable the limit to increase to 250% of Council's operating income. The debt to revenue ratio will decrease to 140% by 2024/25 which is lower than the projected 145% at June 2015. Gaining a credit rating will also help to reduce our interest rates on any new borrowings.

To live within our limit we cannot keep borrowing to renew assets. This will ensure that Council has capacity to handle future growth or provide for disaster recovery. Council's liquidity ratio also ensures that there are funding sources and cash immediately available in excess of 110% of internal debt. Preserving the capacity to borrow debt in exceptional circumstances is part of the long term strategy to be financially sustainable and have the ability to respond to emergencies or natural disasters.

Limit – Debt

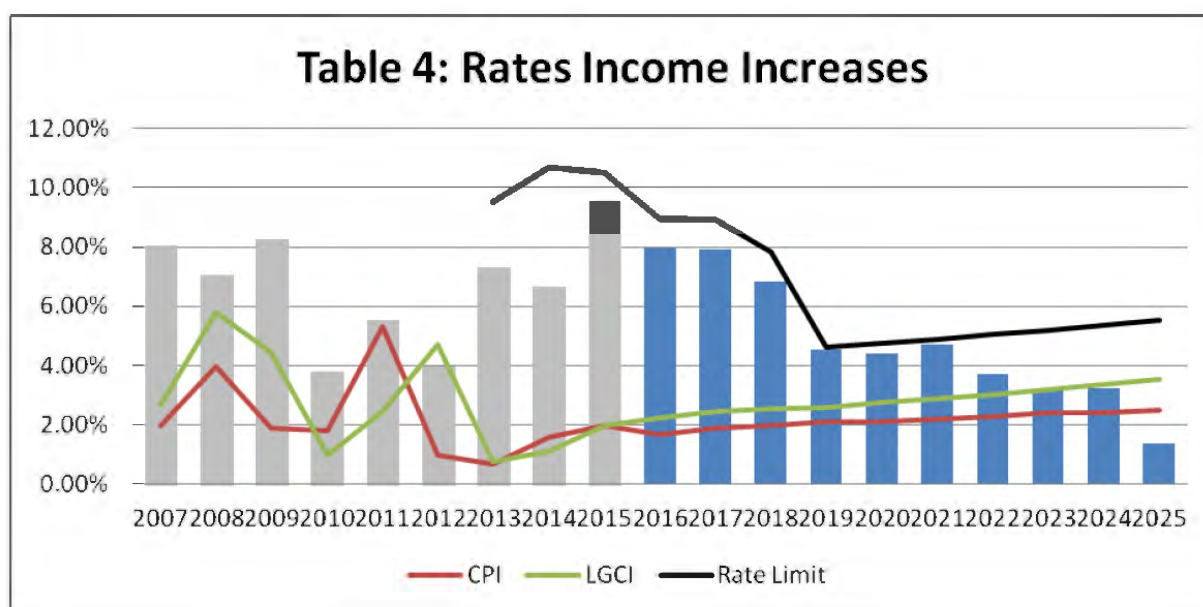
The debt to revenue ratio (as calculated for LGFA covenant purposes) will be within the maximum set by LGFA for Horowhenua District Council. The projected maximum, (which is below the covenanted maximum of 250%), is 180% for both 2018/19 and 2019/20

Rates

Council is part way through a 10 year programme of increasing income to;

1. Increase rates funding of asset renewals expenditure, and
2. Balance its operating budget.

Council has been loan funding asset replacements and renewals and also living beyond its means by running operational deficits since 2008/09. This is considered unsustainable and must be fixed. Over the last three years ratepayers have experienced above average and above inflation rate increases. These higher than normal rate increases will continue to occur for the first three years of the LTP before coming within a more 'normal' range as shown in Table 4.



The above average rate increases reflect the proposed asset expenditure in Table 3 and the need to balance the budget as shown in Table 5. From year 4 onwards Council will set the rate increase limit at Local Government Cost Index (LGCI) plus 2%, however, the first 3 years are set higher in order to balance the budget by year 4.

The LGCI is the inflation index relating to local government as opposed to the Consumer Price Index (CPI) which measures inflation for households. Local government inflation differs from household inflation mainly due to the greater influence of petroleum inflation on local government than individual households.

The Society of Local Government Managers (SOLGM) has commissioned Business and Economic Research Limited (BERL) to forecast inflation/price changes for 2015-2025 for local authorities as a basis on which to prepare their forecast LTP financial information.

Item 8.1

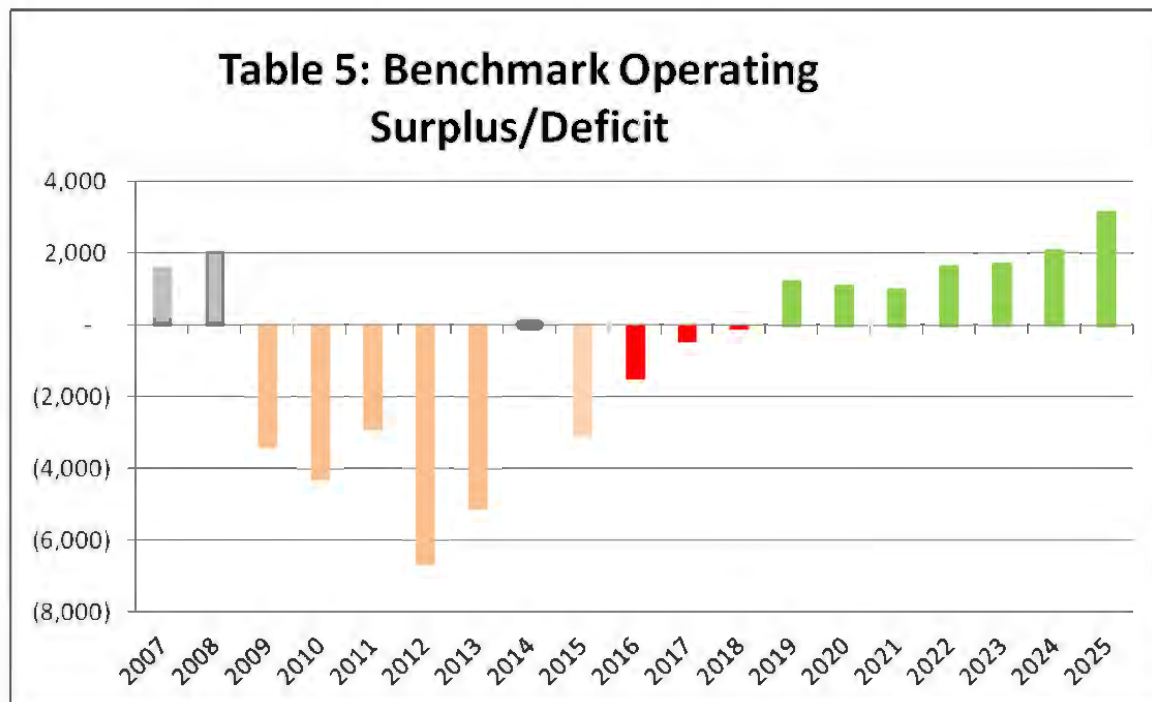
Attachment A

Limits – Rates				
Rates Income Increases				
	2015/16	2016/17	2017/18	2018/19 and following years
Will not exceed	8.96%	8.9%	7.83%	LGCI +2%
Projected	7.96%	7.9%	6.83%	4.56% to 1.64%
Total Rates Income (GST Exclusive)				
	2015/16	2016/17	2017/18	2018/19 and following years
Will not exceed	\$32.220m	\$34.765m	\$37.142m	\$38.495m to \$49.062m
Projected	\$31.924m	\$34.445m	\$36.800m	\$47.252 in 2024/5

Balancing the budget

The proposed above average rate increases and an affordable (yet realistic) asset expenditure programme will allow Council to return to a balanced budget by 2018/19 as shown in Table 5. Fixing the issue more quickly would require larger rate increases and this could place an unreasonable burden on parts of our community. As such Council has decided that the most prudent approach is to return to a balanced budget in 4 years. In doing this, it is still Council's intention to maximise the use of fees and charges as a source of income, set under the Revenue and Financing Policy parameters.

The balanced budget is measured using the Local Government (Financial Reporting and Prudence) Regulations 2014. This benchmark excludes income from development contributions, vested assets, asset revaluation gains/losses and other non-operating income and expenses.



Population Growth

The usual resident population in the Horowhenua District was recorded as 30,096 people in the 2013 Census. Council has assumed a 0.1% per year growth rate for the period between 2013 Census (February 2013) and 1 July 2015 based on the historical growth rate from the period between the 2001 and 2013 Census counts for usual resident population. This equates to an increase of 67 people in the District and as such by 1 July 2015 the population is forecast to be 30,163.

From 1 July 2015 to 30 June 2025 it is assumed that the population will increase at a rate of 0.4% (120 people) per year. Which would mean that as at 30 June 2025 the population of the Horowhenua District is forecast to be 31,363 (as shown in the table below).

This Year	Yr 1	Yr 2	Yr 3	Yr 4	Yr 5	Yr 6	Yr 7	Yr 8	Yr 9	Yr 10
14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
30,163	30,283	30,403	30,523	30,643	30,763	30,883	31,003	31,123	31,243	31,363

The total number of dwellings in the Horowhenua District recorded in the 2013 Census was 15,048. Based on trends it is estimated that there was an increase of 108 dwellings for 2013/2014. Council has assumed that there will be an additional 120 dwellings for 2014/2015 and from 2015 onwards there will be an increase of 135 dwellings per year for the next ten years. Therefore it is forecast that there will be a total of 16,626 dwellings in the District as at 30 June 2025.

The table below sets out where the growth in dwellings will occur in the District on an annual basis.

	Residential Areas	Rural/ Development Areas
Levin	16	20
Foxton	2	7
Foxton Beach	10	12
Waitarere	8	10
Shannon	1	2
Tokomaru	1	2
Manakau	1	4
Hokio Beach	1	1
Ohau	1	7
Waikawa	1	8
Rural		20
Totals	42	93

Land Use

There are a number of factors that may influence land use in the Horowhenua District including the recent review of the District Plan, the construction of the Roads of National Significance (RONS) and the government's support of primary industries in the District.

District Plan Review

Council has completed the review of its District Plan with decisions having been issued in October 2013. Currently there is only one outstanding appeal on the Proposed District Plan and as such the majority of this Plan is being treated as operative.

The review of the District Plan has created new land use opportunities for medium density development in Foxton Beach, Levin and Waitarere as well as opportunities for large format retail and an 'Industrial Business Park' in Levin.

Plan Change 21 was undertaken in advance of the District Plan Review and resulted in areas in each settlement of the district being rezoned for urban growth. It is expected that the Fairfield and Roslyn Road Growth Area will be the first Levin growth area to be developed and that development of this land will occur between 2015 and 2025. There are also proposals to develop two old hospital sites in the Horowhenua District into residential

developments. If these proposals are successful and obtaining any consents that maybe require then the redevelopment of these sites is anticipated to begin within the next 10 to 20 years.

Roads of National Significance (RONS)

It is anticipated that RONS will encourage and/or bring about a higher level of development to the District through reduced travelling time between Levin and Wellington. Council considers that some of the key areas where this growth is likely to occur will be in the southern parts of the District such as Manakau and Waikawa. Towards the end of the construction phase of RONS (around 2024) Council is anticipating the development of the Tararua Industrial Business Park and the Gladstone Greenbelt area.

There is some concern that RONS may deter some development in Ohau in the first few years of this Long Term Plan period, until there is certainty over the location and design of the highway including access to Levin.

Primary Industries

The Central Government's support for Primary Industries in this region is unlikely to change the overall levels of production activity from their current level. The Government initiative involves developing a comprehensive agribusiness strategy focused on understanding markets, maximising the value from land, distribution infrastructure and investment. There is likely to be some change in the type of production activities undertaken.

Policy on Securities

In order to borrow money Council has to offer our lenders some security. A mortgagee's security under a mortgage is the ability to sell the property if the borrower defaults on payments. Councils secure debt by giving the lender the ability to raise a rate (i.e. rate you more) to repay the loan. Council has joined the Local Government Funding Agency (LGFA) and uses rates as security for all borrowings from the LGFA. This security is seen by lenders to Councils as good security and has helped keep our interest rates down.

Investments

Council holds investments in companies, commercial property and cash.

Investment in Companies

Council is an equity holder in three companies (which are listed in the Table below). Council does not hold these equity interests to receive a financial return. The reason for holding the share is strategic to foster efficiencies and positive outcomes in reducing costs. Council has no plans to divest or increase any shareholdings it currently has.

Item 8.1

Company	Shareholding	Principal reason for investment	Budgeted return
Manawatu/Wanganui Local Authority Shared services Ltd	\$1,000 (14.29%)	Efficient cost effective back office functions	nil
New Zealand local Government Funding Agency	\$100,000 (0.4%)	Cost effective borrowing	\$6,000 pa
New Zealand Local Government Insurance Corporation Ltd	\$104,000 (1.0%)	Risk management, and ensuring a competitive insurance market	nil

Investment in Commercial Property

Council owns commercial property valued at \$5.76m. Council is investigating the possible sale of some of these properties and is embarked on finalising a strategy for all Council owned properties. Council has budgeted for possible sales totalling \$5m over the first three years of the LTP. The proceeds of any sales will be used to repay debt.

Cash investments

Council has surplus cash from operations from time to time. Surplus cash is invested for short periods of time (30 to 90 days) to maximise returns from these funds.

Council's practice is to use surplus cash to minimise external debt. The LTP includes an assumption that Council will hold approximately \$5m to \$6m in cash. It is prudent to hold some cash to ensure short term liquidity. Cash is supplemented by use of committed banking facilities of \$10m that enables Council to raise short term borrowings at any time which may be essential in the event of a natural disaster when Council will need access to funds quickly to provide relief.

Other Investments

As part of borrowing from the LGFA the Council is required to invest in financial bonds at 1.6% of the borrowing from the LGFA. Council will receive interest and full repayment of these "borrower's notes" upon repayment of the loan to which they relate. Interest is calculated to cover the cost of funds.

Insurance

Council fully insure all water, wastewater and stormwater assets as well as Council's Operational assets (Plant and Equipment) and buildings. Roding assets are uninsured. A key assumption is that central government will contribute their share of the roading asset replacement following a disaster at the current Financial Assistance Rate (Roding subsidy) of 50% in 2015/16 increasing by 1% a year to a maximum of 59%. Council will loan fund the difference. This is why Council needs to ensure there is always spare capacity to raise loans.

Attachment A

Another key assumption with any disaster recovery is that Central Government will contribute 60% of the funding to reinstate infrastructural assets following a significant natural disaster. Council's 40% share is insured for disaster recovery through the Local Authority Protection Programme (LAPP). LAPP is a mutual self-insurance arrangement with other local government entities to insure underground infrastructure against disaster damage similar in nature to Christchurch's earthquake.

Normal insurance for operational assets and buildings is sourced through the Manawatu/Wanganui Local Authority Shared Services company (MW LASS) procurement in conjunction with our regional partners.

Glossary

LTP = Long Term Plan

LGFA = Local Government Funding Agency

RONS = Roads of National Significance

LOS = Levels of Service

LGCI = Local Government Cost Index

CPI = Consumer Price Index

SOLGM = Society of Local Government Managers

BERL = Business and Economic Research Limited

Proposed Community Outcomes

1. Purpose

The purpose of this report is to present to Council the proposed community outcomes so these can be adopted for the purposes of consulting the community about these outcomes as part of the Long Term Plan 2015-25 consultation process.

2. Executive Summary

The current community outcomes have been reviewed in light of amendments to the Local Government Act in 2010 and 2012. In reviewing these community outcomes it has become necessary to develop different community outcomes. The proposed outcomes have been developed through Council briefings. These new outcomes need to be consulted on as part of the development of Council's Long Term Plan 2015-25. Once the decisions on any submissions have been made (and any recommended changes have been incorporated) the community outcomes would be adopted by Council.

3. Recommendation

- 3.1 That Report 14/923 Proposed Community Outcomes be received.
- 3.2 That this decision is recognised as significant in terms of S76 of the Local Government Act
- 3.3 That the proposed community outcomes be adopted for the purpose of undertaking public consultation as part of the Long Term Plan 2015-25 consultation process.

4. Background / Previous Council Decisions

- 4.1 The Horowhenua District Council currently has ten community outcomes, outlined in the Council's Long Term Plan 2012-22.
- 4.2 Section 93 of the Local Government Act 2002 (LGA) sets out that the purpose of the Long Term Plan (LTP) is to "...describe the community outcomes of the local authority's district or region".
- 4.3 The LTP also needs to identify the community outcomes to which an activity primarily contributes to for each activity to be funded. Within the LTP, the community outcomes should provide clear links between what the Council is seeking for its community and how it proposes to achieve and pay for it.
- 4.4 Eight of the Council's ten current community outcomes were developed for 2009-19 LTP, two additional community outcomes were added for the 2012-22 LTP.
- 4.5 Section 5 of the LGA defines a Community Outcome as
"the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions".

Item 9.1

4.6 It is important to note that in December 2012, the LGA redefined 'Community Outcome' to the definition above which gave it a very different focus to how it had been previously defined.

4.7 The LGA definition prior to December 2012 read:

"Community Outcome means the outcomes that a local authority aims to achieve in order to promote the social, economic, environmental and cultural well-being of its district or region, in the present and for the future".

The above definition was the result of amendment in August 2010¹.

4.8 Council's current community outcomes were prepared to align with the old definitions of community outcomes which had a wellbeing focus (and were also consistent with the earlier purpose of the local government).

4.9 The definition changes have meant that the community outcomes now have a changed focus. They now need to be 'owned' by the Council and be focused on what Council does and what Council can achieve on behalf of the community. In other words they must be outcomes the Council is committed to making happen. Previously the community outcomes had a more aspirational focus and were driven by what the community wanted Council to achieve in order to promote the wellbeing of the community.

4.10 The changes to the LGA also changed the process for developing the community outcomes. The previous requirements (Section 91 repealed November 2010) to involve the community in identifying the community outcomes now no longer exist. The LGA is now silent on the process of how Council arrives at its community outcomes. The only procedural requirement being that the community outcomes must be included in the LTP (i.e. consulted on as part Council's LTP consultation document). Beyond that the process of developing community outcomes is entirely up to Council to decide.

4.11 In addition to the changes to the definition of community outcome the purpose of Local Government was also subject to amendment in December 2012². Section 10 of the LGA sets out the purpose of Local Government as

The purpose of local government is

- (a) To enable democratic local decision-making and action by, and on behalf of communities and*
- (b) To meet the current and future needs of communities for good-quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses*

¹ Prior to the amendment in August 2010 a Community Outcome was defined as follows
Community Outcome in relation to a district or region

- (a) Means the outcome for that a district or region that are identified as priorities for the time being through a process under section 91 and
- (b) Includes any additional outcomes subsequently identified through community consultation by the local authority as important to the current or future social, economic, environmental or cultural well-being of the community.

² Prior to the Amendment in December 2012 the purpose of Local Government was set out as follows:
The purpose of local government is –

- (a) To enable democratic local decision-making and action by, and on behalf of communities and
- (b) To promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

- 4.12 Given the changes to the definition of community outcome and the purpose of Local Government it is wishful thinking to consider that Council's current community outcomes are adequately aligned with the new community outcome definition and purpose of local government.
- 4.13 The LTP 2015-25 was identified as the appropriate time to undertake this review, as there is a suitable consultation process and it is the first LTP process since these key amendments to the LGA regarding community outcomes.

5. Discussion

- 5.1 The Council's current community outcomes included in the LTP 2012-22 are as follows:

Education – A community where all people have the knowledge, skills and confidence they need to participate fully in society

Youth – A community where young people live in a safe and supportive environment, which empowers them to make positive choices

Social – A community where all people enjoy constructive relationships and are able to access and participate fully in services and resources that will ensure positive life outcomes.

Positive Ageing – A community where older people are empowered to make choices that enable them to live a satisfying and healthy lifestyle

Economic – A community where all people have access to a range of local business, employment opportunities and a community where all people can enjoy an adequate standard of living

Democracy – A community where all people enjoy civic and political rights and opportunities

Health – A community where all people have the opportunity to access health and recreational activities to enjoy long and healthy lives

Culture – A community where all people share a strong local heritage and identify and value cultural diversity and development

Environmental – A community where the natural and built environment in which people live is sustainable

Safety – A community where all people enjoy personal safety and security within their environment.

- 5.2 On reviewing these current community outcomes it was identified that they would need to be revised if they were to be consistent with the LGA definition of community outcome and the purpose of local government.
- 5.3 Given the changes to how the community outcomes can be identified, the process used to develop revised community outcomes has involved Councillors and officers. Councillors have spent three briefing sessions (16 July, 1 October and 15 October 2014) reviewing the current community outcomes and developing the proposed new community outcomes.
- 5.4 The review has resulted in the ten current community outcomes being reduced to five new outcomes. The five proposed community outcomes include a series of related outcomes that contribute at lower levels to what Council is trying to achieve.

5.5 The proposed community outcomes (at the lower level) draw on many of the existing outcomes but improve the linkage back to the new local government purpose.

5.6 The five proposed community outcomes are as follows:

A healthy local economy and a District that is growing

- We are a welcoming, enabling and business friendly district that encourages economic development
- We have a shared respect for both economic development and environmental protection
- We provide opportunities for people of all ages and at all phases of life to enjoy a standard of living within our District that is economically sustainable and affordable
- We recognise the importance of population growth and actively promote the District as a destination
- Our facilities and infrastructure services are planned and developed to meet future demand.

A sustainable environment

- We are proud of our natural environment
- We sustainably manage our environment so it can be enjoyed by future generations
- Waste reduction, recycling, energy conservation and efficiency are promoted as part of how we all live
- We recognise the importance and value of our district's natural resources
- We actively support improving the health of our District's rivers, lakes and waterways.

A community of knowledge, culture and diversity where people are proud to live

- We are proud of the heritage and diversity of our district and our people.
- We respect each other and what we each contribute to the District through our traditions and culture.
- We acknowledge the special role that Tangata Whenua has in our district.
- We invest in the knowledge and skills of our people so they can fully participate in society.
- We are advocates for the provision of quality social, education, health and training services.
- Our communities have a 'sense of place' that makes people proud to live here.

Safe, resilient and healthy communities

- We have reliable, efficient and well planned infrastructure and services.
- We advocate for personal safety and security within our District.
- We are organised and prepared to deal with natural hazards.
- Our young people live in a safe and supportive environment and are empowered to make positive and healthy lifestyle choices.
- Our community has access to health, social and recreation facilities to enjoy long and healthy lives.
- Our older people have access to opportunities that enable them to live a satisfying and healthy lifestyle.

Positive leadership and effective partnerships

- Our leaders consult with, and understand their communities and work for the good of all.
- We provide strong leadership in planning for the District's future.

- All our people and communities have the opportunity to participate in local decision making.
- We keep our District well-informed and ensure information is easily accessible for all.
- We work together with Iwi and Hapū in mutually beneficial partnerships.
- All sectors of the community are encouraged to work effectively together to achieve the best for the District.

5.7 It should be noted that these community outcomes and associated bullet points listed above are not intended to be read as a hierarchal list ordered by importance.

6. Options

Option 1: Adopt the proposed community outcomes (as they are proposed or with minor amendments) for the purpose of public consultation.

Option 2: Delay the adoption of the proposed community outcomes and require further research by officers.

While two options have been identified for Councillors, the officer's preferred and recommended option is Option 1 for the reasons outlined below.

Councillors have been involved in the development of the community outcomes and have through the Council briefings already indicated their support for these outcomes. The process is now about providing the community with the opportunity to provide their input through the public consultation process.

Delaying the adoption for consultation would only be necessary if Councillors had changed their minds on the community outcomes and wanted fundamental changes made before presenting the outcomes to the public for consultation. Delaying adoption has the potential to create uncertainty in terms of the information included as supporting information to the LTP. It would also potentially delay the development of the LTP Consultation Document.

The community outcomes are not finalised until the end of the public consultation process (i.e. when the decisions on submissions have been be finalised).

6.1 Cost

There are no additional costs associated with this decision.

6.1.1 Rate Impact

There will be no Rate impacts arising.

6.2 Community Wellbeing

The change in focus of the proposed community outcomes has resulted in a shift from the previous focus on the 'wellbeings' to the new purpose of local government. Despite this change there are considered to be no negative impacts on Community Wellbeing arising. The outcomes if achieved would have a positive effect on Community Wellbeing.

6.3 Consenting Issues

There are no consents required or consenting issues arising.

6.4 LTP Integration

The community outcomes are in integral part of the Long Term Plan. The community outcomes are an important piece of contextual information. They link to activity choice, levels of service and some funding policy issues. There is a mandatory requirement to disclose the community outcomes in the LTP proper.

There are no specific Long Term Plan costs associated with the reviewing the community outcomes.

7. Consultation

To date there has been no public consultation undertaken. The development of the proposed community outcomes has involved Council and officer input through Council briefings. Public consultation will be undertaken as part of the LTP consultation process. The consultation period is expected to run over March and April 2015, with the opportunity for submitters to speak to their submissions at the LTP hearings in early May.

8. Legal Considerations

The report above outlines that Council is legally required within its LTP to describe the community outcomes of the local authority's district or region. Local authorities are also required to disclose, at activity group level, the community outcomes the group primarily contributes. The LGA is now silent on the process of how Council arrives at its community outcomes. The only procedural requirement being that the community outcomes must be included in the LTP (i.e. consulted on as part Council's LTP consultation document). The intention is for the proposed community outcomes to be consulted on as part of the LTP Consultation Document and for the community outcomes to be included in the LTP 'proper'.

9. Financial Considerations

There is no financial impact.

10. Other Considerations

There are no other considerations.

11. Next Steps

The proposed community outcomes will be incorporated into the LTP Consultation Document and supporting information. The LTP Consultation Document is anticipated to be adopted by Council mid February 2015 and opened to public submissions during March and April 2015. Following any changes that arise through the submission and hearing process, the community outcomes would be finalised and adopted by Council in June 2015. At that point the proposed community outcomes would replace the current outcomes included in the LTP 2012-22.

12. Supporting Information

Strategic Fit/Strategic Outcome

The proposed community outcomes once finalised will replace the existing community outcomes and become part of Council's strategic documents such as the LTP.

Decision Making

The final decision on the community outcomes is to be made through the LTP process.

Consistency with Existing Policy

The proposal is seeking a direct change to the current community outcomes to better align with the amended LGA.

Funding

Not Applicable.



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

1. Appendices

There are no appendices for this report

Author(s)	David McCorkindale Senior Manager - Strategic Planning	
Approved by	David Clapperton Chief Executive	

Draft Infrastructure Strategy 2015-2045

File No.: 14/927

1. Purpose

The purpose of this report is to seek Council adoption of the Draft Infrastructure Strategy 2015-2045.

2. Recommendation

- 2.1 That Report 14/927 Draft Infrastructure Strategy 2015-2045 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That Council adopts the Draft Infrastructure Strategy 2015-2045.

3. Background/Previous Council Decisions

- 3.1 The Local Government Act 2002 Amendment Act 2014 Section 101B requires that Local Authorities, as part of the Long Term Plan, prepare and adopt an infrastructure strategy for a period of at least 30 years.
- 5.2 The Infrastructure Strategy must present the funding requirements for core infrastructure for a period of 30 years. The funding requirements must allow the Local Authority to meet current and future Levels of Service adopted in the Long Term Plan.
- 5.3 The Draft Infrastructure Strategy 2015-2045 addresses core infrastructure related to Water, Wastewater, Stormwater and Roading and Footpath services

4. Asset Management Plans

- 4.1 To enable preparation of the Infrastructure Strategy, officers have first prepared Asset Management Plans for seven of Council Activities. These Activities are Water, Wastewater, Stormwater, Transport, Property, Solid Waste and Parks.
- 4.2 The key considerations of the Asset Management Plans for each Activity are:
 - (1) The current and proposed future Levels of Service and
 - (2) The current Demand and assumed future Demand,
 - (3) Risks associated with each Activity,
 - (4) The confidence and accuracy of the underlying data and information
 - (5) How Council intends to manage the life cycle of the assets to ensure that service can be provided now and in the future, and
 - (6) What the long term financial implications of that service provision are.
- 4.3 The Water, Wastewater and Stormwater Asset Management Plans, and the Transport Activity Management Plan directly inform the Infrastructure Strategy.
- 4.4 All of these closely related documents are written in conjunction with each other so that considerations of service provision and cost now and in the future is accurately and uniformly presented to the Long Term Plan.

5. Issues for Consideration

- 5.1 The Infrastructure Strategy presents a significant amount of expenditure required to meet the requirements of both applicable legislative obligations and regulations and the expectations of the community.
- 5.2 Changes or modifications to Levels of Service that might be taken consideration may impact upon forecast funding requirements and vice versa.

Attachments



No.	Title	Page
A	HDC Draft Infrastructure Strategy 2015-2045 FINAL DRAFT	35

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Down Asset Planning Manager	
Approved by	Gallo Saidy Group Manager - Infrastructure Services	

HOROWHENUA DISTRICT COUNCIL

INFRASTRUCTURE STRATEGY
2015-2045

Horowhenua
DISTRICT COUNCIL



Item 9.2

Attachment A

DRAFT

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Document Name	Horowhenua District Council Infrastructure Strategy 2014-44		
Trim Ref	D14/69943	Date	
Prepared by	David Down	Reviewed By	<i>Gallo Saily</i>
Approved By	<i>David Clapperton</i>	Adopted by Council	<i>Dote</i>

DRAFT

1 FOREWORD

Amendments to the Local Government Act (2002) in 2014 mean that each Local Authority is now required to prepare a strategy that demonstrates Council's commitment to managing its public infrastructure in a way that ensures that the services provided by these assets is enduring and affordable.

This document is the Horowhenua District Council 30 Year Infrastructure Strategy.

Over the past few years Council has been working to improve its knowledge of the infrastructure assets it has, through which it delivers key services to the District that are critical to the Community's health, safety and economic prosperity. It has also been improving the planning practices essential to ensuring that these assets can endure into the future.

This improvement in information and attention to forward planning has helped us to recognise that the large financial investment in infrastructure made over decades by the Community has now reached an important decision milestone. Council must now act in a particular way to make sure these critical services that keep our Community healthy and ensure that business can continue in the decades ahead, and are delivered in a manner that is affordable and sustainable.



Manawatu River

A key goal of this Infrastructure Strategy is a sustainable future. The Infrastructure Strategy, supported by Asset Management Plans, plays a key role in helping to achieve a sustainable future. The Strategy informs the Council's Financial Strategy and Long Term Plan of the necessary infrastructure related tasks, the best options for achieving them, the most effective cost and the best timing. These are key decisions in managing the Community's infrastructure assets sustainably.

To obtain the best service potential from assets is another key goal of this Infrastructure Strategy. This means that the Council is committed to making the most of its existing assets to avoid the expense of having to build new assets until they have truly reached the end of their useful lives. This is carefully balanced with the need to recognise that when an asset is no longer economically worth maintaining then that is when it needs to be replaced with a new one.

Overall Council aims to demonstrate a high standard of planning and management of the infrastructure assets which it takes care of on behalf of the Community.

David Clapperton, Chief Executive

2 EXECUTIVE SUMMARY

The continued wellbeing and future growth of the Horowhenua District is supported by a large investment in public infrastructure to provide Water, Wastewater, Stormwater and Rooding services.

The key purpose of the Infrastructure Strategy (the Strategy) is to provide a plan for maintaining the current Levels of Service provided by Council's core infrastructure of water, wastewater, stormwater and rooding. It also helps Council identify and close any gaps in these Levels of Service. The Strategy is critical to a sustainable future and the achievement of the Community Outcomes.



The Ohau River

This Strategy is part of the framework of strategic planning documents including Asset Management Plans, the Long Term Plan and the Financial Strategy. These documents are the key tools for managing Council's assets sustainably and allowing Council to achieve identified infrastructure objectives for the next 30 years. This Strategy, along with the other strategic documents, will help ensure that Council is a good steward of its assets.

The following graph summarises the total expenditure across all asset groups by Operating (Opex) and Capital (Capex) expenditure. Note: the graph shows the average expenditure for each year from 2015 to 2025 and then for every 5 years from 2025 to 2045.

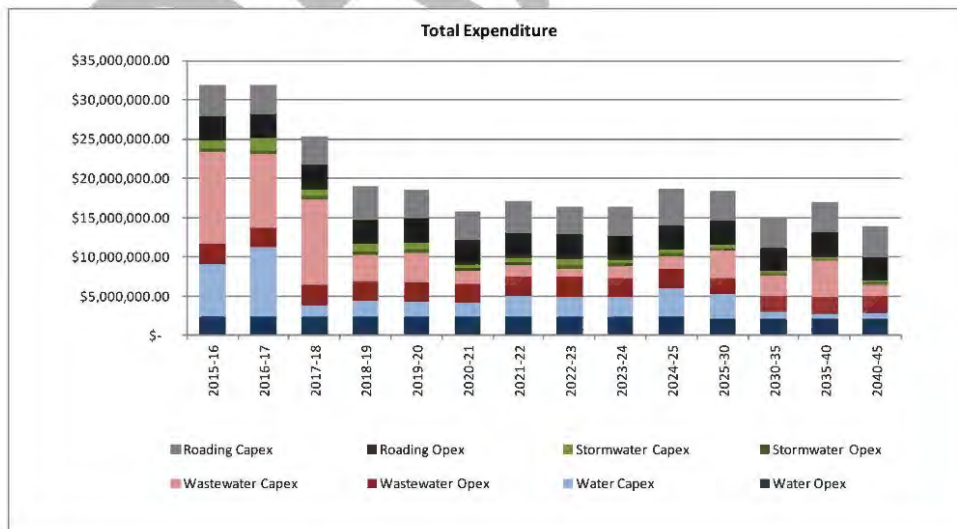


Figure 1 Total Operating and Capital Expenditure

3 PURPOSE OF THE INFRASTRUCTURE STRATEGY

Council needs to ensure that whatever service is provided by the assets today can continue to be provided into the future and in a way that meets the changing demands of the Community.

Section 101B of the Local Government Act (LGA) 2002 and its amendments, requires each local authority to prepare and adopt an Infrastructure Strategy as part of its Long Term Plan. This strategy is required to cover a period of at least 30 consecutive financial years.

The Infrastructure Strategy will help the Council and the Community make informed decisions over the next three to ten years, and will place the Council in a better position to understand and plan for major investments that may be required in the next 10 to 30 years.

In complying with these requirements, the Infrastructure Strategy identifies:

- Significant infrastructure issues and the actions to be taken to address the gaps in both the shorter and longer term,
- Options and associated expenditures for managing them over the period covered by the strategy taking into account a range of factors that impact on the nature and cost of infrastructure provision, and
- The key planned projects to deliver the infrastructure to enable growth.



Pipes ready for installation, "Pipeline to the Pot" project, 2013

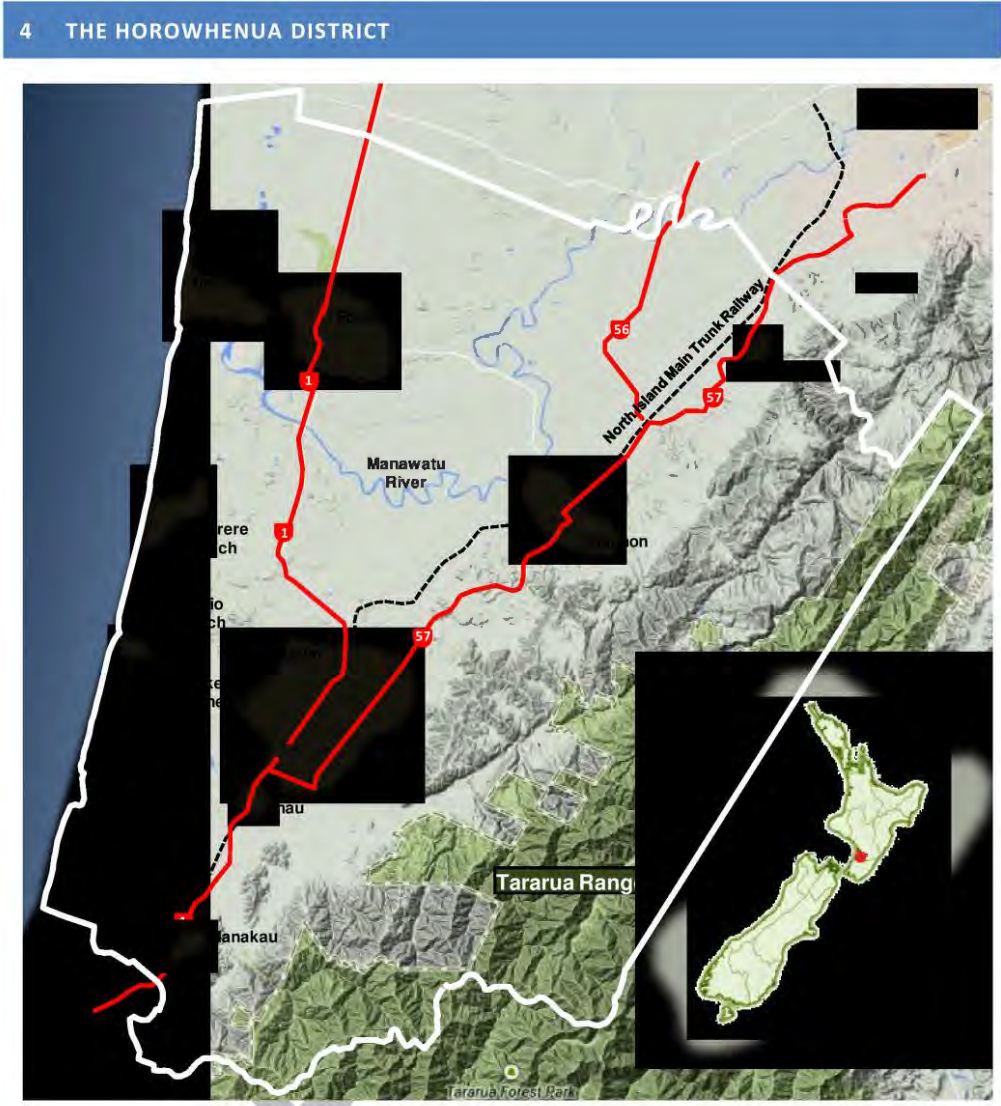


Figure 2 Map of the Horowhenua showing main settlements, road and land features

4.1 History

The Horowhenua District came into being on 1 November 1989 as part of the then round of Local Government Amalgamations. This District was made up of parts of the former authorities of Levin Borough, Foxton Borough and Horowhenua County.

Various parts of the District have had times of growth and recession in terms of employment and economic activity. The Foxton Township was a major source of flax during the early 20th century; however the global depression of the 1930's brought the industry to a standstill.

4.2 Geography

Horowhenua District covers 1,069 km². Its local authority neighbours are Kapiti Coast District to the south, Tararua District to the east, and Palmerston North City, and parts of Manawatu County and Manawatu District to the north.

The District is bordered by The Tasman Sea to the west and the Tararua Ranges to the east. The Manawatu River flows through the District entering near Poplar Road (near Tokomaru) to the north and exiting at Foxton Beach.

The main settlements of Horowhenua District are Levin, Foxton and Foxton Beach, Shannon, Tokomaru, Waitarere Beach, Hokio Beach, Ohau, Waikawa Beach and Manakau. Council's central administration office is located in Levin which is less than an hour by road from Palmerston North and just over an hour from Wellington. Other service centres are located in Shannon and Foxton.

Much of the District was once an extensive wetland. It has been progressively drained and converted to productive farmland, with a mixture of loam and peat based soils.

4.3 Demographics

The District's population is 30,600¹.

The current population movement within the District is characterised by an even internal migration between the urban and rural areas. The District's townships have had periods of growth and recession; currently there is still a surplus of land and property following closure of several key businesses during the early 2000's.

The population is split between 47.5% male and 52.5% female. The following graph shows the District's Age Profile.

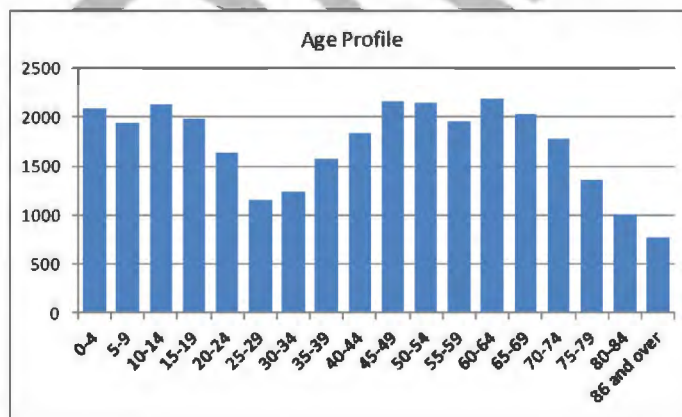


Figure 3 HDC Population Age Profile

¹ Statistics New Zealand June 2013 estimate

4.4 Tangata Whenua

Maori began to settle in the District in the 14th century. Today Council exercises functions within the rohe of:

- Muaupoko
- Ngati Raukawa
- Ngati Whakatere
- Ngati Apa
- Rangitane

The Local Government Act 2002 requires Territorial Authorities to maintain and improve the ability of Maori contribute to Local Government decision-making. Council is required to have regard to the relationship between Maori and their ancestral lands, water, sites, wahi tapu and other taonga of national importance. These relationships must be recognised and provided for by decision makers.

For many reasons, the Treaty of Waitangi considerations and the Resource Management Act (RMA) 1991 have a direct impact for long term infrastructure management. This includes consultation required as part of the resource consent process as well as consulting with Maori on the provision of infrastructure, relating to the likes of discharge of waste to land, or extraction of water.

In the past 12 months Council has been working to strengthen its relationships with Iwi groups in the District.

5 THE ROLE OF INFRASTRUCTURE

Community Outcomes are the goals and aspirations that Council is working towards achieving for the District. The Council has developed five Community Outcomes for the Horowhenua District and these are:

- A healthy local economy and a District that is growing,
- A sustainable environment,
- A community of knowledge, culture and diversity where people are proud to live,
- Safe, resilient and healthy communities, and
- Positive leadership and effective partnerships.

Achieving these Community Outcomes requires:

- A clean reliable supply of water for drinking and fire fighting,
- A safe reliable land transport network,
- Protection of private property and transport corridors from the effects of stormwater, and
- Safe disposal of wastewater.

These requirements are provided by the infrastructure asset built and maintained by Council. The assets involved have been built up over decades and are worth many millions of dollars. The ongoing operation, maintenance, renewal and occasional expansion of the assets is an expensive exercise that requires good information and careful planning for the future to make sure we continue to achieve these Community Outcomes.

5.1 Assets Covered in this Strategy

For the purposes of this strategy the term infrastructure will include basic built assets that provide a structural foundation for the community and covers specifically the following Council owned assets:

- Drinking water supplies,
- Wastewater collection, treatment and disposal,
- Stormwater, and
- Land Transport network.

The assets include the likes of:

- Network pipelines and fittings on the pipelines,
- Treatment plants,
- Roads, footpaths, streetlights and street signs, and
- Other assets associated with transport within the road corridor.

As mentioned above these are expensive assets. The value of the four asset groups is shown in the table below. The values are as at 30 June 2014 and expressed in millions.

	Replacement Cost	Book value
Water		
Treatment	\$24.11	\$13.01
Reticulation	\$80.31	\$42.33
Wastewater		
Treatment	\$25.88	\$15.20
Reticulation	\$112.66	\$53.40
Stormwater		
Reticulation	\$45.1	\$31.2
Roading		
Road	\$228.20	\$159.30
Facilities and Structures	\$22.90	\$8.70
Footpaths	\$23.20	\$10.00
Drainage	\$26.10	\$12.40

5.1.1 Council Activities not included

Activities and assets not covered in this Strategy are Solid Waste, Property and Recreation.

The Solid Waste activity is currently the subject of a Solid Waste business review which discusses the future scale of Council's operation, ownership and involvement in service provision in the solid waste area. Similarly the Property Activity is the subject of a Property Strategy currently being prepared which is expected to discuss options for the future ownership and provision of Property assets, both land and buildings.

Until discussions and decision making arising from these two strategies are concluded, there is considerable uncertainty over what assets will be owned by Council at all. For now the scale of

overall assumptions over such a long planning horizon outweighs the benefit of discussing these Activities in this Strategy.

In addition, both the Property and Recreation Activities have considerable gaps in the data and information on the assets involved, and the assumptions that would need to be made would again outweigh the benefit of planning over 30 years.

Council's intention is that by the time the first review of the Infrastructure Strategy is undertaken in 2017, the issues of both future direction in service provision and confidence in underlying data and information in these three Activities will have been addressed. It is likely that they will then become part of Council's Infrastructure Strategy.

5.1.2 Non-Council Infrastructure

Both Central Government and the private sector provide and maintain other infrastructure groups vital to meet the needs of the Community. Some of the infrastructure owned or under the responsibility of others include the State Highway network, the Rail network, Communications, Electricity and Gas networks. These services are not covered under this Strategy.

6 INFRASTRUCTURE GOALS

The Goals of this Strategy are:

- Goal 1 Ensure adequate infrastructural capacity to meet the demands of current and future generations whilst being affordable to the Community.
- Goal 2 Increase the reliability and resilience of the existing and future infrastructure.
- Goal 3 Ensure sustainable use of resources and protection of critical environmental values.

These Goals specifically support three of Council's Community Outcomes being;

- A healthy local economy and a District that is growing,
- A sustainable environment, and
- Safe, resilient and healthy communities.

6.1 Infrastructure Objectives

The objectives of managing infrastructure over the long term are to ensure that:

- **Levels of Service agreed to by the Long Term Plan can be met.** This means making sure that the assets are delivering the service for which they were built, in other words that they are fit for purpose.
- **The Levels of Service are affordable for the Community.** This means ensuring the right amount of financial planning is undertaken to ensure that the most cost-effective options are used for the ongoing operation, maintenance and renewal of the assets. The Community must be able and willing to pay for this, and that other services provided by Council are taken into account.

- **The Levels of Service can continue to be provided in the same cost-effective manner as the demands of the Community change.** This means that we need to be able to predict changes in demands for service and plan for the right response to those changes.

6.1.1 Identifying Priorities

As the demand for additional or improved infrastructure increases, the biggest challenge facing Local Authorities today is getting the funds required for upgrades of ageing or obsolete infrastructure, and for new infrastructure to meet increased levels of service and growth. Proposals to meet each of these challenges are presented later in this Strategy.

It is important to identify where there are infrastructure gaps and which gaps have a high priority so that resources and efforts are focused on these first. Identifying what infrastructure is important to the Community and to meet the Council's legislated obligations, Council's Levels of Service have been developed to help define and identify the key strategic priorities around our infrastructure.

The key pieces of legislation and regulations that inform Council's legislative obligations in respect of its infrastructure include, but are not limited to, the following:

- Health Act 1956,
- The Health (Drinking Water) Amendment Act 2007 (replaces the Water Protection Regulations 1961),
- Local Government Act 2002,
- Building Act 1994,
- Resource Management Act 1991,
- Health & Safety Act in Employment Act 1992,
- New Zealand Drinking Water Standards (2005) revised 2008,
- Civil Defence Emergency Management Act 2002,
- Public Works Act 1981,
- Horizons Regional Council's One Plan.

There are also key challenges that the Horowhenua District will likely face over the next 30 years, and these give rise to strategic issues that will need to be monitored, analysed and responded to over this extended period.

At a high level the important issues for the three waters and roading are:

- Ensuring our services enable our District to develop, grow and be prosperous,
- Ensuring our services enable the Community and the environment to be healthy,
- Balancing district requirements for services with community affordability,
- Monitoring and managing the risks associated with operating our critical infrastructure,
- Predicting, monitoring and mitigation of unauthorised discharges to the environment, and
- Making better use of public education and demand management to help deliver more effective services.

7 SUSTAINABILITY

It is also critically important that infrastructure decisions and the actions taken to achieve them are sustainable. For infrastructure decisions and actions to be sustainable they should:

- Promote the efficient and effective use of resources,
- Deliver equity for the present and future generations,
- Avoid, mitigate and remedy any adverse effect on the environment, and
- Promote the creation of liveable communities with a sense of place and identity.

The questions taken into consideration to help ensure sustainable outcomes are:

- Will the type of infrastructure built or being maintained, continue to serve the Community into the future?
- Can the infrastructure be maintained or renewed given the limited resources available to the Community?
- Does the infrastructure create effects or impacts that erode the quality of our natural environment?
- Does the method of maintaining or constructing this infrastructure have local or global impacts environmentally, socially or economically?

These are important questions to ask if the Horowhenua Community is to build a sustainable future and if built assets and infrastructure that support quality of life are to be strengthened and not eroded. A significant effort to continue building sustainability into Horowhenua District Council's business practices must be made. Sustainability will be a critical criterion in the actions Council seeks from other agencies and organisations. In the actions outlined later in this plan, Council will strive to act sustainably in all decisions, actions and practices throughout the life cycle of assets.



Farmlands near Shannon

8 ASSUMPTIONS

8.1 Population



Looking eastwards across Easton Way, Levin

The most important assumption to be made in this Strategy is the population of the District as this informs assumptions around;

- How many people we consider will be using a service?
- How many more will be using that service in years to come?
- How much of the service or product will they be using? and
- Will this make the asset last longer or wear it out faster?

Population is influenced by a range of factors such as employment opportunity, business activity, age and change in age profile, fertility and mortality rates. Changes in population are difficult to predict but vital to understand future requirements for the infrastructure based services.

The growth projections used in determining the most likely scenario are set out below.

- Between 1 July, 2014 and 1 July, 2015 the population will grow by 0.23%,
- The population will grow by 0.4% per annum for the next 30 years up to and including year 2045,
- The population will grow at the same rate across all settlements within the District,
- The number of new dwellings will increase by approximately 135 per year over the next 30 years,
- The average number of occupants within each household will continue to drop due to an ageing population, and
- There will be minimal growth in the commercial and industrial sectors.

The population growth projections are shown in the graph below.

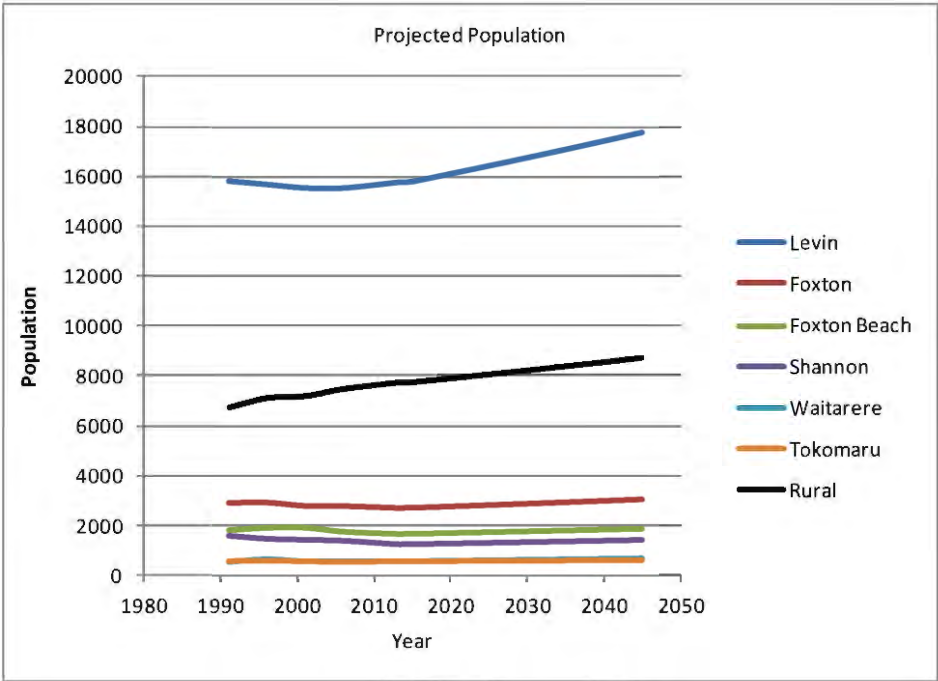


Figure 4 Horowhenua District Projected Population

It is also important to understand how the population's age is changing. The age profile is assumed to be getting increasingly older, with growth predicted in the over 65 year's age range, but with little gain in the 20's and 30's age range. It is anticipated that by 2031 over 30% of the District's population will be aged over 65 years old.

This means that potentially within two decades one third of the population may be living on a single or limited fixed income with little potential for increase in wealth or earning ability. This affects what the Council considers to be deemed to be "affordable" and the extent to which the Community is able to pay for services of escalating cost. The change in age profile is shown in the following graph.

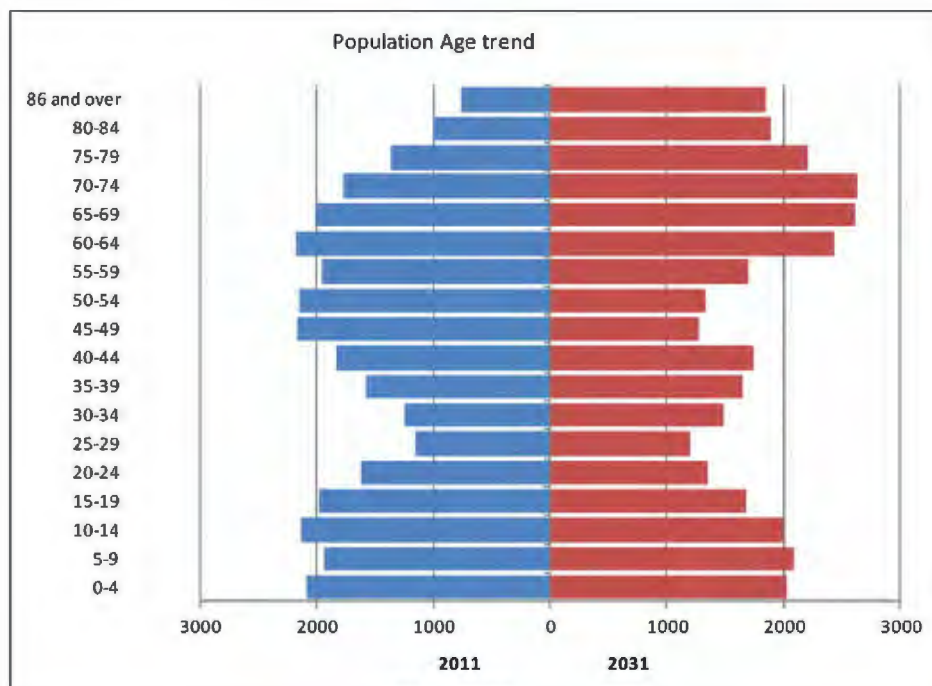


Figure 5 Projected Population Age change

8.2 Ownership

Council currently owns and operates the infrastructure assets outlined in this Strategy. Although most of the field works are undertaken by private contractors, the overall responsibility for service delivery rests with Council. This Strategy assumes that the current ownership/operating model in use by the Council will continue through the next 30 years.

8.3 Levels of Service

This Strategy assumes that all Levels of Service targets will be unchanged in the future.

Where Level of Service capital expenditure is proposed (largely in the Water and Wastewater Activities), this is to meet mandatory Levels of Service that are not currently being met. It does not mean the targets are being increased.

Where there are land use changes in the District Plan, some areas may be entitled to an altered Level of Service. It is assumed that there will be no impact from land use changes in the District Plan in terms of ability to meet these Level of Service changes.

The key Levels of Service have regard to minimum legislative standards and customer satisfaction with service. All Levels of Service are tabled in Appendix 1.

8.4 Data and Information

A particular focus in current Infrastructure management is improved data and information. This is needed to establish a more reliable basis for actions in this Strategy. Some of the programmes established later in this Strategy include assumptions that better data and information has been collected as time goes by. These assumptions are that:

- We will implement new systems to provide for better capture of asset data, including true operations and maintenance costs,
- We will update and refine the required renewal expenditure based upon the improved data,
- The renewals programmes will be adjusted based on condition and performance monitoring, and
- Asset renewal profiles and depreciation rates/calculations will be reviewed as improved information becomes available.

An assessment of the confidence in the data underlying the current Asset Management Plans is shown in the following table.

Asset class	Data confidence grade	Method of assessment
Water	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
Wastewater	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
Stormwater	C - Data based on sound records, analysis which is incomplete or unsupported, or extrapolated from a limited sample for which grade A or B data is available.	Register analysis
Roading	B - Data based on sound records, procedure, investigations and analysis, documented properly but has minor shortcomings, e.g. some data is missing	Register analysis

The expected life of each asset type in each Activity is also set in the Asset Management Plans and the Asset Valuation to help determine how long the assets are expected to last for. A table of all assumed asset lives is presented in Appendix 4.

8.5 Inflation

The financial forecasts for the first 10 years have been adjusted for inflation in accordance with projections based on the BERL Local Government cost index. These inflation rates are detailed in the Financial Strategy. The financial forecasts for years 11 to 30 are not adjusted for inflation.

9 SIGNIFICANT CHALLENGES FOR THE DISTRICT

9.1 Growth and the Ageing Population

The growth projections assumed for the decisions to be made in this Strategy have been derived from Statistics New Zealand and modified by Infometrics.

These projections show that despite Council's adjacent southern neighbour experiencing high growth rates in the national context since the 1970's, the population growth rate in the Horowhenua District has and will continue to remain at comparatively very low levels.

Compounding the impact that these low levels of growth will have on our ability to maintain and renew assets is the increasing size of the over 65 years old age group. This is the portion of the population which has the least ability to absorb increasing costs associated with increasing infrastructure expenditure and it is, however, the sector of the population which is growing at the fastest rate in this District. It is significant that portions of population aged 65 and over in both the Horowhenua and Kapiti Coast District are amongst the highest in the country and are projected to remain so.

9.2 Roads of National Significance (RONS)

The Wellington Northern Corridor (Levin to Wellington Airport) is one of seven Roads of National significance the Government has committed to being constructed. It includes construction of 110 km of expressways from Wellington to north of Levin and includes the following stages:

- Transmission Gully (Lindero to Paekakariki) Beginning in 2014
- Paekakariki to Peka Peka, construction beginning in 2013
- Peka Peka to Otaki, design expected to begin in 2015

The effects these expressways will have on the District include the likes of:

- The impact of the construction phase on local labour, plant and machinery resources,
- The impact of temporary accommodation on the local rental housing market while the northern reaches of the expressway are under construction (this could last for years at a time),
- The impact of the shortened commuter distance from Levin to Paraparaumu and further south to Porirua and Wellington, particularly where the effect is that the travelling distance will be reduced by up to 40 minutes in off-peak time, and
- Shortage of land in Kapiti Coast putting pressure on land in Horowhenua; the Transmission Gully section in particular will quickly make land in Kapiti Coast less affordable and in greater shortage.

The overall effect of the RONS will be to continue to push development northwards and into the Horowhenua District. The combination of these factors will likely have a significant and long lasting impact on the Horowhenua District's population and economy.

9.3 Ageing Infrastructure

Areas of the District have been built over decades, and today there is both underground and aboveground infrastructure which is well past its expected life. As ageing occurs reactive maintenance will increase. A key challenge for the District is the balance between reactive maintenance, programmed maintenance, and the inevitable rehabilitation or outright replacement of assets which have both physically and economically run past the point of repair.

There are risks of high running maintenance costs and loss of service through failure of aged assets. A significant portion of the proposed asset renewal programme is aimed ensuring that these risks are mitigated by a continual replacement of assets that have reached an age that ongoing performance is lost.

Council has historically fallen short in the level of renewals required to keep networks in appropriate condition and performance levels. Within each Activity there is a concentration of renewals funding programmed, particularly within the first 10 years, to address the need to catch-up on previously underfunded asset renewal.



Mayor E. W. Wise re-opens the water supply after headworks reconstruction in 1961.

9.4 Climate Change and Coastal Change Impact

In the long term it is expected that climate change will have two principle impacts upon the Horowhenua District of an increased risk from severe natural hazards, and a gradual change in environmental conditions such as rainfall and tide levels.

Within the lower North Island it is expected that over the next 40 years the average temperatures will rise by 0.2°C and 2.2°C in the Manawatu-Wanganui Region, evaporation will increase, enhanced westerly winds will occur, heavy rain will become more frequent, and average rainfall will increase in the westerly regions of the island.

Results from a study by Horizons Regional Council² show that there is likelihood of an impact within the next 30 to 50 years on coastal areas. This is a combination of rising tides and coastal erosion. Areas of land in Waitarere, Waikawa and Foxton Beaches have been predicted to be at risk from storm surge and inundation.

The assessed impact on infrastructure from coastal change is negligible in the 30 year horizon and there is no immediate response to these risk presented in this Strategy. However Council will ensure that future reports produced by the likes of Horizons Regional Council or the National Institute of

² Coastal Hazards Assessment Report, Horizons Regional Council, 2014

Water and Atmospheric Research (NIWA) are studied to confirm predicted trends and act in response to any predicted changes if necessary.

9.5 Resilience: Flooding and Earthquake

9.5.1 Flooding Risk

Flooding is the most frequently experienced natural hazard in the District, and the likelihood of a major flood occurring in any year is high. The other natural hazards occur less frequently, but have the potential to cause significant adverse effects and pose a risk to people and property. The Koputaroa, Moutoa and Makerua areas are former swamps and are served by drainage schemes which have enabled the land to be farmed. Ongoing reviews and upgrades to the schemes occur



The Moutoa Sluice gates, 1962 (Horowhenua Historical Society)

to meet the demands of farming systems. Land in these areas is subject to flooding, particularly if the pump systems fail.

Wider areas of the District are prone to flooding as shown in the map overleaf. While it is Horizons Regional Council's responsibility for flood control, large scale flood events (February 2004) have a significant impact on the ability of the Council to continue to deliver its services addressed in this Strategy.

Council has put some mitigation measures in place by way of development controls in the District Plan which determine where development can take place, in turn determining where infrastructure is required.

9.5.2 Earthquake Risk

Earthquake fault lines run through the Horowhenua District and their existence means that the District is vulnerable to earthquakes. An earthquake could potentially cause devastation to both above and below ground infrastructure in developed areas through ground rupture, liquefaction or ground deformation. Fault or ground rupture can occur during a very large earthquake where the movement creates discrete breaks at the ground surface, which is of particular risk to



Figure 6 Liquefaction effects of an earthquake at Foxton Beach 1934 (Foxton Historical Society).

buildings, structures and infrastructure.

The known active faults are predominantly located in the Tararua Ranges away from any areas of intensive development and settlement, and therefore, the risks of fault or ground rupture are most likely to occur in the District's hill country.

Council is a member of the New Zealand Local Authority Protection Programme (LAPP) scheme that insures infrastructure at replacement cost value. Above ground assets such as reservoirs and buildings are insured with Aeon Insurance through the Manawatu-Wanganui Local Authority Shared Services agreement.

The following map of the District shows the locations of major fault lines, coastal hazard areas, flood prone areas, and the proposed Roads of National Significance routes.

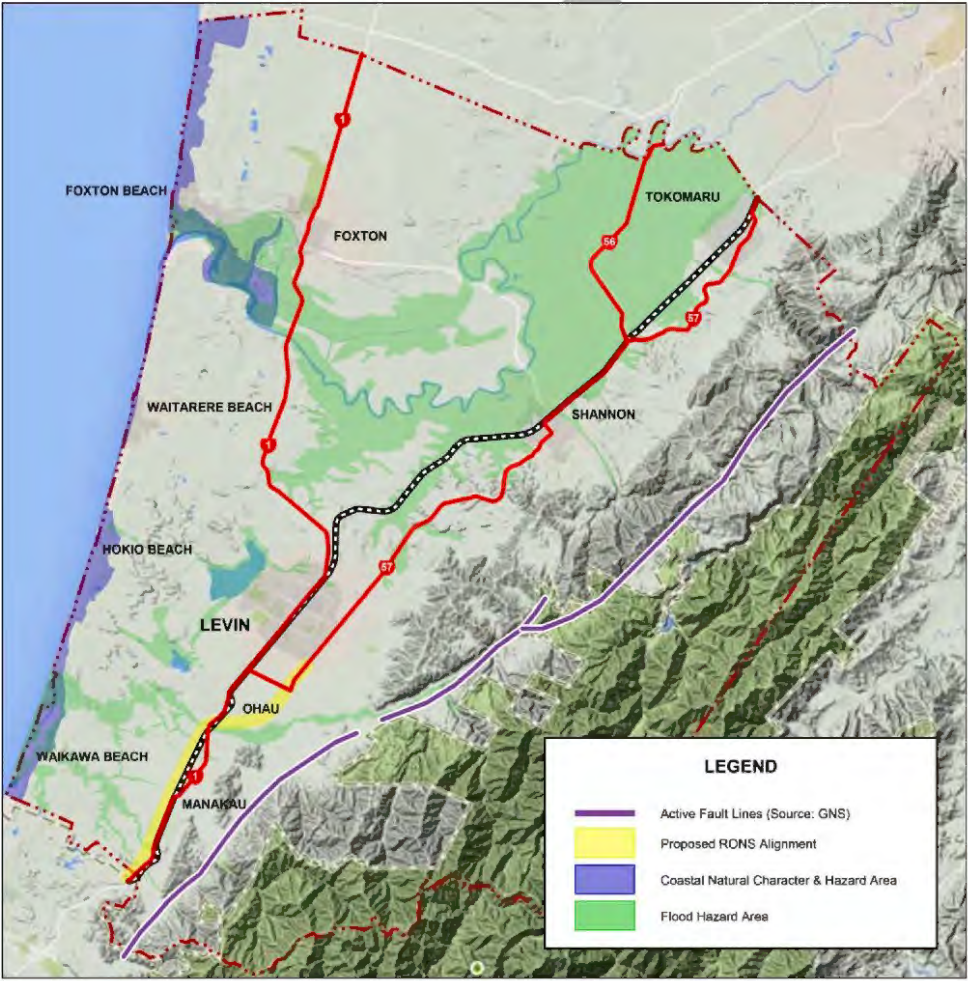


Figure 7 District Map showing Fault lines, coastal hazards, flood prone areas and RONS

10 INFRASTRUCTURE ISSUES

10.1 ISSUES AFFECTING ALL INFRASTRUCTURE

A large amount of the District's infrastructure was built in the 1960's and 1970's. With an average age of 60 years, many of these assets are now reaching, or indeed have already passed the end of their expected life. Maintaining these ageing assets becomes more difficult as their age increases.

The District is now at a time when keeping the respective levels of maintenance cost versus renewal cost is at its hardest to balance.

The key issue in regard to Council's infrastructure assets is not what needs to be provided, but how to avoid losing what it has established over time at significant effort and cost. Some assets may not even need to be kept. In fact, the need to manage its infrastructure assets well is a foundation upon which rests the Council's ability to provide new facilities for the Community in the future.

For example with the road network there is pressure to construct new road pavements and the assets related to them. Competing for funds is the significant proportion of the existing paved road network that is nearing the end of its practical life and will require a major programme (and future ongoing programmes) of preventative maintenance.

Developing partnerships with other Councils or organisations for providing services can be complex and also have their own risks. However, if the infrastructure needs of the Community are to continue to be met in the current constraints of the local government financial environment, forming partnerships can provide Council with the means of achieving infrastructure not possible on its own.

There is already opportunity to form partnerships with other local authorities in the region through the Manawatu-Wanganui Local Authorities Shared Service Group. There is also opportunity to



The Foxton Water Tower under construction, 1923 (Foxton Historical Society)

establish partnerships with the likes of local Iwi, the private sector, newly formed Council Controlled Organisations, or the Central Government and its agencies such as New Zealand Transport Agency (NZTA).

10.1.1 Water

Since 2010 the asset register of pipes, fittings and treatment plant componentry has been progressively updated to improve the accuracy of key attribute data and enable better long term decision making. Council now has a much better picture of the possible end-of-life scenarios for most of its assets than it did 3 years ago and understands that many of the pipes and fittings on the network will fail in the medium term (1-10 years). This may mean sudden physical failure or an avoidable “running” failure and this means that escalating maintenance costs to keep the assets performing will begin to outweigh the financial benefits of outright replacement. The Capital Renewal programme later in this Strategy will address this looming end-of-life issue of an imbalance between reactive maintenance versus replacement.

A further issue is increasing restrictions on the water source under Horizons Regional Council’s One Plan. However with the exception of Foxton and Foxton Beach permitted water extraction rates for townships in the District are sufficient for current and future capacity. The One Plan, however, also seeks to make Council, and thereby the Community, increasingly conscious of the amount of water being used and to lower the rates of unauthorised or wasteful water use. This requires full engagement in Council’s Water Demand Management Plan, but also greater attention to occurrences of broken pipes and undetected leaks in the public network i.e. the asset replacement program.

10.1.2 Water Activity Risks

The following table sets out the key risks, and actions proposed to mitigate or control those risks in the Water Activity. The full risk assessment is in the Water Asset Management Plan.

Risk Description	Rating	Proposed Action
Service failure through Ageing assets	High	Maintain continuous renewal programme to replace most at risk assets
Construction of new works on private land	High	Improve consultation methods, including external and internal processes
Inconsistent Strategic documents	Significant	Improve coordination and education across the organisation regarding long term and strategic planning requirements
Poor contract management	Significant	Improve scoping of projects at design phase, increased project audit
Continuity Planning to ensure rapid restoration of service	Significant	Improve Business Continuity Plans, increase provision of back up power

10.1.3 Water Activity Principle and Alternative Options

Issues specific for the Water Activity are shown in the tables below, including principle and alternative options. All cost impacts are given in millions and are for total expenditure for each principle option. A full schedule of projects over \$0.5 million is in Appendix 2.

WATER		
Level of Service issues	Principle and alternative options	Cost Impact and Timing
Compliance with NZ Drinking Water Standards in Levin and Tokomaru	Implement the required works that can achieve compliance with the standard such as improved technologies for dealing with high turbidity and for protozoa treatment.	\$5.6m 2015/17
	Alternative – accept lower or non-compliant water supply schemes.	No cost impact
Compliance with Horizons One Plan and other legislative requirements	Implement work programmes to ensure rules can be measured and complied with.	as above (\$5.6m 2015/17)
	Alternative – continue with non-compliant water schemes.	No cost impact
Ageing asset	Catch-up of deferred renewals and continuation of on-going renewals and rehabilitation programme.	Ongoing - \$0.5 to \$1.2m per year
	Alternative – continue with maintenance programmes, but reduce levels of service for interruption of supply through network failures.	Higher failure rates resulting in increasing maintenance costs.
Resilience Issues		
Source sustainability at Foxton and Foxton Beach	Develop new water source (bore) or implement measures to prolong the life of the bores.	\$0.5m 2044/45
	Alternative – enforce restriction on residential and business connections, accept impact on business growth.	Restrictions on growth and reduced levels of service.
Lack of standby power at Shannon and Tokomaru	Ensure portable standby generator is available or install standby power set.	\$0.1 in year 2015/16
	Alternative – accept risk of loss of service during sustained interruption of power supply.	Service and consumer interruption costs.

10.1.4 Wastewater

As with the Water networks, the asset register of pipes, fittings and treatment plant componentry has also been updated to improve the accuracy of key attribute data and enable better long term decision making. This has included an ongoing programme of CCTV inspections of pipes. The same issues identified in the Water networks are present in the Wastewater network; high maintenance costs and increasing sudden failures.

The CCTV inspection programme has also revealed that significant amounts of inflow and infiltration of stormwater into the network



What lies beneath us - a blocked and broken wastewater main under Stafford Street, Shannon 2012

means that we are treating unacceptably high volumes of wastewater, especially in peak flow periods. The Capital Renewal programme later in this Strategy will address this issue by improving the integrity of pipeworks and reducing the amount of stormwater entering into the wastewater system. Note that there were no growth or decline issues identified.

10.1.5 Wastewater Activity Risks

The following table sets out the key risks, and actions proposed to mitigate or control risks in the Wastewater Activity. The full risk assessment is in the Wastewater Asset Management Plan.

Risk Description	Rating	Proposed Action
Service failure through Ageing assets	High	Maintain continuous renewal programme to replace most at risk assets
Construction of new works on private land	High	Improve consultation methods, including external and internal processes
Inconsistent Strategic documents	Significant	Improve coordination and education across the organisation regarding long term and strategic planning requirements
Poor contract management	Significant	Improve scoping of projects at design phase, increased project audit
Loss of telemetry system	Significant	Upgrade telemetry system

10.1.6 Wastewater Activity Principle and Alternative Options

Issues specific for the Wastewater Activity are shown in the tables below, including principle and alternative options. A full schedule of projects over \$0.5 million is in Appendix 2.

WASTEWATER		
Level of service issues	Principle options	Cost Impact and Timing
Compliance with Horizons One Plan and meeting consent conditions placed on function around treatment and disposal of wastewater	Implement appropriate technologies and programmes that can achieve compliance with the One Plan and also with specific consent conditions.	Various projects, \$22m in 2015/16 to 2019/20 – shared as Environmental Costs below
	Alternative – lower levels of service standards, accept risk of resource consent conditions being breached.	Levels of Service reduction and risk of consent breach costs.
Ageing asset	Catch-up of deferred renewals and continuation of on-going renewals and rehabilitation programme.	Ongoing - \$0.55 to \$3.8m per year
	Alternative – accept increasing future maintenance costs.	Increasing maintenance costs and network failure rates.

WASTEWATER		
Level of service issues	Principle options	Cost Impact and Timing
Significant Inflow and infiltration	CCTV inspection; smoke testing, property inspections for illegal connections (down pipes) to the wastewater system. Implementation of the necessary works to correct problem areas.	As above (Ongoing - \$0.55 to \$3.8m per year)
	Alternative – accept high levels of treatment and high pumping rates at peak flow.	Treatment will include high flows related to stormwater
Resilience Issues		
Lack of emergency planning	Implement business continuity plans and contingency plans.	Minor cost
	Alternative – accept risk of failure to react to disaster events, including slow restoration of wastewater service.	Prolonged denial of service following disaster event.
Environmental Effects		
Effect of wastewater discharge on Manawatu River	Implement appropriate technologies and programmes that can achieve compliance with the One Plan and also with specific consent conditions, continue involvement in Manawatu River Accord Group	Various projects, \$22m in 2015/16 to 2019/20 – shared as Level of Service costs above
	Alternative – continued disposal of wastewater to the river creating ongoing concentration of contaminants in the river.	Levels of Service reduction and risk of consent breach costs.

10.1.7 Stormwater

Issues relating to discharges over privately owned lands in addition, water sensitive urban design needs to be incorporated into new infrastructure and where possible into existing infrastructure.

The quality of freshwater in streams, river systems and water catchments in general are affected by runoff, erosion and wastewater effluent disposal both within the District and from outside of it. Stormwater systems and runoff need to be considered within the whole of catchment.

Some of these issues have been addressed by the National Policy Statement for Freshwater Management 2014. This National Policy Statement has a 10 year implementation period ending 2025 and is the responsibility of Horizons Regional Council to implement. However, it is likely that the implications for Council will be better catchment management requirements and stricter conditions on resource consents for the Wastewater and Water Activities.

10.1.8 Stormwater Activity Risks

The following table sets out the key risks, and actions proposed to mitigate or control risks in the Stormwater Activity. The full risk assessment is in the Stormwater Asset Management Plan.

Risk Description	Rating	Proposed Action
Asset Knowledge	Significant	Continuous updating and collection of stormwater asset data
Inability to meet Level of Service and growth	High	Complete Stormwater Catchment Management plans
Inconsistent Strategic documents	Significant	Improve coordination and education across the organisation regarding long term and strategic planning requirements
Construction of new works on private land	High	Improve consultation methods, including external and internal processes
Poor contract management	Significant	Improve scoping of projects at design phase, increased project audit
Loss of telemetry system	Significant	Upgrade telemetry system

10.1.9 Stormwater Activity Principle and Alternative Options

Issues specific for the Stormwater Activity are shown in the tables below, including principle and alternative options. A full schedule of projects over \$0.5 million is in Appendix 2.

STORMWATER		
Level of service issues	Principle options	Cost Impact and Timing
Lack of or no stormwater Strategy and Catchment Management Plans	Complete Stormwater Catchment Strategic Plan.	\$0.76m in year 2017/18
	Alternative – assess each new development or improvement programme in isolation and accept risk of duplication or inefficient cost and effort.	Ineffective whole of catchment management, risk of unacceptable ongoing overland flows.
Flooding and water quality risk in Ohau, Foxton, Foxton Beach and Shannon	Programmed upgrades to stormwater sensitive areas including Fairfield Road, Queen Street and Market Gardens area in Levin.	\$0.76m 2018/19 \$0.522m 2019/20 \$0.665m 2023/24
	Alternative – reduce the levels of service related to property protection and safe use of the transport system.	Inadequate property protection and ongoing storm related transport disruption.
Growth Issue		
Poor historical planning for stormwater capacity	Develop required infrastructure as identified in Stormwater Catchment Strategic Plan	As above for flooding and water quality risk
	No upgrades to network	Ongoing stormwater drainage issues in residential areas
Environmental Effects		
Effect of contaminated stormwater run-off into Lake Horowhenua	Addition of stormwater treatment facility in Queen Street drain, continue involvement in Lake Horowhenua Accord Group	\$0.25m in year 2015/16
	Alternative – continued disposal of wastewater to the river creating ongoing concentration of contaminants in the river.	Continued build of containment discharge to Lake Horowhenua

10.1.10 Transport

The District's road network has historically had insufficient maintenance and renewal funding. Funding for surface renewals and basic maintenance now needs to increase to reduce the forward pressure on basic levels of service.

There is a lack of data on the important features of the road network, especially for bridges and retaining walls. A concerted effort is now being made to build the knowledge base on these assets, which both have significant replacement values.

Note that there were no growth or decline issues identified.

10.1.11 Transport Activity Risks

The following table sets out the key risks, and actions proposed to mitigate or control risks in the Transport Activity. The full risk assessment is in the Transport Activity Management Plan.

Risk Description	Rating	Proposed Action
Service failure through Ageing assets	High	Maintain continuous surface renewal programme to ensure Level of Service can be met
Asset Knowledge	Significant	Continuous updating and collection of bridge and retaining wall data.
Inconsistent Strategic documents	Significant	Improve coordination and education across the organisation regarding long term and strategic planning requirements

10.1.12 Transport Activity Principle and Alternative Options

Issues specific for the Transport Activity are shown in the tables below, including principle and alternative options. A full schedule of projects over \$0.5 million is in Appendix 2.

TRANSPORT		
Level of service issues	Principle options	Cost Impact and Timing
Inadequate surface resealing programmes	Catch-up of deferred renewals and continuation of on-going renewals - increase rate of funding for reseal programmes.	2015 onwards
	Alternative – accept current levels of service but programme for a future decline.	Increasing maintenance costs, higher rates of Level of Service failure

11 MOST LIKELY COST SCENARIOS

This section summarises the most likely scenarios of total operating and capital expenditure for each of the four activities for the next 30 years. These are the costs that have been modelled in the Financial Strategy and presented in the LTP.

11.1 Water**11.1.1 Water Operating Expenditure**

The forecast of Operating expenditure by scheme is graphed below. The forecast presents the expenditure year by year in the first ten years and then by an average of each successive five year block for years 11 to 30.

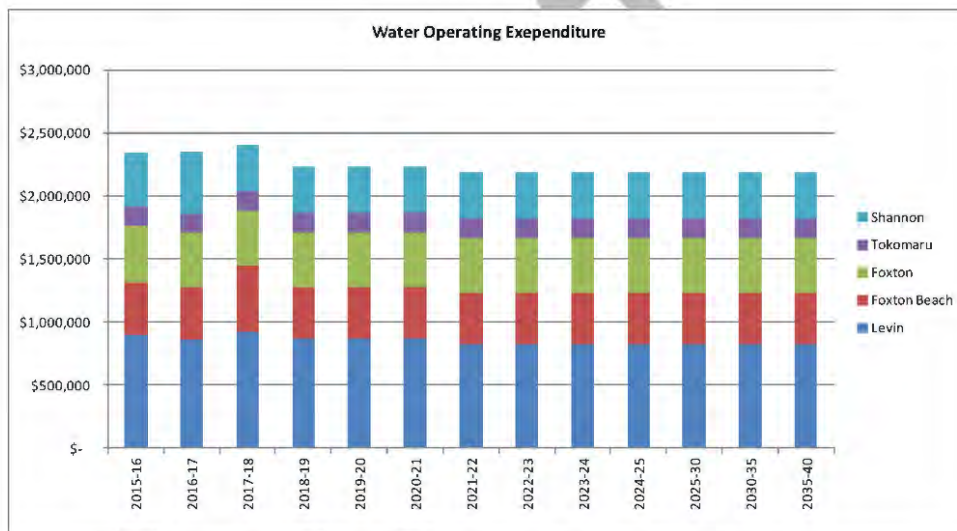


Figure 8 Projected Water Operating Expenditure

The slight increase in operating cost over the first 3 years of the Strategy is due to additional operating costs from new assets including a new reservoir at the Levin Water Treatment Plant and the new Tokomaru Water Treatment Plant.

Following this first 3 years period, from 2017 onwards operating costs are anticipated to decrease below current levels as the impact of the proposed renewal programme begins to take effect. The underlying assumption has been made that the proposed renewal programmes will be undertaken.

11.1.2 Water Capital Expenditure

Planned and reactive renewals are graphed below. These renewals are for both reticulation and source extraction and treatment.

The major expenditure drivers in Years 2015 and 2016 of the Strategy are related to upgrades of the Levin Water Treatment Plant to meet required Levels of Service for the standard of water treatment.

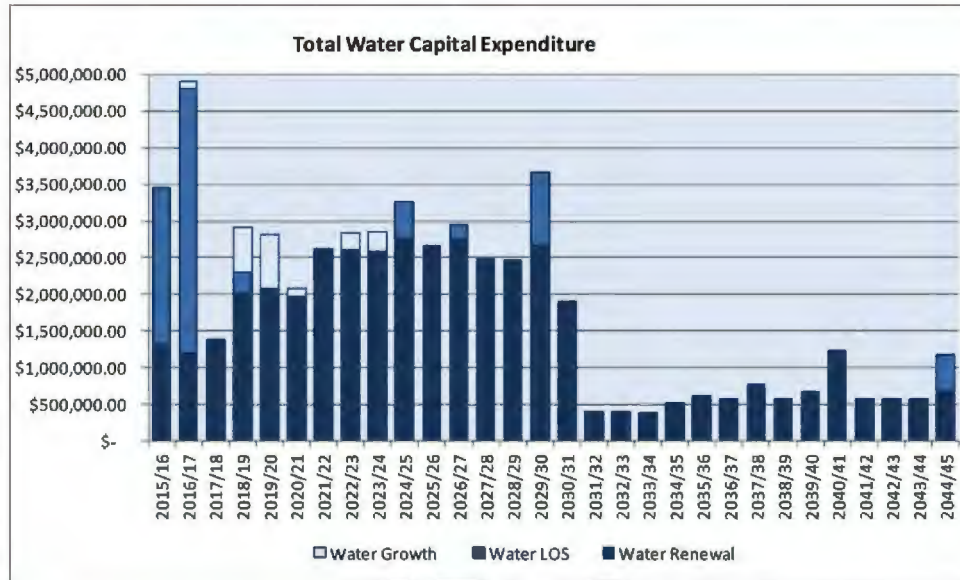


Figure 9 Projected Water Capital Expenditure

11.2 Wastewater

11.2.1 Wastewater Operating Expenditure

The following graph shows the projected operating expenditure for all of the District's wastewater schemes. The increase in the Years 2015 and 2016 operating costs include funded projects of short duration that deal with improvements in asset management. These include studies on treatment plant capacities to ensure the future capacity of the treatment plants can be met and development of computer-based Wastewater network models. The forecast presents the expenditure year by year in the first ten years and then by an average of each successive five year block for years 11 to 30.

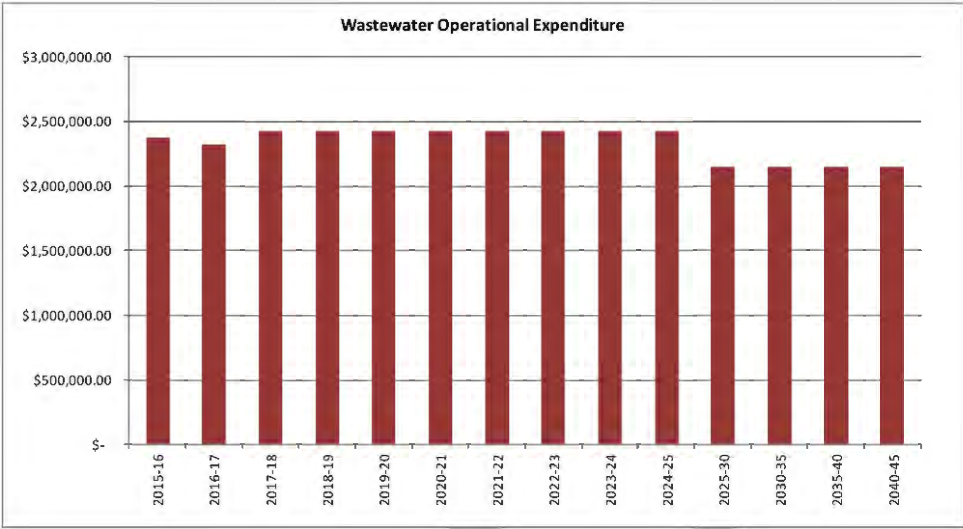


Figure 10 Projected Wastewater Operating Expenditure

11.2.2 Wastewater Capital Expenditure

The following graph shows the projected capital expenditure for all of the District’s wastewater schemes. The large project proposed in Years 2015 and 2016 is the significant development of Foxton’s land discharge works.

Each year also includes programmes of renewals of pipelines and pump stations. Pipeline renewals are firstly based on CCTV inspection and secondly on the expired lives of the pipelines. The majority of the renewal works in the first 10 years are in Levin and Foxton. It is expected that as the renewals progress over this period, the levels of infiltration will progressively reduce and result in lower volumes of peak flow effluent needing treatment.

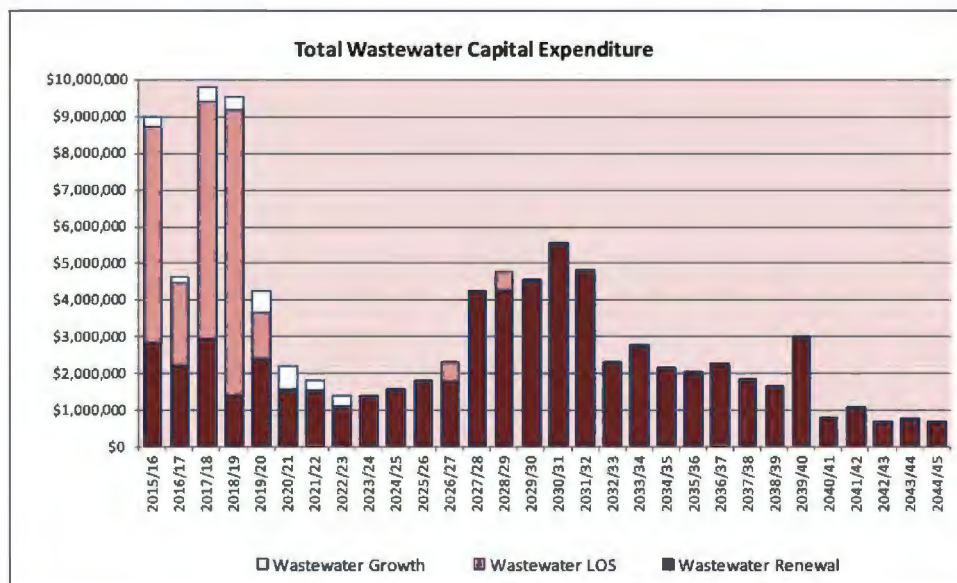


Figure 11 Projected Wastewater Capital Expenditure

11.3 Stormwater

11.3.1 Stormwater Operating Expenditure

The following graph shows the projected operating expenditure for all of the District's Stormwater systems. The higher values in Years 2015 to 2017 relate to programmes for building computer based models of the stormwater systems and include improvements to stormwater data. The forecast presents the expenditure year by year in the first ten years and then by an average of each successive five year block for years 11 to 30.

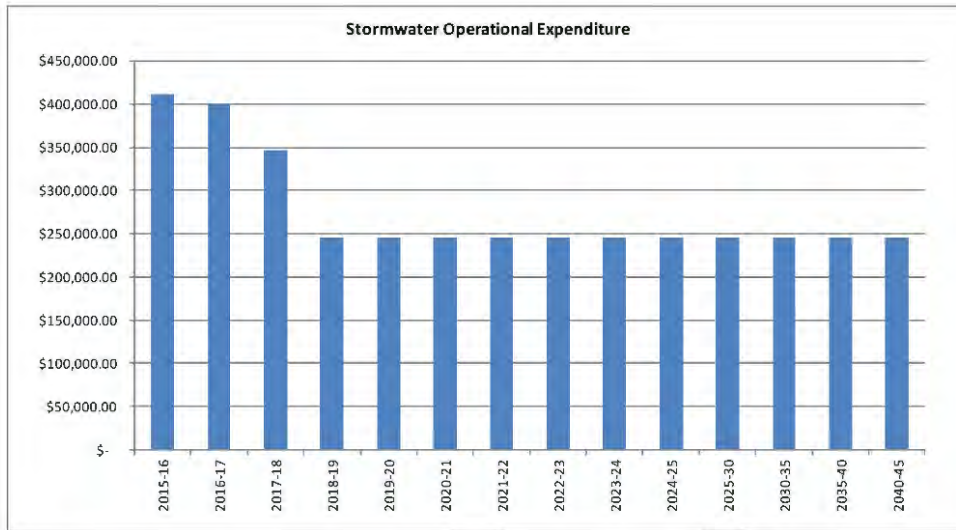


Figure 12 Projected Stormwater Capital Expenditure

11.3.2 Stormwater Capital Expenditure

The following graph shows the projected capital expenditure for all of the District's stormwater systems. The large Capital growth projects in Years 2015 and 2016 relate to the Levels of Service improvements to the Levin Queen Street main pipeline and the growth projects in the Levin North East area.

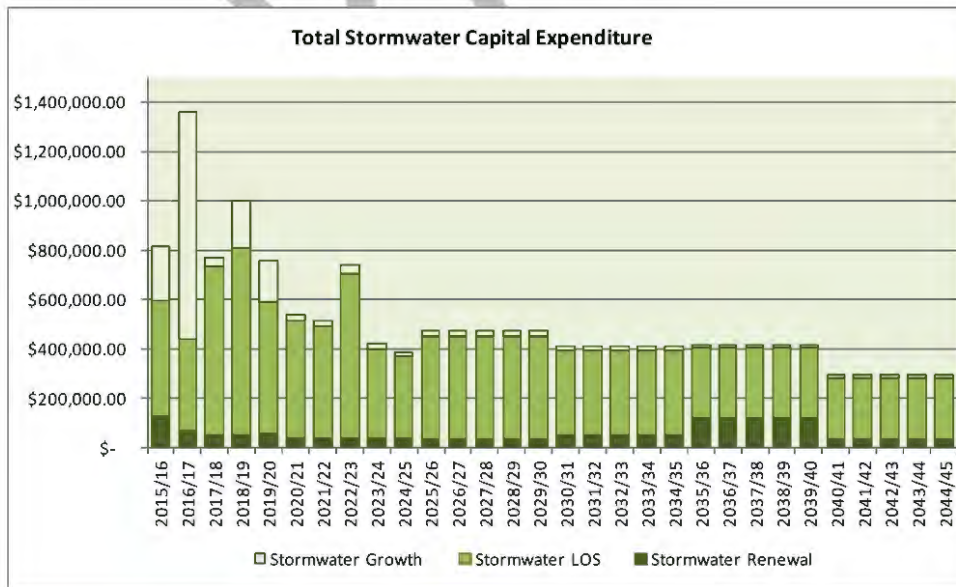


Figure 13 Projected Stormwater Capital Expenditure

11.4 Roothing and Footpaths

11.4.1 Roothing and Footpaths Operating Expenditure

The largest portion of operating costs for roading relate to traffic service such as street light maintenance and electricity, and road corridor maintenance like vegetation control, minor slip repairs and roadside mowing.



There is expected to be a reduction of street electricity costs as installation of LED lights occurs, however the long term cost impact of this has not yet been assessed. The forecast presents the expenditure year by year in the first ten years and then by an average of each successive five year block for years 11 to 30.

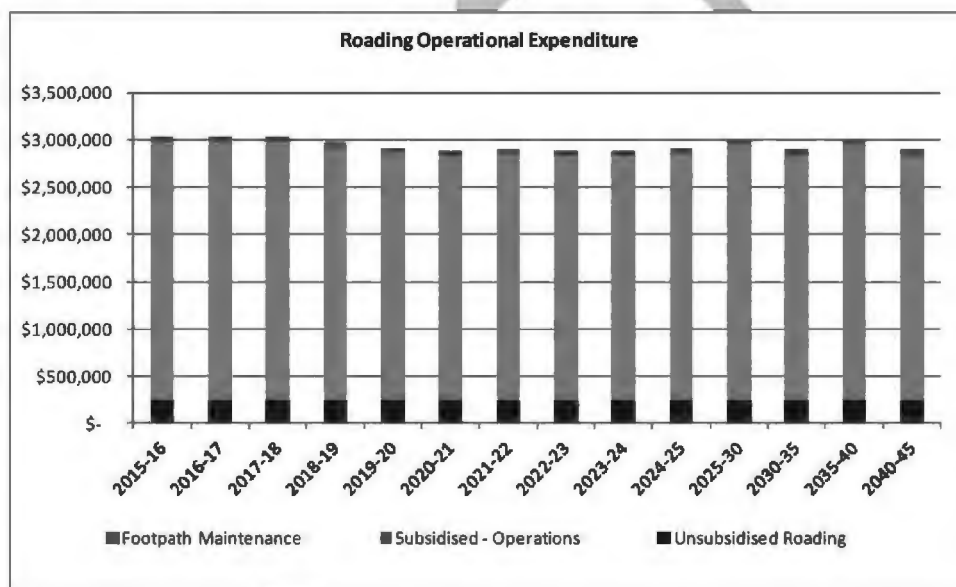


Figure 14 Projected Roothing Operating Expenditure

11.4.2 Roothing and Footpaths Capital Expenditure

The majority of capital expenditure in roading for this District is spent on resealing road surfaces and rehabilitation of existing roads.

The extent of the works required to be done of the network's bridges is not fully understood yet but will be improved with ongoing inspection work. There is an allowance for inspections and repair of bridges in Years 2018, 2021 and 2024.

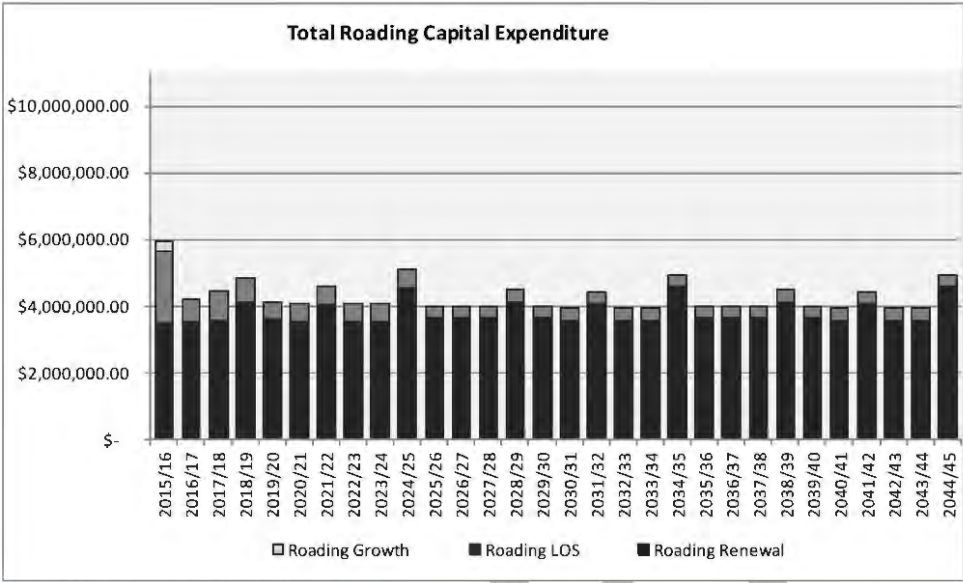


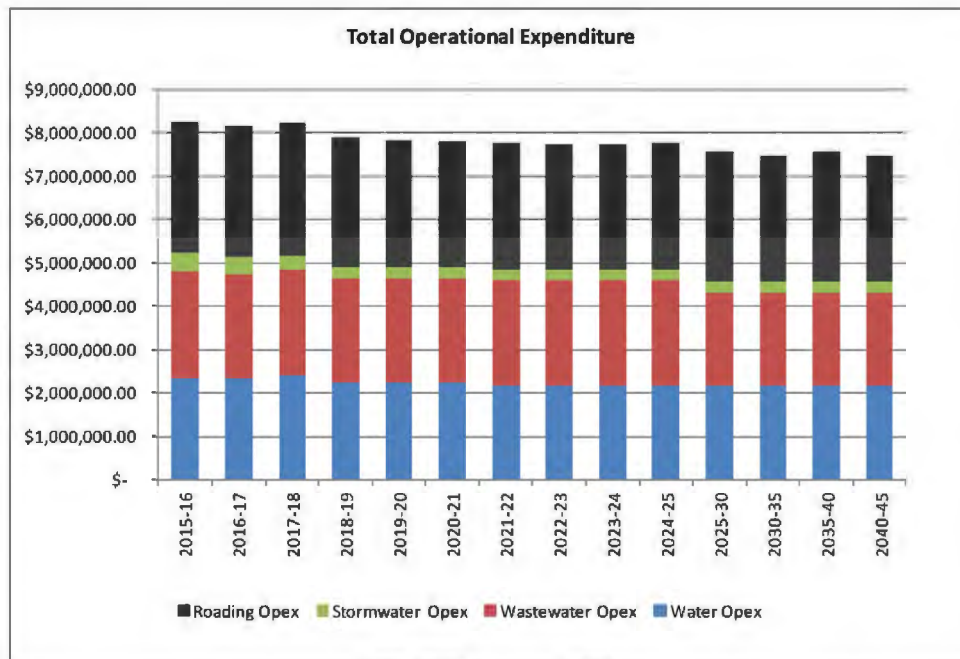
Figure 15 Projected Roding Capital Expenditure

11.5 Total Cost of Most Likely Scenario

The following graphs show the total Operating and Capital expenditure for the combination of the three waters (Water, Wastewater and Stormwater) and Roding.

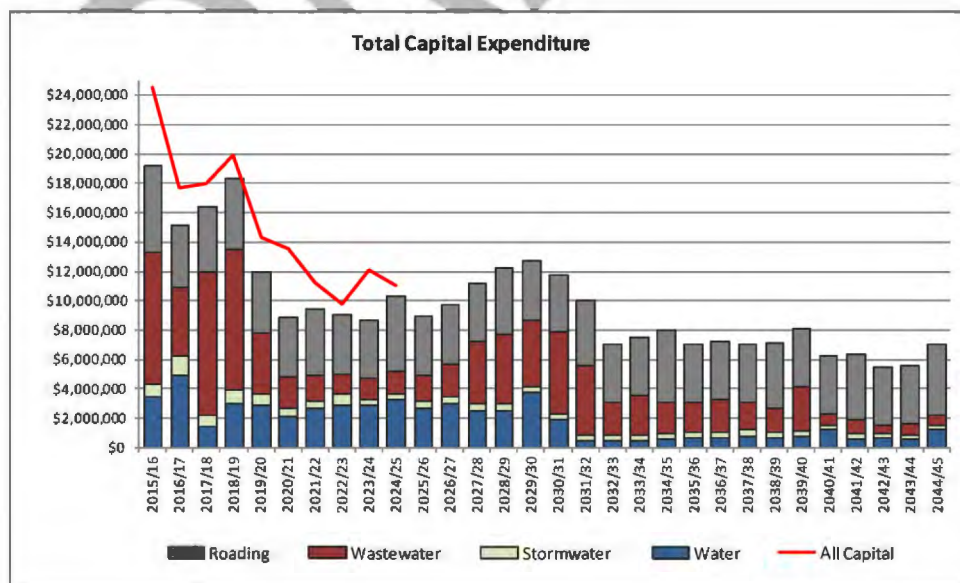
11.5.1 Most Likely Operating Cost Scenario

The following graph shows the most likely operating expenditure for all core infrastructure. Note that from 2025 onwards the average expenditure is represented in 5 year blocks whereas the first 10 years is shown as yearly expenditure.



11.5.2 Most Likely Capital Cost Scenario

The following graph shows the most likely capital expenditure for all core infrastructure. The red line plot is all Capital across the Council for the first 10 years. This includes such activities as Community Support, Solid Waste, Property, Parks, and capital expenditure related to business and corporate requirements.



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APPENDIX 1 LEVELS OF SERVICE

The following tables show the detailed Levels of Service for each Activity.

Water Activity Levels of Service									
Related Council Outcome	Core Values	Customer LoS	Performance Measure	Method of measurement	2013/14	2014/15	2015/16	2016/17	10Yr Target
Health, Economic Environment and Safety	Health and Safety	Water will be safe to drink	The extent to which the local authority's drinking water supply complies with: (a) part 4 of the drinking water standards (bacteria compliance criteria), Levin, Shannon, Foxton, Foxton Beach, Tokomaru	Annual Compliance Report from MoH / % compliance	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100
			The extent to which the local authority's drinking water supply complies with: (b) part 5 of the drinking water standards (protozoa compliance criteria) Levin, Shannon, Foxton, Foxton Beach, Tokomaru	Annual Compliance Report from MoH/% compliance	0, 100, 100, 100, 0	0, 100, 100, 100, 0	100, 100, 100, 100, 100	100, 100, 100, 100, 100	100, 100, 100, 100, 100, 100
	Customer / Quality service	Drinking water is of good quality – the look and taste of the water is satisfactory	The total Number of complaints received by local authority about any of the following : (expressed per 1000 connections to the local authority's networked reticulated system): drinking water clarity, drinking water taste, drinking water pressure or flow, continuity of supply and, the local authority's response to any of these issues	Analysis of CRM Data/ number of complaints /1000 connections	New target which will be measured during the 2014/15 year, and a base-line will be derived from that measurement. This will then be used to set the improving trend.				
Health, Economic Environment and Safety	Reliability / Responsiveness	Response to faults - Complaints will be responded to and resolved in a timely manner.	Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured <ul style="list-style-type: none"> the median time from the time that HDC receives notification to the time that service personnel reach the site for urgent call –outs The median time from the time that HDC receives notification to the time that service personnel confirm resolution of the fault or interruption of urgent call-outs. the median time from the time that HDC receives notification to the time that service personnel reach the site for non-urgent call-outs the median time from the time that HDC receives notification to the time that service personnel confirm resolution of the fault or interruption of no-urgent call-outs 	Analysis of CRM Data /hours	New target which will be measured during the 2014/15 year. A base-line be derived from that measurement. This will then be used to set the improving trend				

Item 9.2

Attachment A

Water Activity Levels of Service									
Related Council Outcome	Core Values	Customer LoS	Performance Measure	Method of measurement	2013/14	2014/15	2015/16	2016/17	10Yr Target
		Continuity of supply	Total number of unplanned water shut downs	Analysis of contractor Data from Water Outlook and contractor report / number	40	40	35	30	25
									20
	Quality	Water supply provides adequate fire fighting capacity	Fire fighting flows in urban residential areas meet the NZ fire service fire fighting water supplies Code of Practice SZ 4509:2008	Contractors Report/% compliance	70%	72	74	76	80
		Water is provided with adequate pressure and flow	Supply pressure at the property boundary is not less than 250kPa for on demand connections and 150kPa for restricted flow connections	Contractors report / % compliance	100%	100	100	100	100
	Sustainability	Resource consent conditions are complied with	Compliance with all water take resource consent	Monitoring reports from regulatory agency/% compliance	100	100	100	100	100
		Adequate water shall be available for current and future generations	Average consumption of drinking water per day per resident within the water supply areas.	Analysis of water Demand	New target which will be measured during the 2014/15 year. A base-line will be derived from that measurement that will be used to set the improving trend				
		Water losses from the network are acceptable.	Percentage of real water loss from local authority's networked reticulation system (including a description of the methodology used to calculate this)	Analysis of flow measurement and Demand Management programmes	New target which will be measured during the 2014/15 year. A base-line will be derived from that measurement that will be used to set the improving trend				

Wastewater Activity Levels of Service										
Related Community Outcome	Core Values	Customer LoS	Performance Measure	Method of measurement/	2013/14	2014/15	2015/16	2016/17	10 yr Target	30 yr Target
Health, Economic, Environment and Safety	Reliability / Responsiveness	The Wastewater system will be reliable	The number of dry weather overflows from the sewerage system expressed per 1000 sewerage connections	CRM database	< 2	< 2	< 2	< 2	< 2	< 2
		Council will respond to faults in a timely manner	The median time (hrs) from the time that HDC receives a notification to the time that services personnel reaches the site in responding to an overflow or sewerage blockage.	CRM database	<1	<1	<1	<1	<1	<1
			The median time (hrs) from the time that HDC receives a notification to the time that service personnel confirm resolution of a blockage or other fault within the sewerage system	CRM database	12	12	12	12	12	12
	Customer Service	complaints will be responded to in a timely manner	The total number of complaints received (expressed per 1000 connections to the sewerage system) regarding <ul style="list-style-type: none"> • Sewage odour • Sewerage systems faults • Sewerage system blockages and • The territorial authority's response to issues with its sewerage system 	CRM Database & Water Outlook	15 10 10 New	15 10 10 10	<10 <8 10 10	<8 <8 <8 8	<5 <8 <8 8	<2 <8 <8 6
		How satisfied are our customer with the service we provide	% of customers satisfied with the wastewater service	Customer Survey	76	78	80	82	84	85
	Health and Safety, Sustainability and Affordability	Treated effluent will be disposed of without causing harm to public health	Compliance with the territorial authority's resource consents for discharge from its sewerage system measured by the number of <ul style="list-style-type: none"> • Abatement notices • Infringement notices • Enforcement orders, and • Convictions • received by the territorial authority in relation to those resource consents 	HRC Compliance report /No.	0	0	0	0	0	0

Item 9.2

Attachment A

Stormwater Activity Levels of Service							
Related Council Outcome	Core Values	Customer LoS	Performance Measure	Method of Measurement	13/14	2014/15 Target	10 yr Target
Environment, Safety and Economic	Reliability / Responsiveness	The stormwater system is adequate	Number of flooding events each that occur in a territorial authority district	Analysis of CRM data/ No.	New	<5	<5
			For each flooding event the number of habitable floors affected. (Expressed per 1000 properties connected to the territorial authority's storm-water system).		New	<2	<2
		Complaints will be responded to and resolved in a timely manner	The median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	Analysis of CRM Data and contractors report/hrs	New	1	1
	Customer service	Customers are satisfied with the stormwater system	The Number of complaints received by a territorial authority about the performance of its storm-water system expressed per 1000 properties connected to the territorial authority's storm-water system.	Analysis of CRM Data /No	New	<10	<10
			% of customers satisfied with the storm-water service	Analysis of CRM Data /No			80%
	Sustainability	Stormwater will be disposed of with minimal impact to the environment	Compliance with the territorial authority's resource consents for discharge from its stormwater system, measured by the number of: <ul style="list-style-type: none"> • abatement notices; • infringement notices ; • enforcement orders and • convictions • received by the territorial authority in relation to those consents 	Compliance report from Horizon Regional Council/%		100	100
		Adequate Planning is in place to manage the stormwater system	Stormwater AMP reviewed every 3years	Audit NZ/Narrative	New		

Roading and Footpaths Levels of Service					
Related Community Outcomes	Core Values	Customer Level of Service	Technical Performance Measure	Method of Measurement	Target 2015/45
Economic Environment Safety	Health and Safety	Local Road Safety	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network	The number of fatalities and serious injury crashes.	Difference 0 or below over a 5 year average
	Quality	Overall Condition of Local Roads	The average quality of ride on a sealed local road network	Smooth travel exposure	Minimum 85%
		Maintenance of Local Roads	The percentage of the sealed local road network that is resurfaced.	Percentage of Roads resealed annually	Minimum of 5% of total sealed network area
	Health and Safety / Quality	Footpaths are maintained in an acceptable condition	Target footpath condition rating (% compliant with Councils standards)	Annual footpath condition assessment rating.	30% min km in excellent condition. 10% max in poor condition requiring renewal
	Reliability / Responsiveness	Response to service requests is timely	The percentage of customer service requests relating to roads and footpaths to which council responds within 15 working days	% customer requests responded to within 15 working days. Responded being the customer informed of an outcome of their request, which might or might not involve undertaking work on the road network	Target percentage of requests responded within 15 working days ≥ 95%

APPENDIX 2 CAPITAL PROJECTS LIST

The following table lists the major capital projects proposed for the 30 year period for each asset group. These are only those projects greater than \$0.5 million.

First Decade

Ref	Description	Primary Type	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
WS 11	Levin Reticulation- RENEWAL	Renewal	\$800,000	\$800,000	\$800,000	\$1,200,000	\$1,200,000	\$1,200,000	\$585,722	\$575,722	\$575,722	\$1,054,233
WS 13	Foxton Beach Reticulation- RENEWAL	Renewal							\$1,562,069	\$1,562,069	\$1,562,069	
WS 15	Shannon - Mangaore Reticulation- RENEWAL	Renewal										\$850,235
WS 32	Levin Clarifier Installation	LOS	\$2,000,000									
WS 33	Levin treatment plant upgrade	LOS		\$3,600,000								
WS 36	Foxton Beach Development plan	Growth					\$516,000					
WS 43	Foxton concrete reservoir and raw water tanks	LOS										\$500,000
STW 25	District Wide Improvement Works	LOS				\$760,000	\$522,500			\$665,000		
STW 28	Improvements NE Levin	Growth		\$760,000								
WW 11	Foxton Wastewater Treatment Plant - Strategic Upgrade	LOS	\$1,750,000	\$1,750,000	\$5,300,000	\$6,380,000						
WW 12	Foxton Wastewater Treatment Plant - Pond Desludge	Renewal			\$720,000							
WW 30	Levin Reticulation - Renewals	Renewal	\$758,994	\$516,716			\$808,003	\$975,336	\$557,551		\$842,677	\$920,102
WW 36	Levin Treatment Plant - Planned Renewals	Renewal	\$1,044,242	\$1,044,242	\$1,100,620		\$581,081					
WW 37	Levin Wastewater Treatment Plant - Strategic Upgrade	LOS	\$610,000		\$510,000	\$660,000	\$660,000					
WW 40	Development Work - Foxton Beach	Growth						\$600,000				
WW 45	Shannon Disposal System	LOS	\$3,430,000									
WW 49	Tokomaru Wastewater Treatment Plant Upgrade	LOS				\$500,000	\$500,000					
RD 11	Subsidised - Road Improvements	LOS	\$652,355	\$621,067	\$572,600	\$572,600						
RD 12	Subsidised - Renewals	Renewal	\$3,043,983	\$3,118,625	\$3,142,143	\$3,696,338	\$3,185,088	\$3,113,513	\$3,624,763	\$3,113,513	\$3,113,513	\$4,136,013
RD 16	Foxton Townscape Main Street Upgrade	LOS	\$ 1,500,000									

Second Decade

Ref	Description	Primary Type	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35
WS 11	Levin Reticulation- RENEWAL	Renewal	\$1,054,233	\$1,054,233	\$996,421	\$996,421	\$996,421	\$1,063,029				
WS 12	Foxton Reticulation- RENEWAL	Renewal			\$1,033,574	\$1,033,574	\$1,033,574					
WS 15	Shannon - Mangaore Reticulation- RENEWAL	Renewal	\$850,235	\$850,235				\$602,186				
WS 42	Tokomaru new reservoir	LOS					\$1,000,000					
WW 19	Shannon Wastewater Treatment Plant - Planned Renewals	Renewal						\$665,639				
WW 30	Levin Reticulation - Renewals	Renewal	\$860,811	\$860,811	\$860,811	\$860,811	\$860,811	\$972,900	\$972,900	\$972,900	\$972,900	\$972,900
WW 33	Foxton Beach - Reticulation - Renewals	Renewal			\$2,213,746	\$2,213,746	\$2,213,746	\$2,213,746	\$2,213,746			
WW 36	Levin Treatment Plant - Planned Renewals	Renewal									\$870,740	
WW 48	Foxton Beach relocate ponds	LOS		\$500,000		\$500,000						
RD 12	Subsidised - Renewals	Renewal	\$3,215,000	\$3,215,000	\$3,215,000	\$3,715,000	\$3,215,000	\$3,145,000	\$3,645,000	\$3,145,000	\$3,145,000	\$4,145,000

Third decade

Ref	Description	Primary Type	2035/36	2036/37	2037/38	2038/39	2039/40	2040/41	2041/42	2042/43	2043/44	2044/45
WS 11	Levin Reticulation- RENEWAL	Renewal						\$853,628				
WS 35	Foxton New Bore Development - Resilience	LOS										\$500,000
WW 16	Foxton Beach Wastewater Treatment Plant - Planned Renewals	Renewal					\$1,459,405					
WW 30	Levin Reticulation - Renewals	Renewal	\$748,757	\$748,757	\$748,757	\$748,757	\$748,757					
WW 36	Levin Treatment Plant - Planned Renewals	Renewal	\$511,257									
RD 12	Subsidised - Renewals	Renewal	\$3,215,000	\$3,215,000	\$3,215,000	\$3,715,000	\$3,215,000	\$3,145,000	\$3,645,000	\$3,145,000	\$3,145,000	\$4,145,000

APPENDIX 3 PROJECT DEFERRAL AND EXCLUSION RISK

The projects proposed in this Strategy are to meet the future challenges and issues discussed. Funding or timing constraints may make it necessary to decrease the scope, defer or even remove the project. To aid future decision making should it become necessary to do so, the following table shows the major projects with the risks of reduction in size, deferral or exclusion.

Ref	Description	Primary Type	Risk of deferral or exclusion
WS 11	Levin Reticulation- RENEWAL	Renewal	Failure to maintain LoS, prolonged loss of water, prolonged high reactive maintenance
WS 12	Foxton Reticulation- RENEWAL	Renewal	Failure to maintain LoS, prolonged loss of water, prolonged high reactive maintenance
WS 13	Foxton Beach Reticulation- RENEWAL	Renewal	Failure to maintain LoS, prolonged loss of water, prolonged high reactive maintenance
WS 15	Shannon - Mangaore Reticulation- RENEWAL	Renewal	Failure to maintain LoS, prolonged loss of water, prolonged high reactive maintenance
WS 32	Levin Clarifier Installation	LOS	Prolonged non-compliance with Drinking Water Standards
WS 33	Levin treatment plant upgrade	LOS	Prolonged non-compliance with Drinking Water Standards
WS 35	Foxton New Bore Development - Resilience	LOS	Bores are expected to be unable to meet demand in the 30 year horizon
WS 36	Foxton Beach Development plan	Growth	Failure to maintain LoS where growth occurs
WS 42	Tokomaru new reservoir	LOS	This should be Renewal. If not done would reduce LOS
WS 43	Foxton concrete reservoir and raw water tanks	LOS	Resilience to seismic failure
STW 25	District Wide Improvement Works	LOS	Failure to maintain LoS, prolonged loss of flooding, prolonged high reactive maintenance
STW 28	Improvements NE Levin	Growth	Failure to maintain LoS, prolonged loss of flooding, prolonged high reactive maintenance
WW 11	Foxton Wastewater Treatment Plant - Strategic Upgrade	LOS	no resource consent achieved
WW 12	Foxton Wastewater Treatment Plant - Pond Desludge	Renewal	Operational capacity compromised, poor treatment, and therefore breaches of consent conditions
WW 16	Foxton Beach Wastewater Treatment Plant - Planned Renewals	Renewal	Failure to maintain LoS, prolonged high reactive maintenance, failure to comply with resource consent requirements
WW 19	Shannon Wastewater Treatment Plant - Planned Renewals	Renewal	Failure to maintain LoS, prolonged high reactive maintenance, failure to comply with resource consent requirements
WW 30	Levin Reticulation - Renewals	Renewal	Failure to maintain LoS, prolonged excessive infiltration, prolonged high reactive maintenance
WW 33	Foxton Beach - Reticulation - Renewals	Renewal	Failure to maintain LoS, prolonged excessive infiltration, prolonged high reactive maintenance
WW 36	Levin Treatment Plant - Planned Renewals	Renewal	Failure to maintain LoS, prolonged excessive infiltration, prolonged high reactive maintenance
WW 37	Levin Wastewater Treatment Plant - Strategic Upgrade	LOS	Failure to maintain LoS, prolonged excessive infiltration, prolonged high reactive maintenance
WW 40	Development Work - Foxton Beach	Growth	Failure to maintain LoS where growth occurs
WW 45	Shannon Disposal System	LOS	no resource consent achieved
WW 48	Foxton Beach relocate ponds	LOS	Failure to maintain LoS where growth occurs
WW 49	Tokomaru Wastewater Treatment Plant Upgrade	LOS	no resource consent achieved
RD 11	Subsidised - Road Improvements	LOS	Failure to maintain LoS, prolonged high reactive maintenance
RD 12	Subsidised - Renewals	Renewal	Failure to maintain LoS, prolonged high reactive maintenance
RD 16	Foxton Townscape Main Street Upgrade	LOS	Failure to maintain LoS, prolonged high reactive maintenance

APPENDIX 4 ASSET LIVES

The following tables sets out the asset lives in years used for each asset type. These asset lives are used to set the depreciation rates for each asset and calculate the Depreciated Replacement Cost (book value) of each asset portfolio. They are also used to set the default renewal intervals for each asset where condition and performance levels are not known.

Water	
Asset Type	Life
Treatment	1-100
Air-valve	25
Borehole	40
Hydrant	60
Intake	60
Junction	60
Lateral	30-100
Meter	20
Pipe	30-100
Pump Station	100
Pump Station Mechanicals	15
Backflow Preventer	20
Service Meter	20
Sprinkler	10
Storage	50
Valve	60

Wastewater	
Asset Type	Life
Treatment	1-100
Air-valve	25
Cleaning Eye	80
Junction	80
Lac	80
Lateral	60-100
Lateral Cleaning Eye	80
Manhole	80
Meter	20
Pipe	40-100
Pump Station	60
Pump Station Mechanicals	15
Storage	50
Valve	60

Stormwater	
Asset Type	Life
Air-valve	25
Catch pit (sump)	80
Channel	60-100
Culvert	50-100
Detention Area	80
Inlet/Outlet	80
Junction	60
Lateral	80
Manhole	80
Pipe	40-100
Pump Station	100
Pump Station Mechanicals	15
Soak Pit	60
Soak Trench	60
Valve	60

Roading	
Asset Type	Life
Crossing	100
Bridge	40-100
Crossing	50
Drainage	50-100
Footpath	20-100
Marking	1
Minor Structure	60
Railing	15-50
Shoulder	40
Sign	12
Street Light Lamp	10-25
Street Light Pole	25-50
Storm Channel	10-100
Traffic Facility	8
Road Surface	3-25
Basecourse	60

APPENDIX 5 COMPLIANCE CHECK SHEET

The following table is a checklist of the specific requirements of Section 101B of the Local Government Act (LGA) 2002 Amendment Act 2014. It is presented in this Infrastructure Strategy to provide an assurance method that the key parts of the LGA in respect of the Infrastructure Strategy have been met.

101B Infrastructure Strategy: *(1) A local authority must, as part of its long-term plan, prepare and adopt an infrastructure strategy for a period of at least 30 consecutive financial years.*

Statement or provision required	Has this been met?
<i>(2) The purpose of the infrastructure strategy is to—</i>	
(a) Identify significant infrastructure issues for the local authority over the period covered by the strategy.	Yes
(b) Identify the principal options for managing those issues and the implications of those options.	Yes
<i>(3) The infrastructure strategy must outline how the local authority intends to manage its infrastructure assets, taking into account the need to—</i>	
(a) Renew or replace existing assets.	Yes
(b) Respond to growth or decline in the demand for services reliant on those assets.	Yes
(c) Allow for planned increases or decreases in levels of service provided through those assets.	Yes
(d) Maintain or improve public health and environmental outcomes or mitigate adverse effects on them.	Yes
(e) Provide for the resilience of infrastructure assets by identifying and managing risks relating to natural hazards and by making appropriate financial provision for those risks.	Yes
<i>(4) The infrastructure strategy must outline the most likely scenario for the management of the local authority's infrastructure assets over the period of the strategy and, in that context, must -</i>	
(a) Show indicative estimates of the projected capital and operating expenditure associated with the management of those assets -	
(i) In each of the first 10 years covered by the strategy.	Yes
(ii) In each subsequent period of 5 years covered by the strategy.	Yes
(b) Identify—	

Statement or provision required	Has this been met?
(i) The significant decisions about capital expenditure the local authority expects it will be required to make.	Yes
(ii) When the local authority expects those decisions will be required.	Yes
(iii) For each decision, the principal options the local authority expects to have to consider.	Yes
(iv) The approximate scale or extent of the costs associated with each decision.	Yes
(c) Include the following assumptions on which the scenario is based:	
(i) The assumptions of the local authority about the life cycle of significant infrastructure assets.	Yes
(ii) The assumptions of the local authority about growth or decline in the demand for relevant services.	Yes
(iii) The assumptions of the local authority about increases or decreases in relevant levels of service.	Yes
(d) If assumptions referred to in paragraph (c) involve a high level of uncertainty —	
(i) Identify the nature of that uncertainty.	Yes
(ii) Include an outline of the potential effects of that uncertainty.	Yes
(5) A local authority may meet the requirements of section 101A and this section by adopting a <u>single</u> (?) financial and infrastructure strategy document as part of its long-term plan	
(6) In this section, infrastructure assets includes —	
(a) Existing or proposed assets to be used to provide services by or on behalf of the local authority in relation to the following groups of activities:	
(i) Water supply.	Yes
(ii) Sewerage and the treatment and disposal of sewage.	Yes
(iii) Stormwater drainage.	Yes
(iv) Flood protection and control works.	N/A
(v) The provision of roads and footpaths.	Yes
(b) Any other assets that the local authority, in its discretion, wishes to include in the strategy.	Yes, see note in Section 7.1

Exclusion of the Public : Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Development Contributions Policy and Financial Contributions Policy

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

Notice is hereby given that an ordinary meeting of the Horowhenua District Council will be held on:

Date: Wednesday 3 December 2014
Time: 4.15 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council OPEN AGENDA

MEMBERSHIP

Mayor	Mr B J Duffy	
Deputy Mayor	Mr G G Good	
Councillors	Mr W E R Bishop	
	Mr R J Brannigan	
	Mr R H Campbell	
	Mr M Feyen	
	Mrs V M Kaye-Simmons	
	Mrs J Mason	
	Mrs C B Mitchell	
	Mr A D Rush	
	Ms P Tukapua	
Reporting Officer	Mr D M Clapperton	(Chief Executive)
Meeting Secretary	Mrs K J Corkill	

Contact Telephone: 06 366 0999
Postal Address: Private Bag 4002, Levin 5540
Email: enquiries@horowhenua.govt.nz
Website: www.horowhenua.govt.nz

Full Agendas are available on Council's Website
www.horowhenua.govt.nz

Full agendas are also available to be collected from:
Horowhenua District Council Service Centre, 126 Oxford Street, Levin,
Foxton Service Centre/Library, Clyde Street, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takere/Library, Bath Street, Levin

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the Chief Executive Officer or the Chairperson.

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1 Apologies

An apology has been recorded for Cr Mitchell.

2 Public Speaking Rights

Notification to speak is required by 12 noon on the day of the meeting. Further information is available on www.horowhenua.govt.nz or by phoning 06 366 0999.

3 Late Items

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

4 Declaration of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

5 Confirmation of Minutes

5.1 Meeting minutes Council - 5 November 2014

6 Matters Arising

7 Leave of absence

At the close of the agenda no requests for leave of absence had been received.

8 Announcements

New Staff Introductions

New Council staff members will introduce themselves.

MW LASS Presentation

Michael McCartney and Craig Grant will present on the MW LASS vision, purpose and current projects.

Foxton Community Board

There will be an update from Board Chair, Janine Smart.

Proceedings of the Foxton Community Board 17 November 2014

File No.: 14/885

Item 9.1

1. Purpose

To present to the Council the minutes of the Foxton Community Board meeting held on 17 November 2014.

2. Recommendation

- 2.1 That Report 14/885 Proceedings of the Foxton Community Board 17 November 2014 be received.
- 2.2 That the Council **receive** the minutes of the Foxton Community Board meeting held on 17 November 2014.

The following item considered by the Foxton Community Board meeting held on the 17 Nov 2014 requires further consideration by the Horowhenua District Council.

NZ Landcare Trust – Request for Funding from the Foxton Beach Freeholding Account

“THAT the Foxton Community Board recommends, in response to the request from NZ Landcare Trust for funds from the Foxton Beach Freeholding Account for a project to replace the Whitebait Creek culvert and associated catchment works, that an amount of \$83,000.00 be included in Council’s 2015/2025 Long Term Plan for public consultation.”

Attachments



There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
Approved by	David Clapperton Chief Executive	

Foxton Community Board

OPEN MINUTES

Minutes of a meeting of the Foxton Community Board held in the Lions Club Hall, 8 Park Street, Foxton on Monday 17 November 2014 at 6.30 pm.

PRESENT

Chairperson	Ms J Smart
Deputy Chairperson	Mr D J Roache
Members	Cr R J Brannigan
	Ms P R Metcalf
	Mrs A Street
	Mr B P Vertongen

IN ATTENDANCE

Mr D M Clapperton	(Chief Executive)
Mrs K J Corkill	(Meeting Secretary)

ALSO IN ATTENDANCE

Cr M Feyen

MEDIA IN ATTENDANCE

Mr M Grocott	("Manawatu Standard")
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PUBLIC IN ATTENDANCE

There were nine members of the public in attendance at the commencement of the meeting.

1 Apologies

MOVED by Mr Roache, seconded Mrs Street:

THAT the apology from Mayor Duffy be accepted.

CARRIED

2 Public Speaking Rights

9.3 Chief Executive's Report to 17 November 2014

~~3.3 NZ Landcare Trust – Request for Funding from the Foxton Beach Freeholding Account~~

3 Late Items

There were no later items.

4 Declaration of interest

Mr Roache declared an interest in 3.3 of the Chief Executive's Report – NZ Landcare Trust – Request for Funding from the Foxton Beach Freeholding Account.

5 Confirmation of Minutes – 20 October 2014

MOVED by Ms Metcalf, seconded Cr Brannigan:

THAT the minutes of the meeting of the Foxton Community Board held on Monday, 20 October 2014, be confirmed as a true and correct record.

CARRIED

6 Matters Arising

There were no matters arising.

7 Leave of Absence

None requested.

8 Announcements

Mr Clapperton advised that Horizons Regional Council, in response to the request for an extension of time for the Foxton Waste Water consent process, had allowed Council 12 months from 1 September 2014 (unfortunately not the 16 months requested) to complete the process. Council had been asked to provide a time line, which needed to be submitted by 1 December 2014. Three monthly progress reports on the process would also be required.

Mr Clapperton spoke briefly about the Rating Review that Council was currently undertaking which had given rise to a lot discussion and sometimes misconceptions within the community. Council had undertaken in 2012 to look at the methodology it used for calculating rates and was undertaking pre-consultation now prior to going out to the community during the Long Term Plan process on whether to continue with land value rating or change to capital value rating. If Board Members were contacted by interested/concerned members of the public, they could reassure people that no decision had yet been made. Any decision would follow consultation on the LTP. There would be more information on the Rating Review going out today in the "Community Connection".

9 Reports

9.1 Monitoring Report to 17 November 2014

Purpose

To present to Foxton Community Board the updated monitoring report covering requested actions from previous meetings of Council.

MOVED by Mr Roache, seconded Cr Brannigan:

THAT Report 14/677 Monitoring Report to 17 November 2014 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

Page 8 Sand Dune Management – Surf Club Car Park

Mr Clapperton advised he had written to Horizons and was awaiting a response.

Page 9 Report 14/335 – Proposed Foxton Beach Walkway Network

The production of the brochure was in hand.

Community Sustainability Hub

Cr Brannigan said he had spoken with Mr Jaycock who had advised that the property was still on the market and he was pursuing other endeavours in terms of sourcing funding.

9.2 Chief Executive's Report to 17 November 2014

Purpose

To present to the Foxton Community Board, for information, issues relating to the Foxton Community Board area.

MOVED by Cr Brannigan, seconded Mrs Street:

THAT Report 14/862 Chief Executive's Report to 17 November 2014 be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

3.1 Manawatu Estuary Trust

Cr Brannigan advised he had provided information to Mrs Leckie on the Foxton Beach Wardens vehicle project to enable the Trust to complete a funding application. Two beach wardens were also going to speak at the Trust's AGM.

Ms Metcalf agreed that the relationship with the Trust was going very well.

3.2 2015 Council Meeting Schedule

As requested, Mr Roache raised the proposed change in the Board's meeting time from 6.30 pm to 4.30 pm for 2015. He said he did not feel this matter being canvassed by email was the appropriate way for a decision to be reached. He wanted to hear from other Board Members with regard to their views on the change.

Ms Smart said part of the reason for the proposed change was to facilitate the attendance of Council officers. It was also prior to dinner time and would be easier for attendees during the winter months.

Mr Vertongen commented that as a business owner 4.30 pm would be difficult for him as he would need to go home, shower and change before coming to a meeting. Should the time be changed, he would need to tender an apology for lateness for each meeting because of the impact it would have on his business.

In commenting on some of the history behind the Board's current meeting time, Mr Roache, as another business owner, reiterated Mr Vertongen's comments.

Cr Brannigan, Ms Metcalf and Mrs Street said they were relaxed about the timing.

In relation to Officer attendance to comment on reports, Mr Vertongen noted that any queries a Board Member may have could be directed to the Officer prior to the meeting and a response would be forthcoming.

MOVED by Mr Roache, seconded Mr Vertongen:

THAT the Foxton Community Board's meeting time remain at 6.30 pm for 2015.

CARRIED

Having declared a conflict of interest, Mr Roache withdrew from discussion on the following item.

3.3 NZ Landcare Trust – Request for Funding from the Foxton Beach Freeholding Account

Alastair Cole from NZ Landcare Trust and Allanah Irvine, Partnership Ranger from the Department of Conservation were welcomed to the table.

To further support his funding request, Mr Cole tabled information prepared by NIWA and Horizons Regional Culvert on the Whitebait Creek Culvert. A copy of the quote received from Roaches Concrete Products was also tabled, with Mr Cole noting that replacement of the kerb, channel and footpath and also reinstatement of the road was provided for in the quote which would reduce the possible contribution by Council to \$10,000.

While she was not technically an expert in this area, Ms Irvine also spoke in support of the project. Although DOC did not have a lot of funding available, she would be going back to her manager to see if they could contribute something towards rocks and planting.

Mr Clapperton, in speaking to this item, directed Board Members' attention to the criteria set for the use of Freeholding Account money (Agenda page 12). The Board needed to decide whether this project came under the definition of public works and whether it met the sustainability criteria. While he was not prepared to give specific advice and without a getting legal opinion, Mr Clapperton said he thought the project did meet most of the criteria set out except perhaps for sustainability. If the Board Members did recommend this be progressed, it would go into Council's LTP for next year which would allow for full consultation. This was a unique project, and it was unlikely something like this would arise again.

In response to a query, Mr Clapperton said he thought that expenditure would need to meet all of the guidelines: sustainability, beneficial, complementary and responsiveness.

Board Members discussed whether, in their view, this project met the criteria for spending from the Freeholding Fund, receiving clarification from Mr Cole and Ms Irvine on some specific points around the future environmental and economic benefits that could accrue from the project.

Whilst this whitebaiting season so far both locally and in other areas had been good, Mr Cole said without having long-term data and trends, any future conclusions would be speculative; however he did know from scientists that the outlook for whitebait was not great.

Cr Brannigan spoke in support of the project which he said was part of local values. However, he was not convinced that the total cost should come from the Freeholding Account and said he would support half the value of the project. He would also support assisting with exploring other funding options. He congratulated Mr Cole on the work he had done so far.

Mr Vertongen said he supported Cr Brannigan's comments, but would suggest a higher figure, perhaps two thirds of the funding.

Ms Metcalf's view was that it met the criteria and she would be happy to

support 75% of the funding. She queried if the project went ahead, who would maintain it?

Mr Cole said it would become a Council asset as it was underneath a Council road, but environmental people would have a vested interest in ensuring its on-going operation.

Cr Feyen said, if he could, he would vote for the full amount requested from the Freeholding Account. He supported what Mr Cole was doing and it was a huge attraction for Foxton Beach.

Mrs Street said she felt the project met the Freeholding Fund criteria and she supported Mr Vertongen's suggestion of 75%.

The Board Chair, Ms Smart, also expressed her support.

MOVED by Mr Vertongen, seconded Ms Metcalf:

THAT the Foxton Community Board recommends, in response to the request from NZ Landcare Trust for funds from the Foxton Beach Freeholding Account for a project to replace the Whitebait Creek culvert and associated catchment works, that an amount of \$83,000.00 be included in Council's 2015/2025 Long Term Plan for public consultation.

CARRIED

Mr Clapperton advised that a further resolution was not required in terms of Council assisting the project with the sourcing of other funding. Council had recently employed a Funding Manager and he was more than willing for that person to assist with those projects that Council was indirectly involved with.

Mr Roache rejoined the discussion.

3.4 Foxton Beach Freeholding Account

Mr Clapperton noted that the sale of Pinewood Motor Camp assets was imminent.

3.5 2014/2015 Annual Plan Monitoring Report

This was the second quarterly update of Annual Plan items. This was not broken down to just Community Board items, but included all the Annual Plan resolutions. Items were largely on track, with no 'red flags' at present.

9.3 Resource Consents Considered Under Delegated Authority

Purpose

To receive the Land Use and Subdivision Resource Consent applications approved under delegated authority by the Environmental Services Department.

MOVED by Mr Roache, seconded Mrs Street:

THAT Report 14/861 Resource Consents Considered Under Delegated Authority be received.

THAT this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

THAT the Land Use and Subdivision Resource Consents, as listed, be received:

***Foxton Land Use Resource Consents Granted Under Delegated Authority
07/10/14 to 03/11/14***

<i>Date</i>	<i>File Ref</i>	<i>Applicant</i>	<i>Address</i>
17 Oct 2014	501/2014/3534	Rodney John Caldow	765 Wylie Road, Foxton/Himatangi

Foxton Subdivision Resource Consents Granted Under Delegated Authority

There were no Subdivision Resource Consents Granted for the period 07/10/14 to 03/11/14.

We have not received any notice of publicly notified resource consents from Horizons Regional Council.

New Road Names Approved Under Delegation

There were no new road names approved under delegation during the reporting period.

CARRIED

7.32 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE FOXTON COMMUNITY
BOARD HELD ON

DATE:

CHAIRPERSON:

Proceedings of the Finance Subcommittee 26 November 2014

File No.: 14/887

Item 9.2

1. Purpose

To present to the Council the minutes of the Finance Subcommittee meeting held on 26 November 2014 .

2. Recommendation

- 2.1 That Report 14/887 Proceedings of the Finance Subcommittee 26 November 2014 be received.
- 2.2 That the Council **receive** the Open and In Committee Minutes of the Finance Subcommittee meeting held on 26 November 2014 and the Financial Report to 31 October 2014 .

There are no items considered by the Finance Subcommittee that require further consideration by Council.

Attachments



No.	Title	Page
A	Finance Subcommittee Minutes 26 November 2014	16
B	Financial Report for the four months to 31 October 2014	20

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Doug Law Group Manager - Finance	
Approved by	David Clapperton Chief Executive	

Finance Subcommittee

OPEN MINUTES

Minutes of a meeting of the Finance Subcommittee held in the Council Chambers, Horowhenua District Council, 126 Oxford Street, Levin on Wednesday 26 November 2014 at 4.15 pm.

PRESENT

Chairperson Cr W E R Bishop
Members B J Duffy
Mr B J Jackson
Cr C B Mitchell
Cr A D Rush
Cr P Tukapua

IN ATTENDANCE

Mr D Law	(Group Manager – Finance)
Mr J Paulin	(Finance Manager)
Mrs T Whitehouse	(Management Accountant)
Mr D M Clapperton	(Chief Executive)
Mr G Saidy	(Group Manager – Infrastructure Services)
Mr T Natsa	(Wastewater & Stormwater Manager)
Mrs K J Corkill	(Meeting Secretary)

ALSO IN ATTENDANCE

Mr J Ewert	(Mott MacDonald)
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1 Apologies

There were no apologies.

2 Public Speaking Rights

None requested.

3 Declarations of Interest

There were no declarations of interest.

4 Confirmation of Minutes – 29 October 2014

MOVED by Cr Tukapua, seconded Cr Rush:

THAT the minutes of the meeting of the Finance Subcommittee held on Wednesday, 29 October 2014, be confirmed as a true and correct record.

CARRIED

5 Matters Arising

There were no matters arising.

6 Announcements

There were no announcements.

To accommodate the presentation from a representative from Mott MacDonald, In Committee Item C1 was the next item addressed.

8 Procedural motion to exclude the public

MOVED by Cr MacDonald, seconded Cr Tukapua:

THAT the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Trade Waste Charges

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
<i>The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</i>	<i>s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.</i>	<i>s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</i>

CARRIED

4.20 pm The public were excluded.

Resolutions in relation to the confidential items are recorded in the confidential section of these minutes and are not publicly available.

MOVED by Cr Rush, seconded Cr Tukapua:

THAT Council move back into the open portion of the meeting.

CARRIED

5.20 pm The open meeting resumed.

7 Reports

7.1 Financial Report for the four months to 31 October 2014

Purpose

To present to the Finance Subcommittee the financial report for the four months to 31 October 2014.

MOVED by Cr Rush, seconded Cr Mitchell:

That Report 14/822 Financial Report for the four months to 31 October 2014 be received.

That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

CARRIED

In speaking to this report, Mr Law noted that it was still too early in the year to identify any lasting trends. Managers had been requested to do some projections for the next six months. However, it was coming up to the Christmas period with the next Subcommittee meeting not scheduled until late January 2015. Anything significant to report over this time would be e-mailed to Subcommittee Members.

Following on from queries from Mr Jackson and Cr Rush, various options were discussed in terms of both internal and external measures to ensure Council operated within budget.

Mr Clapperton further commented that balancing the budget was one of the questions that had been asked in terms the Long Term Plan. There was not a lot that could be done this year because rates, which were Council's main revenue stream, were fixed and could not be altered. There were some other areas that could be looked at in terms of user fees and charges that would not require consultation if that became necessary. They would be some of the areas that would be looked at certainly for the new financial year. Another area that would also be looked at was the cost of depreciation.

Cr Bishop further noted, with regard to the Water Supply expenditure being above budget by \$73,000, that Mr Saidy had advised that this was for chemicals and was nothing to do with depreciation or the life of an asset.

In response to a query in relation to the ownership and on-going maintenance of the Te Waioira Medical Centre (4. page 12), Mr Clapperton clarified that this was owned and operated by the Foxton Area Community Medical Trust.

Further responding to a query about outstanding rates and works being done at Hokio Beach following a query to Cr Mitchell from the Hokio Ratepayers Association, Mr Clapperton gave his assurance that there was no correlation between rates collected and where rates were spent.

Mr Law noted the Council had borrowed another \$4m at an interest rate of approx 5.1% which would mature in April 2023, taking Council's borrowing to \$60m.

5.40 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF THE FINANCE SUBCOMMITTEE
HELD ON

DATE:.....

CHAIRPERSON:.....



Four Month Report

1 JULY 2014

TO

31 OCTOBER 2014

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Executive Summary

Introduction

This report is for the four months ended the 31 October 2014. Included in this report is an Executive Summary, Income and Expenditure Statement, Statement of Financial Position and a number of performance measures.

Financial Performance

The result for the four months to 31 October 2014 shows a deficit of \$1,364,000 against a budgeted deficit of \$2,734,000 with a variance of +\$1,370,000.

We are 33.3% of the way through the year. We have achieved 33.4% of our budgeted income for the period.

Total revenue has increased over budget by \$108,000 (\$13,713,000 v \$13,605,000). Rates revenue is in line with budget, and rates penalties are above budget by \$6,000. External interest received is \$11,000 above budget.

Operating revenue is (\$3,000) below budget.

Environmental Services have a decrease of (-\$119,000) on budget, with Resource Management reduced income (-\$54,000) with less subdivision activity in the district. Parking (-\$74,000) with the increase provision for tickets at court. On receipt of monies from Court Collections, this will be credited to the activity.

Property revenue is above budget by \$75,000 with the annual invoicing of to the lease holders. Less Wastewater income received (-\$42,000) with less sundry revenue from leasing of grazing land than budgeted, and less Water income (-\$15,000) due to decreased demand. Other activities revenue was in line with the current budget.

Capital subsidies are \$86,000 above budget largely to scheduling of Roothing capital works.

Our expenditure is 33.1% of budgeted operational expenditure in the period.

Operational expenditure is (\$1,255,000) under budget (\$15,084,000 vs \$16,339,000).

Expenditure in the Environmental Services is above budget by \$117,000 mainly due to higher expenditure on staff time on the activities than budgeted, direct operational expenditure is below budget (\$86,000).

Expenditure in a number of the Community Asset activities came in below budget due to careful management of maintenance expenditure. Roothing activity is (\$272,000) under budget, Solid waste is (\$95,000) under budget due to decreased demand and Water Supply is \$74,000 above budget due to increased maintenance in many of the schemes.

More detailed explanations are contained in the notes to the accounts further on in this report.

Statement of Financial Position

In the four month to 31 October 2014 there are no significant variances to report.

Treasury

Our weighted average interest rate has stayed constant at 5.40% in October 2014, up from 5.19% at October 2013.

Doug Law
Group Manager Finance

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Income Statement for the Four Months Ended 31 October 2014

33.3%	A	C	D	E	F	G	H	I	J
	Annual Plan 2014/15	Year to date		C/A % Actual to Budget		D-C YTD Variance	G/D % Var/Bud	% of Total Bud	Notes to Accounts
		Last Year	Actual	Budget					
REVENUE									
Rates Revenue									
General Rates	(7,781,827)	(2,394,929)	(2,595,958)	(2,593,944)	33.4%	-	2,014	0.1%	0.00%
Targeted Rates	(21,788,565)	(6,590,011)	(7,268,702)	(7,262,860)	33.4%	-	5,842	0.1%	0.01%
Total Rates Revenue	(29,570,392)	(8,984,940)	(9,864,660)	(9,856,804)	33.4%	-	7,856	0.1%	0.02%
Treasury									
Rate Penalties	(612,000)	(257,551)	(264,405)	(258,000)	43.2%	-	6,405	2.5%	0.02%
External Interest Received	(96,000)	(27,492)	(43,147)	(32,000)	44.9%	OK	11,147	34.8%	0.03%
Total Treasury	(708,000)	(285,043)	(307,552)	(290,000)	43.4%	OK	17,552	6.1%	0.04%
Significant Activity Revenue									
Community Support	(164,352)	(121,374)	(96,905)	(57,176)	59.0%	OK	39,729	69.5%	0.10%
Environmental Services	(2,177,694)	(924,315)	(839,268)	(958,720)	38.5%	X	(119,452)	-12.5%	-0.29%
Parks & Recreation	(857,307)	(249,877)	(284,411)	(262,567)	33.2%	OK	21,844	8.3%	0.05%
Property	(1,807,521)	(680,564)	(636,444)	(560,640)	35.2%	OK	75,804	13.5%	0.18%
Representation & Governance	0	(5,930)	(1,226)	0	0.0%	OK	1,226		0.00%
Roading	(1,272,195)	(393,850)	(434,519)	(374,940)	34.2%	OK	59,579	15.9%	0.15%
Solid Waste	(1,779,706)	(627,450)	(600,621)	(601,982)	33.7%	-	(1,361)	-0.2%	0.00%
Stormwater	(95,000)	0	(10,000)	0	10.5%	OK	10,000		0.02%
Wastewater	(889,016)	(239,010)	(212,482)	(254,176)	23.9%	X	(41,694)	-16.4%	-0.10%
Water Supply	(1,069,500)	(242,253)	(226,069)	(241,496)	21.1%	X	(15,427)	-6.4%	-0.04%
Total Activity Revenue	(9,701,411)	(3,498,129)	(3,366,281)	(3,369,253)	34.7%	-	(2,972)	-0.1%	-0.01%
Capital Subsidies	(1,087,537)	(1,152,337)	(174,912)	(88,973)	16.1%	OK	85,939	96.6%	0.21%
Total Capital Subsidies	(1,087,537)	(1,152,337)	(174,912)	(88,973)	16.1%	OK	85,939	96.6%	0.21%
Total Operating Revenue	(41,067,340)	(13,920,449)	(13,713,405)	(13,605,030)	33.4%	-	108,375	0.8%	0.26%

Income Statement for the Four Months Ended 31 October 2014

33.3%	A	C	D	E	F	G	H	I	J
	Annual Plan 2014/15	Year to date		C/A % Actual to Budget		D-C YTD Variance	G/D % Var/Bud	% of Total Bud	Notes to Accounts
EXPENDITURE		Last Year	Actual	Budget					
Significant Activity Expenditure									
Community Support	4,297,027	1,606,744	1,615,958	1,543,314	37.6%	-	(72,644)	4.7%	-0.18%
Environmental Services	3,986,057	1,430,864	1,547,162	1,429,675	38.8%	X	(117,487)	8.2%	-0.29%
Parks & Recreation	5,936,352	1,854,528	1,825,847	1,897,783	30.8%	OK	71,936	-3.8%	0.18%
Property	3,722,345	1,006,337	955,080	1,213,048	25.7%	OK	257,968	-21.3%	0.63%
Representation & Governance	3,154,011	1,001,853	1,031,839	1,439,510	32.7%	OK	407,671	-28.3%	0.99%
Roading	3,171,913	998,505	651,973	923,710	20.6%	OK	271,737	-29.4%	0.66%
Solid Waste	1,927,692	504,346	419,486	514,670	21.8%	OK	95,184	-18.5%	0.23%
Stormwater	726,063	120,932	184,824	230,480	25.5%	OK	45,656	-19.8%	0.11%
Treasury Overheads	134,690	93,359	83,896	70,297	62.3%	X	(13,599)	19.3%	-0.03%
Wastewater	2,677,472	985,798	1,217,482	1,217,404	45.5%	-	(78)	0.0%	0.00%
Water Supply	2,859,579	805,734	998,738	925,070	34.9%	X	(73,668)	8.0%	-0.18%
Total Activity Expenditure	29,705,253	10,279,351	10,366,262	11,510,404	34.9%	OK	1,144,142	-9.9%	2.79%
Other Expenditure									
Depreciation Amortisation & Impairment	12,518,339	3,897,067	4,197,351	4,172,795	33.5%	-	(24,556)	0.6%	-0.06%
External Interest Paid	3,405,000	597,584	520,621	655,991	15.3%	OK	135,370	-20.6%	0.33%
Total Other Expenditure	15,923,339	4,494,651	4,717,972	4,828,786	29.6%	-	110,814	-2.3%	0.27%
Total Operating Expenditure	45,628,592	14,774,002	15,084,233	16,339,190	33.1%	OK	1,254,957	-7.7%	3.06%
Activity Operating (Surplus)/Deficit	4,561,252	853,553	1,370,829	2,734,160	30.1%	OK	1,363,331	-49.9%	3.32%

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Income Statement for the Four Months Ended 31 October 2014

	A	C	D	E	F	G	H	I	J
	Annual Plan 2014/15	Year to date		C/A % Actual to Budget		D-C YTD Variance	G/D % Var/Bud	% of Total Bud	Notes to Accounts
		Last Year	Actual						
Activity Non Operating Income									
Development Contributions	(646,282)	(94,935)	0	0.0%	OK	0			6
Vested Assets	(887,253)	0	0	0.0%	OK	0			6
Gain on Revaluation of Investment Assets	(146,000)	0	0	0.0%	OK	0			
Gain on Sale of assets	(174,000)	0	0	0.0%	OK	0			
Internal Interest	0	(939,534)	(1,073,443)	0.0%	X	(98,065)	-8.4%	-0.24%	
Total Activity Non Operating Income	(1,853,535)	(1,034,469)	(1,073,443)	57.9%	X	(98,065)	-8.4%	-0.24%	
Activity Non Operating Expenditure									
Internal Interest	0	939,534	1,066,383	0.0%	OK	105,125	-9.0%	0.26%	
Lanfill Provision	102,000	0	0	0.0%	X	0			
Total Activity Non Operating Expenditure	102,000	939,534	1,066,383	10	OK	105,125	-9.0%	0.26%	
Total Non Operating (Surplus)/Deficit	(1,751,535)	(94,935)	(7,060)	0.4%	X	7,060		0.02%	
Total (Surplus)/Deficit	2,809,717	758,619	1,363,769	48.5%	OK	1,370,391	-50.1%	3.34%	

Notes to the Accounts

1. Environmental Services

Resource Management revenue is below budget with a decrease in lodgements to date. Parking revenue is below budget with an increased provision for tickets gone to Court, once the payments are received from Court Collections, this will be credited to the activity.

Overall savings through lower direct expenditure have assisted in offsetting lower revenue. However internal costs which capture staff time spent on the activity have increased over budget.

2. Water Supply and Waste Water

Revenue received is slightly below budget due to decreased consumer demand during the winter and no current leases in place for grazing land in Foxton Beach, Tokomaru or Shannon.

Water Supply expenditure is \$73,000 above budget with increased expenditure in maintenance works for Levin, Foxton and Shannon.

3. Parks and Recreation and Property

Expenditure for both activities is under budget due to lack of staff available on each activity.

4. Representation & Governance

Expenditure is under budget by \$433,000 predominantly due to the budgeted \$500,000 for the Te Waiora Medical Centre not being released yet and also reflecting the level of staff resources that have been applied to completing the Annual Plan and Annual Report.

5. Roading

Expenditure is under budget by \$271,000, with the increased operational work planned for the summer months, the expected actual spend will be within budgeted levels.

6. Development Contributions and Vested Assets

Due to staff resources being committed to the Annual Report and LTP, the Development Contributions and Vested Assets have not been calculated for the year yet, they be reported in the December 2014 report.

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Statement of Financial Position as at 31 October 2014

	Annual Report 30/06/2014 (\$000)	Annual Plan 30/06/2015 (\$000)	Period Ended 31/10/2014 (\$000)	Notes
ASSETS				
Current assets				
Cash and cash equivalents	5,435	3,940	4,491	
Debtors & Other Receivables	6,539	6,481	8,094	1
Other financial assets	360	10	10	1
Assets held for sale	1,068	393	612	
Total current assets	13,402	10,824	13,207	
Non-current assets				
Operational assets	42,229	48,397	41,731	
Infrastructural Assets	385,807	479,072	375,965	
Restricted assets	40,278	43,302	40,277	
Intangible assets	1,871	1,911	1,821	
Forestry assets	636	575	723	
Investment property	5,765	6,188	5,765	
Investments in Subsidiaries	1,539	1,786	1,440	
Other Financial Asset	110	116	239	
Total non-current assets	478,235	583,347	487,961	
Total assets	491,637	594,171	481,168	
LIABILITIES				
Current liabilities				
Creditors & Other Payables	(8,314)	(8,439)	(9,238)	
Provisions	(880)	(1,003)	(879)	
Employee benefit liabilities	(651)	(585)	(651)	
Borrowings	(10,750)	(2,000)	(10,750)	
Total current liabilities	(20,595)	(12,026)	(21,518)	
Non-current liabilities				
Provisions	(2,060)	(1,765)	(2,070)	
Employee benefit liabilities	(156)	(224)	(156)	
Borrowings	(46,000)	(74,000)	(46,000)	
Other	(1,307)	(1,239)	(1,259)	
Total non-current liabilities	(49,523)	(77,228)	(49,485)	
Total liabilities	(70,118)	(89,254)	(71,003)	
NET ASSETS	421,519	504,917	410,165	
EQUITY				
Retained earnings	269,134	266,527	258,316	
Revaluation reserves	147,449	231,405	147,499	
Other reserves	4,936	6,985	4,350	
Total equity	421,519	504,917	410,165	

Notes:

1. A breakdown of this amount is shown on the next page.

Debtors Summary as at 31 October 2014

This summary shows the total \$ value of debtors outstanding for each type.

Description	\$	Notes
Debtors Sundry	1,201,058	1
Debtors Rates	5,852,331	3
Debtors Water	252,800	
Debtors Infringements	435,425	
Debtors Other	362,635	

TOTAL DEBTORS	<u>\$8,104,249</u>
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AS PER THE STATEMENT OF FINANCIAL POSITION	<u>\$8,104,249</u>	2
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Notes:

1. The Sundry Debtor analysis on the next page shows a breakdown of the Sundry Debtors by aging of debt and category of debt.
2. The Statement of Financial Position balances:

Debtors & other receivables	\$8,094,249
Other Financial Assets	<u>\$10,000</u>
Total	<u>\$8,104,249</u>
3. Debtor Rates includes \$2,468,000 for the 2nd instalment not due to 15 December 2014.

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Sundry Debtors as at 31 October 2014

Horowhenua *LIVE*LIVE*	Category Description	DEBTOR TRIAL BALANCE BY CATEGORY				Report Date:		31/10/2014 Balance	Notes
		90 + Days	90 days	60 days	30 days	Current			
5	Dev Cont New Policy	\$227,753.40	\$18,975.58	\$11,312.55	\$24,942.09	\$64,560.70		\$347,544.32	1
8	Develop Cont Old Policy	\$79,599.21	\$0.00	\$0.00	\$0.00	\$0.00		\$79,599.21	1
29	Rental Income Monthly	\$32,877.74	\$700.87	-\$72.00	-\$904.28	\$77,418.00		\$110,020.33	2
	NON-CURRENT DEBTORS	\$340,230.35	\$19,676.45	\$11,240.55	\$24,037.81	\$141,978.70		\$537,183.86	
2	Building Consents	\$23,920.04	\$5,653.51	\$1,638.84	-\$1,619.97	-\$3,241.32		\$26,351.10	3
3	Building Fee - BWOF's	\$65.00	\$130.00	\$65.00	\$65.00	\$1,040.00		\$1,365.00	
4	Cemeteries	\$2,100.00	\$0.00	\$31.00	\$186.00	\$11,564.00		\$13,881.00	
11	Dogs	\$1,071.79	\$0.00	\$0.00	\$0.00	\$0.00		\$1,071.79	
12	Dogs Pre Payments	-\$28.50	-\$81.51	-\$809.00	-\$300.00	-\$234.50		-\$1,453.51	
13	Dogs Arrange to pay	\$624.13	\$302.65	\$2,088.85	\$1,347.00	\$415.00		\$4,777.63	
14	Dogs RML	\$13,015.90	\$0.00	\$48.00	\$78.00	\$0.00		\$13,141.90	
15	Fire Hazard	\$315.19	\$0.00	\$0.00	\$0.00	\$0.00		\$315.19	
16	Fines	\$7,865.74	\$243.70	\$1,530.00	\$0.00	\$0.00		\$9,639.44	
18	General	\$41,297.88	\$0.00	\$18,456.70	\$44,602.54	\$12,778.11		\$117,135.23	
19	Health Accreditation Renewal	\$0.00	-\$35.92	\$0.00	\$48.00	\$1,133.20		\$1,145.28	
20	Hire	\$1,218.26	\$439.25	\$0.00	\$96.00	\$699.48		\$2,452.99	
22	Building - Exempt Work	\$0.00	\$0.00	\$0.00	\$0.00	-\$115.00		-\$115.00	
24	On Charges	\$79,508.60	\$0.00	\$3,148.41	\$3,039.03	\$21,767.10		\$107,463.14	4
26	Pension Housing	\$361.15	\$0.00	-\$25.71	\$0.00	\$25,350.00		\$25,685.44	
36	Staff Account	\$0.00	\$1,636.09	\$0.00	\$0.00	\$880.85		\$2,516.94	
37	Resource Consent Fees	\$44,418.17	-\$900.00	-\$4,107.75	\$659.75	\$1,620.25		\$41,690.42	5
39	Trade Waste	\$64,768.32	\$45,278.21	\$0.00	\$147.66	\$158,240.25		\$268,434.44	6
42	Water Septage - Septic Tanks	\$0.00	\$0.00	\$0.00	\$522.00	\$768.60		\$1,290.60	
45	Waste Transfer Stations	\$0.00	\$158.00	\$300.00	\$210.00	\$1,317.00		\$1,985.00	
51	Rubbish Bags	\$0.00	\$0.00	\$0.00	\$0.00	\$25,120.00		\$25,120.00	
	CURRENT DEBTORS	\$280,521.67	\$52,823.98	\$22,364.34	\$49,081.01	\$259,103.02		\$663,894.02	
	TOTAL DEBTORS	\$620,752.02	\$72,500.43	\$33,604.89	\$73,118.82	\$401,081.72		\$1,201,057.88	7

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Sundry Debtors Notes as at 31 October 2014

Notes:

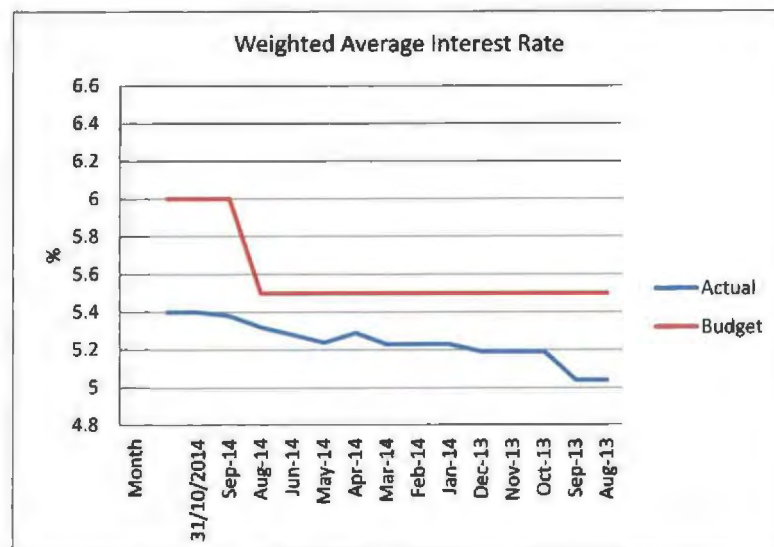
1. These Development Contribution debtors are being actively pursued. The batch of debt letters sent have had a positive effect with several payments being made. Most of the Development Contributions – Old Policy are with the Debt Collection Agency, with the balance of them either being paid off or having an arrangement to pay when the sections sell.
2. The Rental Income category is comprised mainly of annual endowment leases, which are billed in October each year and have until September the following year to pay. The majority of these lessees pay regular monthly amounts, with a few making lump sum payments, for some leases this builds up a credit balance which is offset against the October invoicing.
3. Amongst the Building Consents category, there are some damage deposit bonds in here, as well as extensions of time for a number of the older aged consents. The credit balances in current and 30 days relate to deposits for building consents still being processed.
4. In this On Charges category, the majority of the 90+ Days debtors have been provided for as Doubtful Debts.
5. Amongst this Resource Consent category, there are some land use bonds. The debtors in this category are being actively pursued, and some of the 90+ Days debtors have been provided for as Doubtful Debts.
6. There is one large debtor outstanding in the Trade Waste category pending discussions on further testing which is currently being undertaken. The current column represents the normal quarterly charges with the 60 and 90 days amounts under discussion.
7. Out of the \$620,752 owing +90 Days, \$188,767 is provided for in the Doubtful Debts Provision.

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Treasury Report as at 31 October 2014

LOAN PARCELS	Maturity	Interest	Opening Balance	Raised	Repaid	Closing Balance
Stock	15/12/2014	7.0500%	750,000.00			750,000.00
Stock	18/05/2015	6.7900%	7,000,000.00			7,000,000.00
Stock	16/08/2016	6.2750%	2,000,000.00			2,000,000.00
Stock FRN	18/05/2015	4.6700%	3,000,000.00			3,000,000.00
Stock FRN	16/05/2016	4.9700%	2,000,000.00			2,000,000.00
Stock	15/03/2017	5.0550%	3,000,000.00			3,000,000.00
Stock	15/11/2018	5.5950%	2,000,000.00			2,000,000.00
Stock	23/05/2017	4.3900%	4,000,000.00			4,000,000.00
LGFA Bond	15/03/2019	4.4500%	4,000,000.00			4,000,000.00
LGFA Bond	15/03/2019	4.7064%	5,000,000.00			5,000,000.00
LGFA FRN	15/12/2017	4.6225%	2,000,000.00			2,000,000.00
LGFA FRN	15/03/2019	4.5125%	3,000,000.00			3,000,000.00
LGFA FRN	15/05/2021	4.5225%	4,000,000.00			4,000,000.00
LGFA Bond	15/05/2021	4.5650%	5,000,000.00			5,000,000.00
LGFA Bond	15/05/2021	5.9852%	5,000,000.00			5,000,000.00
LGFA Bond	15/05/2021	5.8516%	5,000,000.00			5,000,000.00
			56,750,000.00	0.00	0.00	56,750,000.00

Maturity	Amount	Weighted Average Interest Rate
Due Within 1 Year	10,750,000.00	6.40%
Due Within 2-5 Years	27,000,000.00	5.04%
Due 5 Years +	19,000,000.00	5.34%
TOTAL	56,750,000.00	5.40%



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Treasury Report as at 31 October 2014

BORROWINGS 2014/2015		
LOAN BY ACTIVITY		
Activity	Loan Balance (\$)	Notes
Information Technology	1,500,000	
Stormwater	2,300,000	
Levin Water	2,550,000	
Shannon Water	1,350,000	
Foxton Water	900,000	
Foxton Beach Water	350,000	
Tokomaru Water	100,000	
Levin Sewer	6,050,000	
Shannon Sewer	6,150,000	
Foxton Sewer	1,150,000	
Foxton Beach Sewer	350,000	
Landfill	4,500,000	
Libraries	6,900,000	
District Plan	2,600,000	
Pools	2,850,000	
Reserves	1,300,000	
Sports Grounds	1,500,000	
Residential Housing	5,000,000	
Halls	250,000	
Commercial Properties	1,200,000	
Toilets	300,000	
General Properties	800,000	
Council Building	6,800,000	
TOTAL LOANS	\$56,750,000	

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Key Performance Indicators as at 31 October 2014

FINANCIAL RATIOS	Actual October 2014	Policy (not to exceed)
Debt per Capita (Per Head of Population - 30099 as per 2013 Census)	\$1,885	\$2,500
External Interest Paid as a % of Rates Revenue	3.67%	25.00%
Debt as a % of Total Assets	11.78%	15.00%

LGFA Covenant Compliance as at 30/06/14

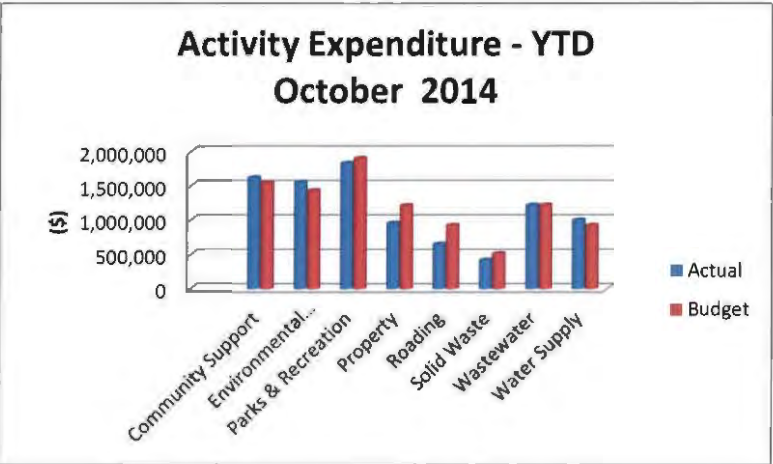
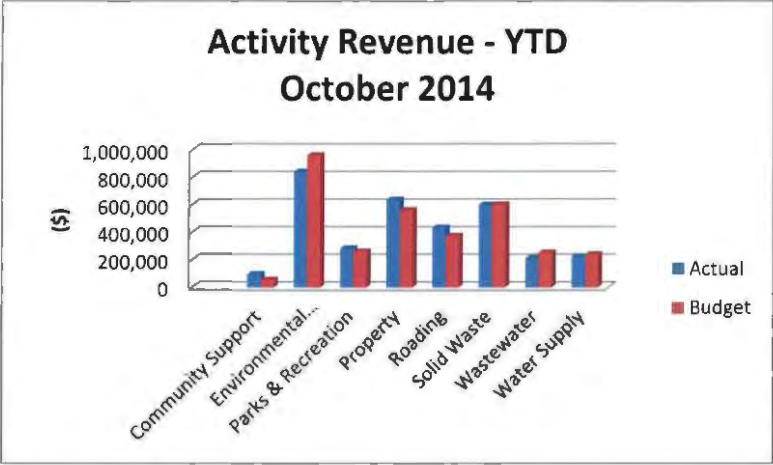
LGFA Covenant compliance as at 30/06/2014

	2014 Actual	2014 Council Limit	2014 LGFA Limit Lending Policy
Net Debt to Total Operating Revenue	121%		< 175%
Gross Debt per Capita	1,885	< 2,500	
Gross Debt as a percentage of Total assets	12%	< 15%	
Net Interest to Total Operating Revenue	7%		< 20%
Net Interest to Annual Rates Income	10%		< 25%
Gross Interest to Annual Rates Income	10%	< 25%	
Available financial accommodation to external Indebtedness	120%		> 110%

Item 9.2

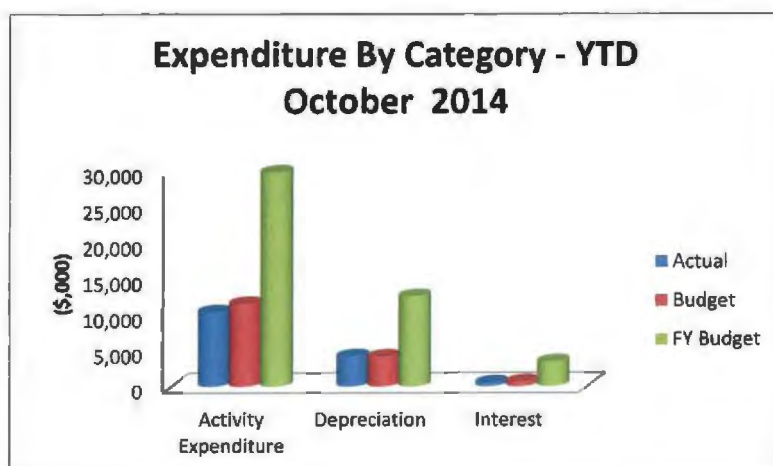
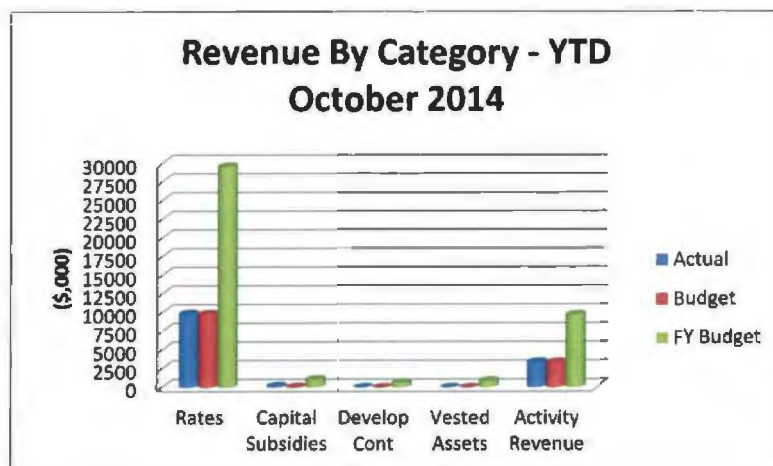
Attachment B

**Key Performance Indicators
as at 31 October 2014**



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Key Performance Indicators as at 31 October 2014



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Rates Debtors as at 31 October 2014

Rates Arrears

With Instalment 1

7/11/2014

Area		Total Assessments	Assessments with Arrears	% with Arrears	Total Arrears	Instalment One	Penalties This Year	Previous Years Arrears	2013/14 Arrears	2012/13 Arrears	2011/12 and Prior Arrears
Foxton Beach	Urban	1,541	108	7%	165,219	48,959	11,446	104,814	85,181	16,677	2,956
Foxton	Urban	1,291	141	11%	341,539	68,515	23,768	249,256	139,492	55,683	54,081
Tokomaru	Urban	167	7	4%	11,116	4,198	675	6,242	5,689	554	0
Tokomaru Rural	Rural	760	45	6%	55,745	17,796	4,336	33,612	20,597	7,014	6,001
Foxton/Himatangi	Rural	772	49	6%	99,465	16,140	8,774	74,551	29,614	16,572	28,365
Waitarere Beach	Urban	867	30	3%	44,483	14,635	3,150	26,698	21,156	3,477	2,065
Levin Rural	Rural	3,591	215	6%	483,021	68,134	40,279	374,608	103,226	80,205	191,178
Hokio Beach Township	Urban	177	16	9%	63,198	3,044	48,623	11,531	6,212	2,446	2,873
Waikawa Beach	Urban	233	9	4%	6,100	2,570	512	3,018	2,594	425	-
Hokio Trusts (A & Township)	Urban	23	23	100%	527,285	4,875	4,876	517,535	20,306	98,860	398,370
Manakau Township	Urban	93	2	2%	2,105	811	159	1,135	733	402	-
Ohau	Urban	154	10	6%	9,239	4,665	574	3,999	2,139	1,243	618
Shannon	Urban	730	98	13%	166,262	35,591	14,297	116,374	56,151	26,427	33,796
Levin	Urban	7,367	381	5%	717,901	217,411	48,659	451,831	327,283	78,322	46,226
Utilities		16	0	0%	-	-	-	-	-	-	-
Total		17,782	1,134	6%	2,692,676	507,345	210,126	1,975,205	820,370	388,306	766,528

Debt Analysis by Amount Owning	Number of Assessments	Direct Debits
Below \$50	4	0
\$50 - \$100	5	0
\$100 - \$250	14	1
\$250 - \$500	44	2
\$500 - \$1,000	139	14
\$1,000 - \$5,000	828	170
\$5,000 - \$10,000	67	4
>\$10,000	33	1
	1,134	192

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Capital Projects as at 31 October 2014

HOROWHENUA DISTRICT COUNCIL CAPITAL PROJECTS									
Ref	Description	Primary Type	(A) LTP	(B) Annual Plan 2014/15	(E) YTD Actual	(F) Estimated Final Cost	(F - B) Variance to AP	Comments	Completion Month
WW 4	Levin Reticulation Renewal	Renewal	943260	2,110,080	628,943	1,418,651	-691,429	Planning Design Commenced	March 2015
WW 7	Shannon - Mangaore Reticulation Renewal	Renewal	356790	369,290	38,490	556,790	187,500	On schedule	May 2015
WW 33	Levin Treatment Plant	Renewal	1136600	416,730	134,305	1,136,600	719,870	On schedule	May 2015
WW 34A	Levin strategic upgrade Pipeline to POT & Pump Station, improvements to irrigation area	LOS	2078000	268,850	46,845	2,078,000	1,809,150		May 2015
WW 36	Foxton strategic upgrade Treatment Plant	LOS	400000	3,030,700	59,071	400,000	-2,630,700	Includes \$400,000 from Year 3 to cover consent renewals, completion depended on consent process	On going
WW 37	Foxton Beach strategic upgrade Treatment	LOS	1949180	1,949,180	743	1,987,109	37,929	In combination with Foxton upgrade	On going
WW 43	Foxton Beach Telemetry (combined with water supply)	LOS	49350	138,970	0	138,970	0	Multi year project	On going
WW 56	Levin, North East Development plan	Growth	111000	110,980	0	119,995	9,015	Not started	May 2015
WW 61	Shannon Disposal System	LOS	3500000	5,430,000	247,710	3,652,118	-1,777,882	Includes carry over of \$2,580,000 from 2013/14, completion depended on consent process	On going
WS 4	Levin Reticulation- RENEWAL	Renewal	543090	893,000	128,198	556,790	-336,210	Planning Design Commenced	June 2015
WS 23	Levin Treatment Plant	Renewal	253050	190,323	20,727	253,050	62,727	Activity based on demand/needs	June 2015
WS 24	Levin Bore exploration, new reservoir, treatment plant upgrade	LOS	311700	3,365,280	0	663,860	-2,701,420	Construction of new reservoir etc	June 2015
SW 2	District General Renewals	Renewal	188370	184,970	78,757	184,970	0		May 2015
SW 16	Levin, North East Improvement works	Growth	58390	271,860	3,445	279,720	7,860	On schedule	May 2015
SW 24	Levin Queen Street Drain C/fwd to 2013/14	LOS	150000	133,263	1,040	134,990	1,727		Ongoing
SOW 2	Levin Landfill Consents	LOS	213500	106,500	1,462	106,660	160	Costs spread over 2 years	May 2015
SOW 3	Levin Landfill Energy Recovery / Flare	LOS	210000	250,000	500	278,410	28,410	To be reviewed by Projects Committee	TBA
SOW 4	Levin Landfill Cell, Gas Lines, Etc	LOS	336640	296,310	49,498	600,000	303,690	Comprises 3B lift and desludging	December 2015
SOW 5	Levin Landfill Leachate pre-treatment	LOS	129000	129,000	0	129,202	202		January 2015

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Capital Projects as at 31 October 2014

HOROWHENUA DISTRICT COUNCIL CAPITAL PROJECTS									
Ref	Description	Primary Type	(A) LTP	(B) Annual Plan 2014/15	(E) YTD Actual	(F) Estimated Final Cost	(F - B) Variance to AP	Comments	Completion Month
RD 3	District, subsidised Seal Road (WC 212)	Renewal	910000	900,000	15,300	910,000	10,000	Budget amount can vary as have the ability to move funds between categories to maximise NZTA subsidy claims, keeping within total budget	July 2015
RD 5	District, subsidised Pavement Rehabilitation (WC 214)	Renewal	740000	690,000	154,288	740,000	50,000		July 2015
RD 7	District, subsidised Traffic Services Renewals (WC 222)	Renewal	170000	170,352	51,903	170,352	0		July 2015
RD 9	District, subsidised Minor Improvements (WC 341)	LOS	210000	210,000	57,461	210,637	637		July 2015
RD 10	District Footpath	Renewal	206000	263,420	100,956	263,420	0	On schedule	July 2015
RD 37	Levin, North East Development plan	Growth	168000	168,170	0	168,170	0	Not started	July 2015
RD 51	Foxton Townscape: Southern Gateway	LOS	69020	429,810	0	274,048	-155,762	On schedule	July 2015
RD 53	Foxton Townscape: Main Street Central Area	LOS	47180	273,490	31,079	273,490	0	On schedule	July 2015
PROP 126	Thompson House Improvement Works	LOS	124000	124,000	15,746	295,000	171,000		July 2015
PRES 70	Levin Domain Cycle Track Reseal	Renewal	5150	280,580	25,308	280,580	0		July 2015
PRES 101	Waitarere Dune management Dune management - flatten re-contour	Renewal	102900	102,900	0	102,900	0	This has been deferred to 2015/16	July 2016
POOL 13	Levin disable facilities upgrade, hydrotherapy pool, zero depth pool and play equipment, upgrade reception	LOS	25730	1,712,820	0	1,712,820	0	For preliminary works except for \$70,000	July 2015
LIB 3	Foxton Community Centre c/fwd fm 11/12	LOS	1650000	808,255	238,039	1,650,000	841,745		

Financial Policies - Liability Management and Investment Policies

File No.: 14/891

1. Purpose

To bring to Council Liability Management and Investment Policies that were considered by the Finance Subcommittee at its 29 October 2014 meeting.

2. Recommendation

- 2.1 That Report 14/891 Financial Policies - Liability Management and Investment Policies be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That Council adopts the updated Liability Management Policy
- 2.4 That Council adopts the updated Investment Policy

3. Background/Previous Council Decisions

- 3.1 The Finance Subcommittee resolved to amend the borrowing limits in the Borrowing Management Policy to align these with the LGFA borrowing covenants.
- 3.2 It was noticed also that the Investment Policy was also in need of an update.
- 3.3 The last two policies are able to be adopted by Council without consultation under s102 (5) of the LGA.

4. Issues for Consideration

- 4.1 The "Treasury Policy" which incorporates both the Liability Management Policy and the Investment Policy are mandatory policies, but unlike the other policies prescribed in s102 LGA they do not require to be consulted on. The Finance Subcommittee has already agreed to adopt the LGFA covenants as the borrowing limits in our policy and remove the limit of \$2,500 per capita. Note that this section on borrowing limits is now a copy of what will need to be in the financial strategy under s101A LGA.
- 4.2 The LGFA covenants are becoming the "industry standard" while the per capita measure is hard to measure accurately in the 4 years between censuses. However, Bancorp and I have updated both policies to ensure their currency. Tracked changes copies are **attached**.

Attachments

No.	Title	Page
A	Treasury Policy (with tracked changes)	41



Item 10.1

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Doug Law Group Manager - Finance	
Approved by	David Clapperton Chief Executive	

Liability Management Policy

1. Legislative provisions

The Local Government Act 2002 requires:

- liabilities to be managed prudently and in a manner that promotes the current and future interests of the community (s.101(1))
- a Liability Management Policy to be adopted by Council (s.102(4)(b))
- specific content of such a policy (s.104)

2. Objectives

- a. The objectives of the Liability Management Policy are to:
 - minimise the cost of borrowing (including interest, contracted services, staff, time and administration)
 - minimise the exposure to the risks associated with borrowing
 - maintain strong financial ratios
 - consider long term indebtedness as a means of creating intergenerational equity
 - maintain the integrity of Council's LTP
- b. The objectives of the Management of Liquidity and Funding Risk are to:
 - ensure HDC's continued ability to meet its debts in an orderly manner as and when they fall due in both the short and long term, through appropriate liquidity and funding risk management
 - arrange appropriate funding facilities for HDC, ensuring they are at market related margins utilising bank debt facilities and/or capital markets as appropriate
 - maintain lender relationships and HDC's general borrowing profile in the local debt and capital markets, so that HDC is able to fund itself appropriately at all times
- c. The objectives relating to Reporting are to:
 - produce accurate and timely information that can be relied on by senior management and the full Council for control, exposure monitoring and performance measurement purposes in relation to treasury activity

3. Current liabilities

Current liabilities are those which Council has to meet within the following 12 months.

Council will arrange such terms and conditions as it considers necessary for the establishment and provision of normal trade credit to enable it to carry out its activities. Such credit will not normally involve the issue of any security, undertaking or collateral as a condition of the provision of such credit except finance leases and hire purchase, which normally include a charge over the assets being purchased.

Council policy is to pay all routine expenditure obligations by the due date.

4. Borrowing

(For these purposes 'borrowing' does not include hire purchase, deferred payment or the giving of credit for goods and services where the transaction is for less than 91 days or does not exceed \$500,000).

4.1 Borrowing Limits

Debt will be managed within the following limits:

- ~~Debt per capita shall not exceed \$2500~~
- ~~Net annual interest costs will not exceed 20% of total annual operating revenue~~
- ~~Gross-Net annual interest costs will not exceed 25% of total annual rates revenue~~
- Total debt as a percentage of total assets will not exceed 15%
- ~~Net debt shall not exceed 175% of total operating revenue~~

Council will also monitor and report:

- The ratio of equity : debt
- Debt-per-capita
- Debt per rateable property
- Net cash-flows from operating activities will exceed gross annual interest costs by at least two times

4.2 Instruments or methods to raise debt

The following funding instruments and methods may be used by HDC to raise external debt:

- committed bank facilities
- uncommitted bank facilities
- Local Authority Bonds which includes fixed rate bonds and floating rate notes
- Medium Term Notes
- Local Government Funding Agency

4.3 Management of Interest Rate Risk

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 - 2 years	50%	100%
2 - 5 years	25%	80%
5 -10 years	0%	60%

The fixed rate hedging percentages shall apply to the core debt of HDC as detailed in the Annual Plan or as otherwise amended by the Finance Manager.

The Finance Manager after consulting with appropriate external advisors may use the following interest rate risk management instruments to manage the core debt of HDC.

- Interest rate swaps
- Swaptions (options on swaps)
- Interest rate options, including collar type structures but only in a ratio of 1 : 1
- Forward rate agreements

4.4 Management of Credit Risks

All bank borrowing and interest rate hedging transactions must be undertaken with a New Zealand Registered Bank with a minimum Standard and Poor's Long Term credit rating of at least A+ (or the Moody's or Fitch Ratings equivalents).

Council will satisfy itself in all its borrowing transactions that counterparties are financially adequate, have an appropriate industry standing and have an appropriate track record to give Council reasonable certainty that obligations under concluded contracts will be performed.

4.5 Management of Liquidity Risks

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Liquidity risk management has the objective of ensuring that adequate funding sources and liquid assets are available at all times to meet the short term commitments of HDC as they arise. Appropriate cash flow reports will be maintained to monitor HDC's estimated liquidity position over the next 12 months, with such reports being updated at least every 3 months.

The establishment of any overdraft facility is delegated to the Group Manager – Finance or Finance Manager, and its management is delegated to the Accountant.

4.6 Management of Funding Risk

- ~~To avoid a concentration of debt maturity dates no more than \$40 million can be subject to refinancing in any 12-month period~~
- HDC must maintain committed funding lines of not less than ~~105~~ 110% of projected core debt
- No more than 50% of debt shall mature in any ~~rolling 12 month period one year~~.

4.7 Debt Repayment

Loan repayment reserves will be established to ensure that sufficient funds are on hand to allow appropriate repayment and/or appropriate refinancing.

4.8 Provision of Security

When arranging funding facilities, Council will have a preference for unsecured facilities unless a cost benefit accrues from offering security.

Council's first choice will be to offer security for borrowings by way of a pledge of rates.

Physical assets will be pledged only where there is a direct relationship between the debt and the asset purchase or construction, or Council considers such a pledge to be more appropriate.

Finance leases for such assets as office equipment, information technology and vehicles may be entered into provided that the interest rates are commercially advantageous.

4.9 Accountabilities

The management of approved borrowing and interest rate instruments will be carried out by the Finance Manager.

The quarterly debt reports shall detail HDC's weighted average cost of funds as at the end of the relevant quarter.

The Group Manager – Finance or Finance Manager will report to the Finance Sub-committee or Council meetings on borrowing management transactions and any instances where the policy has not been able to be complied with, and on all aspects of the Liability Management Policy.

There will also be an accountability through the Annual Report at the end of the year.

4.10 Internal Borrowing

Council may, from time to time, instead of raising loans or borrowing on overdraft, internally borrow from any Special Fund accounts on such terms and conditions as it thinks appropriate in any instance, but without interrupting the normal cash flow requirements of any such fund. Such terms and conditions may include, amongst other matters, a nil rate of interest and deferral or future waiving of repayments.

Repayments may be made directly to the source fund or through an Internal Loan Repayment Fund.

Internal borrowing arrangements will not be subject to clauses 4.1 or 4.2 of the Liability Management Policy.

The interest rate for internal borrowing will be the sum of the current three year swap bid rate as quoted by HDC's principal bank, plus a margin (which includes a commitment fee) of 1.50%. ~~The margin is to be reviewed on an annual basis.~~

4.10 New Zealand Local Government Funding Agency Limited Investment

Despite anything earlier in this Liability Management Policy, the council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) as a Principal Shareholding Local Authority. In connection with that borrowing, the Council may enter into the following related transactions to the extent it considers necessary or desirable.

- (a) contribute a portion of its borrowing back to the LGFA as subordinate debt, convertible equity if required by LGFA.
- (b) provide a guarantee of the Indebtedness of the LGFA
- (c) commit to contributing additional equity to the LGFA if required
- (d) subscribe for shares and uncalled capital the LGFA; and
- (e) secure its borrowings from LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

Investment Policy

1. Legislative provisions

The Local Government Act 2002 requires:

- investments to be managed prudently and in a manner that promotes the current and future interests of the community (s.101 (1))
- an Investment Policy to be adopted by Council (s.102 (4)(c))
- specific content of such a policy (s.105)

The Council must also make its investments in accordance with the provisions of the Trustees Act 1956 as they apply to the investment of trust funds. In exercising its powers of investment Council is required to exercise the care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.

2. Objectives

In making investments, Council may consider:

- the desirability of diversifying investments
- the nature of existing investments
- the risk of capital loss or depreciation
- the potential for capital appreciation
- likely income returns
- the length of term of proposed investments
- the marketability of proposed investments, both during their term and upon maturity
- the effect of proposed investments in relation to tax liability
- the likelihood of inflation affecting the value of a proposed investment

The objectives of the Investment Policy are, in a hierarchy of priority, to:

- minimise the risk of loss of capital
- ensure that planned expenditures are not hindered by a lack of available funds, and
- maximise the returns from investment
- safeguard HDC's financial market investments by establishing and regularly reviewing investment parameters and ensuring that all investment activities are carried out within these parameters

- ensure the integrity of HDC's financial market investments by only investing in appropriately rated organisations and in appropriate financial market instruments as detailed in this policy
- produce accurate and timely information that can be relied on by senior management and Council for control and exposure monitoring purposes in relation to the investment activities of HDC

3. Treasury investments

3.1 Investment Limits and Management of Credit Risks

Financial instrument investments will be limited to the following issuers, instruments and limits:

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit – for issuer subject to overall portfolio limit for issuer class	Formatted Table
New Zealand Government	100%	<ul style="list-style-type: none"> Government Stock Treasury Bills 	Not Applicable	Unlimited	
Rated Local Authorities	70%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$3.0 million \$2.0 million \$3.0 million \$5.0 million	
Local Authorities where rates are used as security	60%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Not Applicable	\$2.0 million \$2.0 million	
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> Call/Deposits/Bank Bills/Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better	\$10.0 million \$2.0 million \$5.0 million	
State Owned Enterprises	70%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A or better	\$3.0 million \$1.0 million \$3.0 million	
Corporates	60%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million	

Financials	30%	<ul style="list-style-type: none"> Commercial Paper Bonds/MTNs/FRNs 	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 million \$1.0 million \$2.0 million \$3.0 million
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Investments that no longer comply with minimum rating criteria due to a rating downgrade must be sold within one month of the downgrade being notified unless Council formally approves the continued holding of the investment.

~~The combined holding of corporates and financials shall not exceed 70% of the nominal value of the portfolio. These are considered to be low risk investments. There will be no exposure to medium to high risk investments.~~

2.2 Management Of Interest Rate Risks

The mix of financial instrument investments shall be limited as follows:

- Fixed rate investments as a percentage of total financial instrument investments: 50% - 90%
- Floating rate investments as a percentage of total financial instrument investments: 10% - 50%
- Call investments will not be less than \$250,000
- Fixed rate investments with a duration of:
 - Less than 1 year: 50% - 90%
 - 1-2 year: 10% - 30%
 - 2-5 years: 10% - 30%
 - 5+ years: 0% - 10%

~~The potential use of interest rate instruments will be monitored, but their use will require a specific approval by Council and be backed by prior independent advice as to an assessment of risks and revenue.~~

3.3 Management of Liquidity Risks

The duration and liquidity of investments will be managed to provide sufficient funds for planned expenditure and to otherwise allow the payment of obligations as they fall due. ~~As far as financial market investments are concerned all securities that are purchased shall be able to be sold at short notice if required, i.e. they are regularly traded on the secondary market. The exception to this is term deposits which normally must be held to maturity.~~

3.4 Disposition of Income and Proceeds

Returns from investments will be applied in proportion to any special designated funds, and otherwise to form part of general operating revenues.

3.5 Accountabilities

The management of treasury investments will be carried out by the Accountant under delegation from the Finance Manager.

To measure the performance of investment management the weighted average rate of interest will be compared to prevailing 90-day bill rates and shall not be more than 0.5% less than those rates.

To measure the performance of the Short Term Funds Portfolio the performance shall be compared on a quarterly basis against the average of the call rate and the 30, 60, 90 and 180 day bank rates for the preceding quarter. Compliance with the benchmarking standard is not required if the nominal value of the portfolio averages less than \$3.0 million for the relevant quarter.

To measure the performance of the Long Term Funds Portfolio the performance shall be compared against an external benchmark such as one of the NZX's portfolio's or a benchmark portfolio constructed for HDC. Compliance with the benchmarking standard is not required if the nominal value of the portfolio averages less than \$5.0 million for the relevant quarter.

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The Finance Manager will report quarterly to Council meetings on investment portfolio status, comparison of interest rates to benchmarks and any instances where the policy has not been able to be complied with.

3.6 Internal borrowing

Council may, from time to time, instead of raising loans or borrowing on overdraft, internally borrow from any Special Fund accounts on such terms and conditions as it thinks appropriate in any instance, but without interrupting the normal cash flow requirements of any such fund. Such terms and conditions may include, amongst other matters, a nil rate of interest and deferral or future waiving of repayments.

Repayments may be made directly to the source fund or through an internal Loan Repayment Fund.

Internal borrowing arrangements will not be subject to clauses 4 of the Investment Policy.

4. Commercial property

As at 30 June 2008-2014 Council owned \$4.0m-5.765m in land in the Levin town centre.

Rental income from these properties is used to offset general rates.

The properties are only purchased, sold or leased pursuant to a specific resolution of Council.

Such properties will only be purchased in the future where such acquisitions will strategically fit Council's core activities. There is no such provision in the Long Term Financial Strategy.

Council has a general preparedness to sell these properties. Any proceeds from sale will be set aside for new or significantly improved assets in or near the Levin town centre.

5. Shares

As at 30 June 2008-2014 Council held shares in:

- New Zealand Local Government Insurance Corporation Limited, which had a value of \$0.95m-104m.
- New Zealand Local Government Funding Agency Limited, which had a value of \$0.1m

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Dividend income from these shares is used to offset general rates.

Shares may only be purchased or sold pursuant to a specific resolution of Council.

Shares will only be purchased in the future where such acquisitions will strategically fit Council's core activities, such as possible landfill or roed management developments in conjunction with other local authorities and/or central government. There is no such provision in the LTCCP.

Council has a general preparedness to sell existing shares. However, there are restrictions on who may own the shares and no ready market for their sale. Any proceeds from sale will be set aside for major renewal or capital expenditure projects.

6. Housing advances

As at 30 June 2008 Council held fully secured rural housing loans to the value of \$0.01m.

Interest from these advances is used to meet corresponding debt interest and any surplus interest is used to offset general rates.

Advances may only be made pursuant to a specific resolution of Council.

~~No rural housing advances will be made in the future and staff~~ Staff housing advances will only be made in the future where such advances will strategically fit Council's activities. There is no such provision in the LTCCP.

Council accepts early repayment of these advances. Any proceeds from repayment will be used to repay corresponding debt, and any surplus will be set aside for major removal or capital expenditure projects.

7. Community group advances

As at 30 June ~~2008-2014~~ Council held secured advances to community groups to the value of \$0.03m ~~15m~~.

Interest from these advances is used to offset general rates.

Advances may only be made pursuant to a specific resolution of Council.

Such advances will only be made in the future where such advances will strategically fit Council's core activities. There is no such provision in the LTCCP.

8. Forestry

~~As at 30 June 2008 Council owned forestry (including land) to the value of \$1.7m, comprising primarily the Cyrus Hills Forest in Otaki Forks Road but also plantings at the Pot in association with the Levin wastewater disposal scheme. These were entered into for the purposes of financial return and environmentally sound effluent disposal respectively.~~

~~No income has yet been received from these assets. The LTCCP provides for revenue from 2012/13 and for \$2m of this to be used to repay loans on the new civic building. Other income will be set aside for major renewal or capital expenditure projects. The proceeds of the Levin wastewater disposal scheme forestry will be set aside for the benefit of Levin sewer ratepayers.~~

~~Apart from programmes of maintaining the forests so as to ensure their optimum net financial returns, Council has no plans to extend its investment in forestry. There is no such provision in the LTCCP, but economic investments on land already owned may be considered on a case-by-case basis after receiving independent expert advice.~~

98. Foxton Beach endowment property

As at 30 June ~~2008-2014~~ Council owned \$6.3m ~~7.6m~~ in Foxton Beach endowment property. Rental income from these properties is credited to the Foxton Beach Free holding Fund.

Use of this fund is governed by Section 21 of the Reserves And Other Lands Disposals Act 1956 and subsequent amendments, and is made only pursuant to a specific resolution of Council or by incorporation in the annual budgets.

Council has a general preparedness to dispose of endowment property by way of sale to lessees at market valuation or subdivision and sale at market valuations. Any proceeds from sale will be credited to the Foxton Beach Free holding Fund.

109. Advances to ratepayers

As at 30 June ~~2008-2014~~ Council held no advances to ratepayers

Council has a general preparedness to extend advances to ratepayers for the purpose of water and/or sewer

connections in special circumstances. Such advances would be considered on a case-by-case basis and only made pursuant to a specific resolution of Council.

This may be amended at some future time when the issue of providing water meters is resolved.

Any interest and principal repayments would be credited back to the account from which the advances were sourced.

4110. General property

As at 30 June 2008-2014 Council owned \$47.5m-40.482m in land and buildings other than those referred to above or used for infrastructural assets, parks or reserves.

Rental income from these properties is used to offset general rates.

The properties are only purchased, sold or leased pursuant to a specific resolution of Council.

Such properties will only be purchased in the future where such acquisitions will strategically fit Council's activities. The LTCCP identifies the need to purchase property for possible roading, sporting, civic and cemetery needs.

Council has an ongoing policy to rationalise its ownership of property. The LTCCP identifies the possible disposal of rental housing other than pensioner flats, surplus recreational and rural hall land. Any proceeds from sale will be set aside for major renewal or capital expenditure projects.

4211. Foreign exchange

Council has occasional exposure to foreign exchange in purchasing goods and services in the normal course of business, but any other foreign exchange dealings are prohibited.

File No.: 14/894

Draft Rates Remission Policy Amendments Adopted for Consultation

1. Purpose

To bring to Council the amended draft Rates Remission Policy that was considered by the Finance Subcommittee at its 29 October 2014 meeting for adoption and consultation as part of the LTP consultation process.

2. Executive Summary

- 2.1 Council has discussed enhancements to the Rates Remission Policy to contribute to the fair and equitable distribution of rates to rating units. This policy amendment was seen as working in tandem with amendments to the Revenue and Financing Policy (including the proposal to move from land value to capital value based rating) to achieve this end.
- 2.2 Some of these amendments seek to modify the application of S20 of the Local Government (Rating) Act 2002 (LG(R) A) which detail how contiguous rating units should be treated for rating purposes. S20 must be applied un-modified as this is the legal minimum for the District Valuation Role (DVR) and Rating Information Database (RID) that is also used for rating purposes by Horizons Regional Council. Council can modify the effect of s20 with the use of rates remissions that apply only to Horowhenua District Council.

3. Recommendation

- 3.1 That Report 14/894 Draft Rates Remission Policy amendments adopted for consultation be received.
- 3.2 That this decision is recognised as significant in terms of S76 of the Local Government Act
- 3.3 That Council adopts the amended and updated Rates Remission Policy for consultation as part of the LTP consultation process.

4. Background / Previous Council Decisions

- 4.1 Council has had several submissions to previous LTPs and Annual Plans from the farming community to modify the effect of the strict interpretation of s20 where a farm may attract several sets of fixed rate based targeted rates (i.e. Library, Representation and Government, Solid waste and Swimming Pool) due to differing ownership (e.g. a trust or company).
- 4.2 Also the recent recession in the economy has meant that many subdivisions sales have slowed. As each unsold lot also attracts a "set" of fixed charge based targeted rates it was felt it would be more equitable to remit these rates on unsold lots.

- 4.3 Council at a recent workshop identified some additional rates remissions criteria for possible inclusion in a review of the Rates Remission Policy. The opportunity was also taken to review the wording of the existing policy as well. It is a requirement under the Local Government Act (LGA) to review this policy once in every 6 years

5. Discussion

- 5.1 The Rates Remission Policy is a policy that needs to be reviewed every 6 years. It has been at least that time since it was last comprehensively reviewed. The legislation relating to the policy is shown below. Council does not need to have a Rates Remission Policy under s102 of the LGA, but most Councils will have one. The current policy has been reviewed and the tracked changes copy is **attached** to the report.
- 5.2 During a recent workshop and at the last Finance Subcommittee, Council considered some new rating categories. They are:
1. Rates Remission for Subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property
 2. Remission of Rates on Bare Land
 3. Remission of any rate set using a fixed (uniform) charge on contiguous properties,
 4. Remission of rates for Council Owned Utilities
- 5.3 The first and third are consistent with other Councils in our region including Horizons Regional Council. The others were enhancements requested and suggested by our Council in response to (in the case of the second addition) numerous requests from affected ratepayers.
- 5.4 It is important to remember that these remissions do not counter the Council's policy of rating using Separately Used or Inhabited Parts (SUIP's). Bare land does not qualify if it has a habitable dwelling. Basically where there is a house on any rating unit the first 3 policy amendments detailed above would not apply. It is the intent of the Revenue and Financing Policy on rating using SUIPs that houses (and therefore the people who live in those houses) to contribute to the fixed charge based targeted rates also described as Uniform Targeted Rates (UTRs).

6. Options

The legislation states that Council may adopt a remissions policy under s102 (3) LGA. There is, therefore, an option not to amend or even repeal the existing remissions policy.

However, there is no other mechanism to achieve the outcome that the amendments seek to achieve.

6.1 Cost

The cost is hard to estimate as it is not easy to identify farms that may be in multiple ownership. A very conservative estimate is for a maximum of \$500k, this would mean other rating units may get a one off increase in UTRs of approximately \$25. Most likely increase would be less than \$15 in the first year.

There will initially be an administration cost as the initial applications are made in the new financial year. The remission will only be granted through an application process.

Rating units would still be liable for Water and Wastewater UTR's if connected or able to be connected with an availability charge.

6.1.1 Rate Impact

Rates remissions must show as an expense under s 86(b) LG(R)A. Because the rates remitted will all be targeted rates, all other rating units eligible to pay that targeted rate will incur a higher rate than would otherwise have occurred.

6.2 Community Wellbeing

There are no negative impacts on Community wellbeing arising from the amendments to the Rates Remission Policy

6.3 Consenting Issues

There are no Consents required or consenting issues arising.

6.4 LTP Integration

The remission policy amendments will be consulted on as part of the LTP review.

7. Consultation

The policy needs to be consulted on using a consultation process that gives effect to the requirements of section 82 LGA, the Principles of Consultation. The consultation must also follow our Significance and Engagement Policy which will be complied with if we consult on the policy through the Consultation Document for the LTP.

8. Legal Considerations

S102 local government Act 2002

Funding and financial policies

- (1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).
- (2) The policies are—
 - (a) a revenue and financing policy; and
 - (b) a liability management policy; and
 - (c) an investment policy; and
 - (d) a policy on development contributions or financial contributions; and
 - (e) a policy on the remission and postponement of rates on Māori freehold land; and
 - (f) in the case of a unitary authority for a district that includes 1 or more local board areas, a local boards funding policy.
- (3) A local authority may adopt either or both of the following policies:
 - (a) a rates remission policy;
 - (b) a rates postponement policy.
- (4) A local authority—
 - (a) must consult on a draft policy in a manner that gives effect to the requirements of section 82 before adopting a policy under this section;
 - (b) may amend a policy adopted under this section at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of section 82.
- (5) However, subsection (4) does not apply to—
 - (a) a liability management policy;
 - (b) an investment policy.

“S109 Rates remission policy

- (1) A policy adopted under [section 102(3)(a)] must state—
 (a) the objectives sought to be achieved by the remission of rates; and
 (b) the conditions and criteria to be met in order for rates to be remitted.
- (2) In determining a policy under [section 102(3)(a)], the local authority may consider the matters set out in Schedule 11.
- (2A) If a policy is adopted under section 102(3)(a), the policy—
 (a) must be reviewed at least once every 6 years using a consultation process that gives effect to the requirements of section 82; and
 (b) may be revoked following the review under paragraph (a).
- (3) For the purposes of this section, the term rates includes penalties payable on unpaid rates.”

S85 Local Government (Rating) Act 2002

Remission of rates

- (1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if—
 (a) the local authority has adopted a [rates remission policy under section 109 of the Local Government Act 2002]; and
 (b) the local authority is satisfied that the conditions and criteria in the policy are met.
- (2) The local authority must give notice to the ratepayer identifying the remitted rates.

S86 Local Government (Rating) Act 2002

Recording remitted rates

The local authority must record the remitted rates—

- (a) on the rates record for the rating unit as paid on the due date; and
 (b) in accounting documents ... as paid by the local authority on behalf of the ratepayer in accordance with the relevant objective in the remission policy.

9. Financial Considerations

Refer to the costs and rating effects section.

10. Other Considerations

There are no other considerations.

11. Next Steps

The significant additional remissions will be in the Consultation Document for the LTP. This will mean that submissions can be made and heard as part of the LTP process. The remissions Policy will be adopted as part of the LTP adoption before the 30 June.

12. Supporting Information

Strategic Fit/Strategic Outcome
Not applicable.
Decision Making
The remissions policy must follow Council’s Engagement Policy when consulted on and cannot be adopted without consultation occurring.
Consistency with Existing Policy
Not applicable.

Funding

Not applicable.


Confirmation of statutory compliance


In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

1. Appendices

No.	Title	Page
A	New remission policy addition final version	56
B	Rates Remission Policy (with tracked changes)	61

Author(s)	Doug Law Group Manager - Finance	
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Approved by	David Clapperton Chief Executive	
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Rates Remission for Subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property

Background

Developers face significant costs in the early stages of subdivision development, including the payment of development contributions to Council. Once titles are issued, all properties are rated individually and the holding costs can be quite high until properties are sold.

Objectives

To provide a positive development incentive by supporting the development and holding of subdivision land for residential and rural lots by remitting all rates levied using fixed (uniform) charges on unsold development land where each separate lot or title is treated as a separate Rating Unit.

Conditions and Criteria

This remission applies to unsold subdivided land, where each separate lot or title is treated as a separate Rating Unit, and such land is implied to be not used as a single rating unit under s20 of the Local Government (Rating) Act 2002.

1. The rating units must have been created in accordance with Council's subdivision development requirements and have been granted a subdivision consent.
2. The rating units must be vacant land i.e. the rating unit does not contain any habitable dwelling.
3. The rating units on which remission is applied must be owned by the same ratepayer who must be the original developer.
4. Rate remission to the extent of fixed (uniform) charges for unsold subdivided land.
5. Remission shall cease for any allotment if any interest in the land is passed by the developer to another party. Remission ceases from the end of the year in which the change in title occurs.
6. Application must be submitted in writing and submitted to Council prior to the commencement of the rating year (i.e. before 30 June).
7. The ratepayer will remain liable for at least one "set" of fixed (uniform) general and/or targeted rates.
8. Remissions will not apply to Water, Stormwater and Sewerage targeted rates.
9. Each application will be considered in line with the general guidelines, however, individual circumstances may vary and could influence the final decision.

10. From 1 July 2015 any remissions will only apply for a period of five years and then be reviewed. Remissions will not be granted in retrospect for previous years.
11. Decisions on remission under this policy will be delegated to the Group Manager – Finance, Finance Manager (or equivalent positions).

Remission of Rates on Bare Land

Objectives:

To reduce the rates burden on bare, uninhabited land, where the owner of the rating unit is not able to use the services funded from targeted rates.

Council may remit any rate set using a fixed (uniform) charge in respect of one or more rating units owned by the same ratepayer (as recorded on the certificate of title and recorded in the Rating Information Database) if it considers it reasonable in the circumstances to do so.

Conditions and Criteria

1. Rating units must be owned by the same ratepayer (as recorded on the certificate of title and recorded in the Rating Information Database).
2. Council may remit any rate set using a fixed (uniform) charge on rating units considered to be bare land, provided that the ratepayer pays at least one “set” of the rates set using a fixed (uniform) charges within the District.
3. Bare land is defined as rating units with no habitable improvements. For the purposes of this policy forestry blocks (without habitable buildings) are deemed to be bare land.
4. Decisions on remission under this policy will be delegated to the Group Manager – Finance, Finance Manager (or equivalent positions).

Remission of Rates Penalty

Objective

The objective of the Remission of Penalties is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date, primarily due to circumstances outside the ratepayer's control.

Conditions and Criteria

Remission of penalties on late payment of rates may be made when it is considered just and equitable to do so. In determining justice and equity, one or more of the following criteria shall be applied.

- a) Where there exists a history of regular, punctual payment over the last five years (or back to purchase date if the rating unit has been owned for less than five years) and payment is made within a 10 days following the ratepayer being made aware of the non-payment, a one-off reduction of instalment penalties may be made.
- b) Where an agreed payment plan is in place, penalties may be suppressed or reduced, where the ratepayer complies with the terms of the agreed payment plan which include payment by direct debit. In the event that the agreement is not maintained, Council reserves the right to levy future penalties.
- c) Where the rates instalment was issued in the name of a previous property owner. The rating unit has a new owner who has been given insufficient notice of invoice due date.
- d) Where a ratepayer has been ill or in hospital or suffered a family bereavement or tragedy of some type and has been unable to attend to payment, on compassionate grounds.
- e) Where an error has been made on the part of the Council staff or arising through error in the general processing or incorrect rates being applied which has subsequently resulted in a penalty charge being imposed.

Procedure

- a) A ratepayer may request in writing that the penalty applied for late payment be remitted.
- b) Each application will be considered on its merits, and if approved, the value of the remission may be all or part of any penalties incurred.
- c) Applications may also be at the initiative of the Group Manager – Finance or Finance Manger (or equivalent positions within the Finance Department).

d) Applications will be determined by the Group Manager – Finance or Finance Manager (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision.

Remission Rates for Council Owned Utilities.

Objectives

To avoid incurring the rating costs to Council that would be indirectly recovered from other ratepayers.

Conditions and Criteria

Utilities (i.e. water, stormwater and wastewater) owned by the Horowhenua District Council will receive 100% remission of all rates that have been set, which includes any rate set using a fixed (uniform) charge.

Remission of any rate set using a fixed (uniform) charge on contiguous properties.

Objectives

To enable Council to act fairly and equitably with respect to the imposition of any rate set using a fixed (uniform) charge on two or more separate rating units that are contiguous, but separately owned and used jointly for a single residential, business or farming use.

Background

This policy has been developed to provide for the remission of rates in situations where two or more rates set using a fixed (uniform) charge, are assessed on contiguous, but separately owned rating units which are being used jointly as a single property or business.

The circumstances where an application for a remission of charges will be considered are:

- residential dwelling and associated garden and ancillary buildings where the property occupies a maximum of two rating units and those rating units are used jointly as a single property.
- A farm that consists of a number of separate rating units that are contiguous
- A commercial, retail or industrial business that operates from more than one rating unit where those rating units are contiguous and are used jointly as a single property.
- However, Council's "Separately used or Inhabited" (SUIP) definition will still be applied.

Conditions and Criteria

Applications under this policy must be in writing, signed by the ratepayer and must comply with the conditions and criteria set out below.

1. The rating units must be contiguous.
2. The rating units must:

- a) In the case of a residential property, be owned by the same ratepayer (as recorded on the certificate of title and recorded in the Rating Information Database) who uses the rating units jointly as a single residential property.
 - (i) A vacant section adjoining a residential lot does not comply.
 - (ii) The individual areas of the rating units concerned must not exceed the size of a typical residential lot.
 - b) In the case of a farm, be owned by the same owner (as recorded on the certificate of title and recorded in the Rating Information Database). or be leased, from other owners, for a term of not less than five (5) years, to the same ratepayer who uses the rating units jointly as a single farm. The owners of each of the individual rating units must confirm in writing that their unit/s is being jointly used as a single farming operation.
3. The Council may on written application from a rate payer of such rating units remit any rate set using a fixed (uniform) charge levied on the rating units if it considers it to be reasonable in the circumstances to do so.
 4. The applicant must provide sufficient evidence as is necessary to prove that the properties are being jointly used as a single property and Council's decision on the matter is final.
 5. The Council reserves the right to determine that any specific targeted charge will be excluded from this policy
 - 6 Remissions will not apply to Water, Stormwater and Sewerage targeted rates
 - 7 Each application will be considered in line with the general guidelines, however, individual circumstances may vary and could influence the final decision
 - 8 Decisions on remission under this policy will be delegated to the Group Manager –Finance or Finance Manager (or equivalent positions).

Rates Remission Policy

Introduction

This policy is adopted pursuant to s.85 of the Local Government (Rating) Act 2002 as a requirement of each Annual Plan, which reads:

(1) A local authority may remit all or part of the rates on a rating unit (including penalties for unpaid rates) if:

- a. The local authority has adopted a remission policy under and section 109 of the Local Government Act 2002, and
- b. The local authority is satisfied that the conditions and criteria in the policy are met

(2) The local authority must give notice to the ratepayer identifying the remitted rates Section 109 of the Local Government Act 2002 referred to above provides:

(1) The remission policy must be prepared as part of the annual plan and adopted in accordance with the special consultative procedure.

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(2) The remission policy must include a statement of:

- a. The objectives sought to be achieved by remission of rates; and
- b. The conditions and criteria to be met in order for rates to be remitted.

The general objectives sought to be achieved by this policy are:

- (1) The vision, and goals and strategies of the Strategic Plan of the Community Outcomes, particularly those supporting community development, and voluntary initiatives in and the protection of the natural environment, and
- (2) Equity and efficiency in the administration of the rating system.

Applications meeting the conditions and criteria laid out in the policy will be considered, each on its merits, and the outcome is a matter for Council's discretion. The possible circumstances of remission of rates described in this policy are in addition to those contained in the Rating Powers Act 1986 that remain in force for the time being.

The policy provides for the following classes of rate remissions:

- Part 1 Community groups
- Part 2 Voluntarily protected land
- Part 3 Penalties on rates
- Part 4 Excessive water charges

Part 5 Remnant land

Part 6 Rating units in industrial and commercial areas used for residential purposes

Part 7 Land Used for Primary Industry and Rural Residential purposes in areas that have been rezoned as Residential and Business Zones

Part 8 Small rate balances

Part 9 Targeted rates on non-rateable land

Part 10 Properties affected by disasters

Part 11 Subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property

Part 12 On Bare Land

Part 13 Council Owned Utilities

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Part 14 Contiguous rating units not in common ownership.

1. Remission of Rates on Community Groups

(a) Objective

To facilitate the ongoing provision of non-governmental, not-for-profit community support services to the residents of the District.

(b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit must:

- be owned and occupied by a community support organisation
- used primarily for the provision of community support services to the general public, and
- (except as provided in the next paragraph) not receiving any other form of rating relief.

Rating units that are 50% non-rateable under Part 2 of Schedule 1 of the Act, except for that area where a liquor license is in force, shall have 80/100% remission of rates other than water and sewer rates over that part of the land. Where a owner has a liquor license they are ineligible for a remission.

Comment (DM1): I was a bit unclear about what happens for these areas – is it no remission? Or a different amount

Other matters taken into account in determining whether a rating unit qualifies for remission will include:

- the level of rates assessed on the rating unit
- the extent to which the primary purpose of the ratepayer is to provide services to disadvantaged groups (including children, youth, young families, aged people and economically-disadvantaged people)
- the impact of the ratepayer's activities on the social, cultural, economic or environmental well-being of the District
- the number of members and/or clients
- history of service to the residents of the District
- the rating status of similar groups.

Applications must be in writing, supported by:

- statement of objectives
- description of governance structure
- financial accounts
- information on activities and programmes
- information on membership or clients.

Applications must be received prior to the commencement of the rating year.

Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July. Applications will not be backdated.

(c) Process

~~Applications will be considered, and decisions made,~~

~~by Council. Applications will be determined by the Group Manager – Finance or Finance Manager (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute~~

arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision.

Each application will be considered on its merits, and if approved the value of the remission will be 50100% of all general and targeted rates generally applied across the District except water and waste water.

The ratepayer will be informed of the outcome of the application in writing.

2. Remission of Rates on Voluntarily Protected Land

(a) Objective

To encourage and promote the conservation and protection of significant natural features.

(b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit or part thereof must:

- be the subject of a QEII Open Space or similar DOC covenant (in which case 100% remission of all rates will apply), or the likes of a DOC Management Agreement under the Reserves Act or Conservation Act (in which case 50% remission of some or all rates may apply), and
- not be receiving any other form of rating relief.

Other matters taken into account in determining whether a rating unit qualifies for remission will include:

- the degree to which significant natural features worthy of conservation and protection are present on the land
- the degree to which such significant natural features inhibit the economic utilisation of the land
- the extent to which the conservation and protection of such significant natural features would be promoted by the remission of rates
- the ability or potential of the public to enjoy the significant natural features.

Applications must be in writing, supported by documentary evidence of the protected status.

Applications must be received prior to the commencement of the rating year.

Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July. Applications will not be backdated.

(c) Process

Applications will be determined by the Group Manager – Finance or Finance Manager (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision. Applications will be considered and decisions made by Council.

Each application will be considered on its merits and if approved the value of the remission will be 100% if General and Targeted rates generally applied across the District except Water and Wastewater (QEII covenants only) and 50% of General and Targeted rates generally applied across the District except Water and Wastewater on others.

The Council will arrange a two-way apportionment of the rating value of the rating unit between the area covered by the application and the balance for this purpose.

The ratepayer will be informed of the outcome of the application in writing.

3. Remission of Penalties on Rates

REPLACED BY NEW POLICY

(a) Objective

To enable Council to act fairly and reasonably in its consideration of rates that have not been received by Council by the penalty date due to extenuating circumstances faced by the ratepayer.

(b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit must have incurred a rates penalty by not having paid a rate by due date, such lateness being due to extenuating circumstances.

Each application will be considered on its merits and will be granted if it is considered just and equitable to do so.

Matters considered will include

- * the ratepayer's extenuating circumstances (for example financial hardship, medical confinement, family bereavement, change of postal address, altered payment arrangements, bona fide dispute over rates assessed)
- * the ratepayer's rates payment history.

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Applications may be at the initiative of the Finance Manager, Management Accountant or Rates Manager or in writing from the ratepayer.

(c) Process

Applications will be determined by the Finance Manager acting under delegated authority in respect of applications for remissions up to \$1,000. Applications in respect of greater amounts must be in writing, and will be determined by Council.

Each application will be considered on its merits, and if approved the value of the remission will be all or any part of the penalties incurred.

Where the application is in writing, the ratepayer will be informed of the outcome in writing.

At its discretion Council will:

- Remit one instalment penalty in cases where the rate payment history of the property occupier over the last five years (or back to purchase date where property has been occupied/owned for less than five years) show no evidence of previous late payment and the instalment was received within 10 working days of the penalty date.
- Remit instalment penalties if the owner/occupier of the property enters into a Direct Debit payment plan.

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4. Remission of Excessive Water Charges

(a) Objective

To enable Council to act fairly, reasonably and consistently in its assisting ratepayers who have excessively high water rates due to a fault in the internal reticulation serving their rating unit.

(b) Conditions And Criteria

To qualify for remission under this part of the policy a rating unit must have incurred excessive water charges attributable to a fault in the internal reticulation serving the rating unit.

Applications must be made in writing, with verification that the fault has been rectified (e.g. a plumber's bill).

(c) Process

Applications will be determined by the the Group Manager - Finance or Finance Manager (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision. Finance Manager acting under delegated authority in respect of applications for remissions up to \$1,000. Applications in respect of greater amounts will be determined by Council.

Assessment of the excessive water charge will take into account:

- the charges for normal levels of water consumption
- the time taken to have the fault repaired.

Each application will be considered on its merits, and if approved the value of the remission will be half of the value of the excessive consumption.

The ratepayer will be informed of the outcome of the application in writing.

5. Remission of Rates on Remnants of Land

(a) Objective

To enable Council to act fairly and equitably in the assessment of rates on what are determined for these purposes to be remnants of land.

(b) Conditions and Criteria

To qualify for remission under this part of the policy a rating unit must:

- comprise a piece of land that does not warrant the assessment or invoicing of rates
- not be the subject of any other form of rating relief.

Matters taken into account in determining whether a rating unit qualifies for remission, and a guide as to what may be expected to qualify as a remnant, will include:

Area	Only a few square metres
Location	Remote, landlocked
History	Unintended remnant of subdivision
Ownership	Indeterminate
Rateable Value	Nominal
Potential Uses	Nil

Applications must be received prior to the commencement of the rating year. Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July.

Applications will not be backdated.

Applications may be at the initiative of the Group Manager – Finance, Finance Manager, Management Accountant or Rates Manager-Officer or in writing from the ratepayer.

(c) Process

Applications will be considered and determined by the Group Manager – Finance or Finance Manager (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision and decisions made by Council.

Each application will be considered on its merits, and if approved the value of the remission will be the whole of the rates that would otherwise be assessed on the rating unit.

The ratepayer will be informed of the outcome of the application in writing.

6 Remission of Rates on Rating Units in Industrial and Commercial Areas Used for Residential Purposes

(a) Objective

To ensure that owners of rating units situated in commercial or industrial areas used for residential purposes are not duly penalised by the zoning restrictions of this Council and previous local authorities.

(b) Conditions and Criteria

To qualify for consideration for remission under this part of the policy the rating unit must:

- be situated within an area of land that has been zoned for commercial or industrial use. (Ratepayers can determine the zoning of where their property has been zoned by inspecting the District Plan, copies of which are available from the Levin and Foxton office, Te Takere and the Levin, Shannon and

Foxton libraries. Alternatively the District Plan is available for viewing on the Council website www.horowhenua.govt.nz.)

- be rated the urban general rate. (Ratepayers can determine whether or not their property is rated the urban general rate by inspecting their rating invoice or by enquiring of the rating information database at the Levin or Foxton office) be rated the same as an equivalent urban rating unit.
- have an excessive rateable value in comparison to similar residential rating units in the vicinity
- not be the subject of any other form of rating relief.

Applications must be received prior to the commencement of the rating year.

Applications received during a rating year will be considered from the commencement of the following rating year commencing the next 1st July.

Applications will not be backdated.

Applications must be made in writing.

(c) Process

Applications will be determined by the Group Manager – Finance or Finance Manager (or equivalent positions within the Finance Department) to a value of \$2,500. Any requested remissions above \$2,500 or if there is any doubt or dispute arising, the application is to be referred to the Chief Executive and a member of the Finance Subcommittee for a decision. Finance Manager acting under delegated authority.

Each application will be considered on its merits, and if approved the value of the remission will be given effect by the determination by Council of a special rateable value.

The ratepayer will be informed of the outcome of the application in writing.

7 Rates Remission on Land Used for Primary Industry and Rural Lifestyle purposes in areas that have been zoned as Residential and Business Zones.

(a) OBJECTIVES OF THE POLICY

The objectives of the policy are:

1. To provide rates relief in respect of land used for primary industry and rural lifestyle purposes where rating units greater than 659m² (or rating units, including residential use rating units, that are able to be subdivided under the operative District Plan) where the Council is satisfied that the rating valuation of the land is in some measure attributable to the potential use to which the land may be put for residential, commercial or industrial development.
2. To preserve uniformity and equitable relativity with comparable

parcels of land used for primary production and rural lifestyle purpose land, that is able to be subdivided, in the district where the valuations do not contain any "potential value".

(b) CONDITIONS AND CRITERIA

The Council will remit value based rates on land used for primary industry and rural lifestyle rating units greater than 659m² and rating units, including residential use rating units, that are able to be subdivided creating saleable lots under the operative District Plan as a Controlled Activity in the Residential, Greenbelt Residential, Commercial and Industrial zones or in the case of the Greenbelt Residential (Foxton Beach North Overlay) Zone as a Limited Discretionary Activity, where it is satisfied that the rating valuation of the land is in some measure attributable to the potential use to which the land may be put for residential, commercial or industrial development.

1. For the purposes of this policy, "land used for primary industry" means land that is classified by the Office of the Valuer General as being used for primary industry under Clause C.3.4 primary Level use code 1 in Appendix C of the Rating Valuation Rules 2008, is used exclusively or principally for agricultural, horticultural, or other pastoral purposes or for the keeping of bees or poultry or other livestock; and "farming purposes" has a corresponding meaning. This may include land used for dairy farming, stock fattening, arable farming, storage of livestock, market gardens and orchards, specialist livestock, forestry, mineral extraction and vacant/idle land.
2. For the purposes of this policy, "land used for Rural Lifestyle purposes" means land that is classified by the Office of the Valuer General as being used for lifestyle use under Clause C.3.4 primary Level use code 2 in Appendix C of the Rating Valuation Rules 2008. This does not include residential properties in rural areas or rural lifestyle properties that are too small in area to be subdivided under the operative District Plan as a Controlled Activity.
3. For the purposes of this policy, "land used for Residential purposes" means land that is classified by the Office of the Valuer General as being used for residential use under Clause C.3.4 primary Level use code 9 in Appendix C of the Rating Valuation Rules 2008. This does not include residential properties formerly zoned as rural or lifestyle properties that are too small in area to be subdivided under the operative District Plan as a Controlled Activity.
4. Rating units for which a subdivision consent has been approved or lodged and under consideration by the Council shall not be eligible for rates remission under this policy.

(c) PROCESS

The process for seeking rates remission is as follows:

1. On written application from the ratepayer of any rating unit that is:
 - a) located in a zone in the District Plan other than the Rural zone, and is
 - b) land used for primary industry, or
 - c) land used for rural lifestyle purposes, or
 - d) land used for residential purposes that are able to be subdivided

the Council will request its Valuation Service Provider to issue a special "rates remission value" for that rating unit.

2. The rates remission value will be determined so as to:
 - a) exclude any potential value that, at the date of valuation, the land may have for residential purposes, or for commercial or industrial use; and
 - b) preserve uniformity and equitable relativity with comparable parcels of land used for primary industry, rural lifestyle and residential purposes the valuations of which do not contain any such potential value.
3. Rates remission special values allocated under this policy are final and there is no right of objection against the level of valuation. (The owner still has the right to object to the rating valuation of the property where those values have been determined under the Rating Valuations Act 1998.)
4. Where a rates remission value has been determined, the payment of rates will be remitted to the extent specified in clause (5) of this policy.
5. The amount of rates remitted in any year shall be an amount equal to the difference between the amount of the rates for that period calculated according to the rateable value of the property and the amount of the rates that would be payable for that period if the rates remission value of the property were its rateable value.
6. Notice of the amount of rates remitted shall be expensed and entered as a credit to the rates owing in the rating records and will be notified with the rates assessment issued in respect of that rating unit.
7. Subject to the rates remission value remaining in force, rates will be remitted from the commencement of the rating period in respect of

which they were made and levied.

8. Rates remission will apply from the beginning of the rating year following the period in which the rates remission application is approved and will not be backdated to prior years. However, in the event that an application is approved prior to 1 August, rates remission may apply from the beginning of the financial year in which the application is approved.

The following delegations apply in respect of:

- *Group Manager - Finance or Finance Manager, - to approve remissions which meet the requirements of this policy.*
- *Chief Executive and/or the Chairperson of the Finance Sub-committee, - to hear and make a final decision on any appeal on an application for remission that has been declined.*

8. Remission of Small Rates Balances

(a) Objective

To save Council the costs of processing rates of uneconomic value

(b) Conditions And Criteria

To qualify for remission under this part of the policy the rating unit must have a balance of less than \$1-5 ~~owing on a general or targeted rate at the time of assessing or invoicing a rates at 30 June in any year.~~

Applications may be at the initiative of the ~~Group Manager - Finance or Finance Manager, Management Accountant or Rates Manager Officer~~ or in writing from the ratepayer.

(c) Process

Applications will be determined by the ~~Group Manager - Finance or Finance Manager or Management Accountant~~ acting under delegated authority.

Each application will be considered on its merits, and if approved the value of the remission will be the whole of any outstanding rate of under \$5 ~~or less~~ at year end.

9. Remission of Targeted Rates on Non-rateable Land

(a) Objective

To balance user-pays, equity and community interest in the assessment of targeted rates on non-rateable rating units.

(b) Conditions and Criteria

To qualify for consideration for remission under this part of the policy the rating unit must be:

- non-rateable

- otherwise liable for rates for services described in s.9 of the Local Government (Rating) Act 2002 (i.e. rates for water supply, sewage disposal or waste collection).

Comment [DM2]: Is it worth clarifying which act?

Determinations will not be backdated.

(c) Process

Decisions will be made by way of policy determinations by Council in respect of a type of ratepayer or rating unit. The value of the remission will be the whole or part of any or all of the applicable rates.

Under this policy targeted water rates are levied by way of the normal water rates in the case of non-rateable residences, libraries and halls, but by metered water consumption in all other cases.

10. Properties Affected by Disasters

(a) Objective

To provide rating relief to ratepayers whose property has been affected by a disaster event.

(b) Conditions And Criteria

To qualify for remission under this part of the policy a rating unit or part thereof must be

- Affected by a disaster event such as a flood, storm, earthquake, subsidence; and
- Rendered incapable of normal use by the ratepayer for a certain period.

Other matters taken into account in determining whether or not the rating unit qualifies for remission, and the extent of such remission, will include

- The impact(s) of the disaster event on the property, and
- The duration of such impact(s)
- The extent to which the losses were insurable.

Applications must be in writing, either from the applicant or at the initiative of an officer of the Council.

(c) Process

Applications will be considered, and decision made, by Council.

No remission will be made before further guidelines specific to the disaster event are established.

Such guidelines will take into account the extent of funding available from which to make any remissions, and may cover such factors as:

- Special conditions and criteria, including any period for which a property may have been incapable of normal use
- Special application forms and information to be provided
- Deadlines for applications
- The extent of remissions to be made, whether on a fixed sum, percentage, sliding scale or other basis

Item 10.2

- The appointment of an advisory committee to assist in the consideration of applications, if appropriate.

Each application will be considered on its merits, and in the context of guidelines established in response to the disaster event.

The ratepayer will be informed of the outcome of the application in writing.

Attachment B

File No.: 14/890

Extension of N5 Part B Water and Wastewater Services Contract

Item 11.1

1. Purpose

The purpose of this report is to provide a recommendation to Council in regards to extending the current N5 Part B Water and Wastewater Services Contract with Downer.

2. Executive Summary

This report provides the available options with a recommendation to Council on whether to procure a new N5 Part B Water and Wastewater Services Contract by March 2015 or to extend the current contract with Downer.

3. Recommendation

- 3.1 That Report 14/890 Extension of N5 Part B Water and Wastewater Services Contract be received.
- 3.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act
- 3.3 To accept the proposal from Downer to extend the current contract for another 24 months;
 - During this period (24 months) review the existing work schedule and
 - Develop a new contract arrangement with a duration of 8 years with a 4 year plus a 2 x 2 year extension
- 3.4 To work jointly with Downer to develop a new contract arrangement, to go to Council for approval by 1 January 2017, and if acceptable to Council the new contract will commence 1 July 2017

4. Background / Previous Council Decisions

- 4.1 The current Water Services Contract is due to expire on the 30th June 2015. Council will need to procure a new contract by the end of April 2015 to allow for the new contractor to establish and commence work on 1 July 2015.
- 4.2 We will not be able to effectively procure a new contract by April 2015. To procure a new contract will require us to review the current contract, prepare new tender documents with a revised schedule and go out to tender on time to finalise procurement by the end of April 2015. The reasons for not being able to create and procure a new contract are as follows:
 - 1 The recent restructuring of Community Assets (now Infrastructure Services) resulted in changes in staff and the key support staff to drive the process are currently under resourced

Item 11.1

- 2 The current contract schedule and condition requirements have changed over the years and need to be reviewed to reflect current need
- 3 We would like to move away from the current NEC contract to develop a new contract arrangement that works for both parties.
- 4 New Staff - new staff require time to understand the systems, get to know the plants, their operations and delivery mechanisms to be able to adequately have any input into the development of a new contract
- 5 The procured telemetry system will be completed within the next two years and this will significantly change the way the system is monitored and operated. Without the system in place any new contract in 2015 will need to be reviewed after the telemetry is implemented. The time, cost and resources needed for such a review can be avoided without any negative impact on the operations and
- 6 The current contractor Downer have operated and maintained the system for the last 17 years and therefore there is no risk or urgency to rush into the procurement of a new contract if the outcome will not be in the best interest of long-term community interest

5. Discussion

- 5.1 Since 1997 Works Infrastructure (now DOWNER) has looked after the Districts Water and Wastewater services. Downer won the contract in 1997 which included Water and Wastewater, Parks and Reserves and Roothing. In 2000 the contract went out to tender and Downer won and retained the Water and Wastewater contract for a 5 year term but lost the Parks and Reserves and Roothing contracts. After successful completion of the contract term the Council approved a 5 year rollover.
- 5.2 In 2010 the 5 year rollover expired and the contract went out to tender. Again Downer won the Water and Wastewater contract as well as the OSM and FM contracts for a 5 year term.
- 5.3 During this time Downer staff has served Horowhenua District for a total of 148 man years, 106 of these have been carried out by four of their staff namely; Robbie Lammas (33years); Bruce Marshall (28years) who has been the contract manager since 2000; Melvyn Rolston (26years) and John Shailer (19 years).
- 5.4 It is clear that Downer have maintained and operated the district water services successfully which is the reason why they have been able to retain the contract for the last 17 years.
- 5.5 HDC will not want to risk losing all the effort put into developing a partner who is proactive and prepared to work collaboratively with Council to improve and ensure good service delivery whilst continuously seeking improvement and gains in efficiency.
- 5.6 Considering the above, we are now in discussions with Downer to extend the current contract for the following reasons:
 - 1 The benefits of extending the current contract for 24 months to allow for a smooth transition into a new contract arrangement outweighs the risks associated with rushing into a new contract
 - 2 Financially, the contractor has not asked for an increase in the unit rates which were set since 2005. Although CPI adjustment is done, it is not unreasonable to assume that unit rates today will be relatively higher than the rates set in 2005

- 3 HDC staff who will be responsible for managing any new contract are new and need the chance to have a good input into developing the contract requirements without being rushed
 - 4 The new telemetry and scada system will be implemented over the next 2 years, to fully understand and integrate the benefits of this system an 18 month contract extension will be appropriate
 - 5 There is no urgency or potential benefit to rush into creating a new contract and going to tender prior to April 2015
 - 6 A 24 month contract extension with a view to signing a long-term contract will provide the best outcome for the community
 - 7 The proposal from Downer is practical and provides
 - room to ensure transparency
 - The chance to ensure the price is right
 - The long-term incentive for helping Council reach its objective of going from *"Good to Great"* and
 - The opportunity for product excellence, operational excellence and customer excellence.
- 5.7 There is no desire for change given that the current contractor is delivering the level of service that is required and expected of them.
- 5.8 We have been in discussions with Downer management to ascertain whether or not they are interested in extending the current contract for an agreed period whilst maintaining the existing rates so as to:
- 1 Allow for a smooth transition into a new contract arrangement
 - 2 Allow for a good review of the current contract scope leading to the development of a well-developed contract schedule of rates that will reflect the current and future needs of the assets and
 - 3 Achieve long term savings and value from the contract partnership by working together to shape the future of the contract requirements.
- 5.9 In response, Downer accepted to work with us to develop an agreement that will provide a framework to help the transition. For Council to extend the Horowhenua Water and Wastewater Services Contract, Downer has agreed to the following:
- 1 That the Parties agree to an initial 24 months extension during which time we will jointly develop a new contract to cover a subsequent 8 year term
 - 2 That the initial phase (24 month extension) of the contract development be undertaken on an exclusive basis (that is Council reserving the rights to sign or not to sign the 8 year contract)
 - 3 That if the Council is satisfied that the new Contract achieves it's goals and that Downer demonstrates continued commitment to deliver long term value, then the Contract would be awarded to Downer and
 - 4 If Council is not satisfied with the outcome of this process, then Council would be free to go to the open market.
- 5.10 Downer won the current Water and Wastewater Maintenance contract competitively in 2005 and have performed and delivered the contract to the satisfaction of HDC. Council have developed a long-term relationship with Downer who have over the years gained the trust and respect of both the Council and the Community at large.

5.11 Downer's performance in the delivery of the operation and maintenance is evident in them winning the **2014 Hirepool Construction Excellence Awards** for Excellence in Routine Maintenance category. Cited as

"An excellent example of a well-run maintenance contract delivering value to the council, its residents and the contractor."

6. Options

Option	Advantages	Disadvantages
<i>Procure New Contract by March 2015</i>	<p>Testing the market can gain financial benefits - real market price if lower than current</p> <p>A new firm can be innovative by reducing slack, putting downward pressure on costs and provide incentives for the efficient operations and management of. the systems</p>	<p>New market price can come out higher than current rates</p> <p>The new contract document will not be robust and can lead to contractual ambiguities</p> <p>New contract will not take into account the potential savings from the implementation of the telemetry/scada system</p> <p>Downer may retain the contract at market price at a higher premium with no motivation to gain long-term efficiencies for HDC</p> <p>Potential to loose the knowledge base developed over the years</p>
<i>Extend Current Contract for 24 Months and then procure a new contract</i>	<p>Certainty of contract price for the next 24 months</p> <p>Provide required time to develop a robust contract document that reflects the current and future requirements</p> <p>Remove pressure on staff</p>	<p>No incentive for contractor to drive for long-term gain</p> <p>Downer may retain the contract at market price at a higher premium with no motivation to gain long-term efficiencies for HDC</p> <p>New market price can be higher</p> <p>Potential to loose the knowledge base developed over the years.</p>

<i>Extend Current Contract for 24 Months and work towards signing an 8 year contract to include: An initial 4 year term and A plus 2 x 2 year</i>	Certainty of contract price for the 24 months Provide required time to develop a robust contract document that reflects the current and future requirements	Market price is not tested Possible criticism for not going out to tender
---	--	--

6.1 Cost

Downer have signalled a cost saving achievable over both the initial 24 months contract extension period and the following 8 year contract term

Overall, Downer is proposing to invest approximately \$180,000.00 in additional resources to ensure a cost saving of approximately \$2.25 Million over the initial 24 month extension followed by the 8 year term contract period is achieved.

6.1.1 Rate Impact

There is no negative rating impact if this recommendation is adopted by Council.

6.2 Community Wellbeing

There are no negative impacts on the Community Wellbeing arising.

6.3 Consenting Issues

There are no consents required or consenting issues arising.

6.4 LTP Integration

Not applicable.

7. Consultation

Not applicable.

8. Legal Considerations

Horowhenua District Council's external legal representatives have been consulted and there are no legal implications.

9. Financial Considerations

Overall there will be no increase in costs to extend the contract, instead there will be a financial benefit.

10. Other Considerations

There are no other considerations.

Item 11.1

11. Next Steps

If Council accepts this recommendation we will inform Downer and start the process of developing a framework.

12. Supporting Information

Strategic Fit/Strategic Outcome

Continuity in the delivery of the three water services contracts contributes to the community outcomes.

Decision Making

The decision is significant and Council can make this decision without going through the LTP.

Consistency with Existing Policy

Not applicable.

Funding

Not applicable.



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

1. Appendices

There are no appendices for this report

Author(s)	Gallo Saidy Group Manager - Infrastructure Services	
Approved by	David Clapperton Chief Executive	

Monitoring Action Sheets

File No.: 14/670

Item 12.1

1. Purpose

To present to Council the updated monitoring report covering requested actions from previous meetings of Council.

2. Recommendation

- 2.1 That Report 14/670 Monitoring Action Sheets be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

Attachments



No.	Title	Page
A	Horowhenua District Council Monitoring Report from 2012	80

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
Approved by	David Clapperton Chief Executive	

Item 12.1

Attachment A

<p style="text-align: center;">MONITORING REPORT</p> <p style="text-align: center;">HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
4 July 2012	Report 12/347	Okarito Avenue Stormwater	<i>THAT the stormwater review is progressed in 2012 – 2014.</i>	Thomas Natsa	April 2015		This is a multi year project through to the next LTP. Stage 1 of the catchment study has been completed with Stormwater Issues Report as an outcome. A preliminary stormwater catchment management plan for Roslyn/Fairfield are has been completed with stormwater solutions to be further developed for implementation.
5 December 2012	Report 12/767	Water tanks proposal	<i>That the previously discussed proposal to investigate the potential of water tanks to be included on the Monitoring Report</i>	Sarah Stephen	April 2015		This matter forms part of the Water Demand Management Plan as consideration of tools available to reduce water demand.
2 April 2014	Report 14/283	Water Demand Management Plan					To remain on the Monitoring Report and to be investigated further as part of the LTP.

<p style="text-align: center;">MONITORING REPORT HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
4 June 2014							
7 August 2013	Report 13/684	Shannon Wastewater Best Practical Option	<i>THAT Council consult with Ngati Whakitere Marae on the proposed wastewater system in Shannon.</i>	Thomas Natsa	December 14		<p>Consent application lodged and various meetings have been held with Ngati Whakitere to discuss the Shannon Wastewater System.</p> <p>The matter has gone through mediation and an agreement in principle has been reach with submitters excluding one party.</p> <p>In the 27th August hearing regarding whether what is agreed is in scope, judge ruled that matter was in scope.</p> <p>Mediation hearings held between 7-8 Oct not successful.</p> <p>Environment Court hearings schedules for</p>

Item 12.1

Attachment A

MONITORING REPORT							
HOROWHENUA DISTRICT COUNCIL							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
							December 2014
4 Sept 2013	Report 13/773	Donnelly Park Cricket Facility	<i>THAT Council Officers prepare a draft 5 year plan for Donnelly Park for consultation by June 2014.</i>	D Down			This work has not commenced and will be reviewed 2014/2015
4 December 2013	13/803	Waikawa Open Water Race Future	<i>THAT the Waikawa open water race be closed by 1 December 2014 and that Council surrenders the current Waikawa water race consents at this time AND FURTHER THAT Council Officers work with the Department of Conservation to relocate any fish when the water race is closed.</i>	Sarah Stephen	Dec 2014		Officers have been in negotiation with Gary Holland regarding his taking over the resource consent of the Waikawa Water Race. Negotiations failed to reach an agreement and Officers are working on the relocation of the fish before the race is closed in December.
5 February 2014	14/21	CE's Report to 5 February 2014 – Twinning between Horowhenua and Warneton	<i>THAT Council endorses a formal twinning relationship being entered into between Horowhenua and Comines-Warneton, Belgium, to further enhance the historical ties between the two parties.</i>	D Clapperton	On-going		This Twinning agreement has been put on hold, due to differing expectations between the two Councils involved. The Twinning is still desired by Horowhenua, and discussions to find a mutually agreeable

<p style="text-align: center;">MONITORING REPORT HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
							arrangement will continue.
5 February 2014	14/33	Proposed District Plan Appeals	<i>THAT Officers be authorised, along with legal and technical experts, to represent Council at mediation and to agree to any modification of the Proposed District Plan decisions to the extent considered appropriate in consultation with the Chair of the Hearings Committee.</i>	D McCorkindale	On-going		Officers have been able to reach settlements outside of the mediation process on three of the four appeals lodged. The Environment Court has signed consent orders for these three appeals. Officers have commenced the mediation process for the remaining appeal. Officers will continue to inform and consult the Chair of the Hearing Committee during this process.
2 April 2014	Report 14/134	Ratepayer and Residents Associations Engagement	<i>THAT Council Officers develop a 'Community Consultation and Engagement Strategy', to outline processes and principles for all of Council engagement and consultation with both specific stakeholders and</i>	G Scandrett		3 December 2014	All Ratepayer and Resident Associations were invited to provide feedback on the draft Significance and Engagement Strategy and draft Community Engagement Strategy. The Significance and

Item 12.1

Attachment A

<p style="text-align: center;">MONITORING REPORT</p> <p style="text-align: center;">HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<i>the wider community.</i>				Engagement Policy and Community Engagement Strategy are included in the December 2014 Agenda for adoption.
2 July 2014	14/585	District Plan: Plan Change Timing	<p><i>THAT the preparation and processing by officers of the following plan changes to the District Plan be postponed from the 2014/15 financial year and be undertaken within 2015/16 financial year:</i></p> <ul style="list-style-type: none"> ▢ Sites of Cultural Significance Historic Heritage Dunefields Assessment Coastal Hazards. 	D McCorkindale	July 2015	July 2016	The preparation of the formal plan change documentation will commence post 1 July 2015.
6 August 2014	14/642	Proposed Plan Variation 1 – Miscellaneous Matters (including Land Rezoning) and Update and Alignment of Greenbelt	<i>THAT Proposed Plan Variation 1 (Miscellaneous Matters (including land rezoning) and Update and Alignment of Greenbelt Residential Zone) and the Section 32 Evaluation Report be adopted for the</i>	D McCorkindale	On-going	15 August 2014	Proposed Plan Variation 1 was publicly notified on 15 August 2014. The period for submissions on this Proposed Plan Variation closed 15 September 2014.

<p style="text-align: center;">MONITORING REPORT</p> <p style="text-align: center;">HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
		Residential Zones	<p><i>purpose of public notification in accordance with Clause 5 of the First Schedule of the Resource Management Act 1991.</i></p> <p><i>THAT, if necessary, the Senior Manager – Strategic Planning, in consultation with the Chair of the Hearings Committee be authorised (prior to public notification) to correct any minor errors or omissions in the text or maps of Proposed Plan Variation 1 and the Section 32 Evaluation Report.</i></p> <p><i>THAT Officers be authorised to proceed with public notification of Proposed Plan Variation 1 (Miscellaneous Matters (including land rezoning) and Update and Alignment of Greenbelt Residential Zone), in accordance with</i></p>				<p>27 submissions were received for Proposed Plan Variation. The period for further submissions was from 3/10/14 to 17/10/2014. 28 further submissions were received for Proposed Plan Variation 1. The Hearing will take place on 24 November 2014.</p>

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<p style="text-align: center;">MONITORING REPORT</p> <p style="text-align: center;">HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<i>the statutory requirements set out in the First Schedule of the Resource Management Act 1991.</i>				
6 August 2014	14/641	Proposed Plan Variation 2 – Hill Country Landscape Domain Boundary Review	<p><i>THAT Proposed Plan Variation 2 (Hill Country Landscape Domain Boundary Review) and the Section 32 Evaluation Report be adopted for the purpose of public notification in accordance with Clause 5 of the First Schedule of the Resource Management Act 1991.</i></p> <p><i>THAT, if necessary, the Senior Manager – Strategic Planning, in consultation with the Chair of the Hearings Committee be authorised (prior to public notification) to correct any minor errors or omissions in the text and maps of Proposed Plan Variation 2 and the Section 32 Evaluation</i></p>	T Williams	On-going	15 August 2014	<p>Proposed Plan Variation 2 was publicly notified on 15 August 2014. The period for submissions on this Proposed Plan Variation closed 15 September 2014.</p> <p>13 submissions were received for Proposed Plan Variation 2. The period for further submissions was from 3/10/14 to 17/10/2014. No further submissions were received. The Hearing will take place on 25 November 2014.</p>

<p style="text-align: center;">MONITORING REPORT HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<p><i>Report.</i></p> <p><i>THAT Officers be authorised to proceed with public notification of Proposed Plan Variation 2 (Hill Country Landscape Domain Boundary Review), in accordance with the statutory requirements set out in the First Schedule of the Resource Management Act 1991.</i></p>				
6 August 2014	14/640	Proposed Plan Variation 3 –Rural Subdivision Design Guide Review	<p><i>THAT Proposed Plan Variation 3 (Rural Subdivision Design Guide Review) and the Section 32 Evaluation Report be adopted for the purpose of public notification in accordance with Clause 5 of the First Schedule of the Resource Management Act 1991.</i></p> <p><i>THAT, if necessary, the Senior Manager – Strategic Planning, in</i></p>	S Graham	On-going	15 August 2014	<p>Proposed Plan Variation 3 was publicly notified on 15 August 2014. The period for submissions on this Proposed Plan Variation closed 15 September 2014.</p> <p>2 submissions were received for Proposed Plan Variation 3. The period for further submissions was from 3/10/14 to 17/10/14. No further submissions were</p>

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Attachment A

<p style="text-align: center;">MONITORING REPORT</p> <p style="text-align: center;">HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<p><i>consultation with the Chair of the Hearings Committee be authorised (prior to public notification) to correct any minor errors or omissions in the text of Proposed Plan Variation 3 and the Section 32 Evaluation Report.</i></p> <p><i>THAT Officers be authorised to proceed with public notification of Proposed Plan Variation 3 (Rural Subdivision Design Guide Review), in accordance with the statutory requirements set out in the First Schedule of the Resource Management Act 1991.</i></p>				received. The Hearing will take place on 25 November 2014.
3 Sept 2014	13/868	Disposal of Surplus land – Gladstone Road, Levin	<p><i>THAT Council declares surplus and disposes of its surplus lands described as Lot 1 on Deposited Plan 78925 comprised in Certificate of Title 45B/612, Lot 1 on Deposited Plan 91241</i></p>	Sam Wood	Feb 2015		Section 40 offer back process has commenced. The Property Group have been engaged to facilitate this process.

<p style="text-align: center;">MONITORING REPORT</p> <p style="text-align: center;">HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<p><i>comprised in Certificate of Title WN 59A/548 and Part Lot 2 on Deposited Plan 91241 comprised in Certificate of Title 520781.</i></p> <p><i>THAT Public Works Act 1981 disposal protocol is followed (including section 40 offer back processes if appropriate) for Part Lot 2 on Deposited Plan 91241 comprised in Certificate of Title 520781.</i></p>				
3 Sept 2014	14/587	Public Water Supply Connection Requirement and Rating	<p><i>THAT Council considers establishing a water availability targeted rate as part of the LTP Revenue and Financing Policy review and consult with the community as part of the 2015-2025 LTP consultation.</i></p>	D Law			
3 Sept 2014	14/648	Tokomaru Water Treatment Plant Upgrade Project Appraisal	<p><i>THAT the plan to upgrade Tokomaru water treatment plant be brought forward from 2025 to 2014/15, funded by loan from</i></p>	S Stephen	April 2015		This project will be monitored by the Projects Committee

Item 12.1

Attachment A

<p style="text-align: center;">MONITORING REPORT</p> <p style="text-align: center;">HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
			<p><i>existing capital budgets for Water Treatment Plant Upgrades in the 2014/15 Annual Plan.</i></p> <p><i>THAT option 6, comprising coarse sand filtration, carbon filter, cartridge filtration and UV disinfection be the option taken forward for upgrading Tokomaru water treatment plant.</i></p>				
3 Sept 2014	14/694	Telemetry Design and Build Project	<p><i>THAT the Horowhenua District Council approves the Telemetry Design and Build project with an estimated expenditure of \$1,057,010.00 for the financial year 2014/2015 for which funds are available in the existing LTP.</i></p>	J Naylor			<p>This project will be monitored by the Projects Committee starting in November 2014.</p> <p>Project Kick Off Meeting arranged for 28 November, includes Risk Workshop and Initial Design Workshop</p>
5 Nov 2014	14/14/839	Adoption of Policies and Bylaw following Special Consultative	<p><i>THAT the Horowhenua District Council seeks Central Government's support to ban</i></p>	D Clapperton			<p>Council Officers are in discussions with South Island Councils who look to be collectively</p>

<p style="text-align: center;">MONITORING REPORT HOROWHENUA DISTRICT COUNCIL</p>							
Meeting Date	Item No.	Item Description	Resolved	Responsible Officer	Date to Action by	Date Completed	Officer Comment
		Procedure	<i>psychoactive substances not only in the Horowhenua but also nationally.</i>				lobbying Central Government for a complete ban on Psychoactive substances. Direction is also being sought from LGNZ.

Chief Executive's Report to 3 December 2014

File No.: 14/882

Item 12.2

1. Purpose

The purpose of this report is for the Chief Executive to update Councillors on a number of important matters, including an update on key projects.

2. Recommendation

- 2.1 That Report 14/882 Chief Executive's Report to 3 December 2014 be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

3. Chief Executive Updates

3.1 Council Meeting Schedule 2015

Council traditionally adopts its meeting schedule for the following year in December. Attached is the proposed 2015 meeting schedule for Council, the Foxton Community Board, Community Wellbeing Executive and Finance Subcommittee, together with the Community Development Meeting Schedule.

Attachments



No.	Title	Page
A	Horowhenua District Council - Meeting Schedule 2015	94
B	Community Development Meeting Schedule 2015	95

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
Approved by	David Clapperton Chief Executive	

HOROWHENUA DISTRICT COUNCIL - MEETING SCHEDULE 2015

Item 12.2

Attachment A

	JAN	FEB	MAR	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC
Council - Ordinary Meetings Monthly - 1 st Wed of the month Council Chambers, Levin 4.00pm		4	4	1		3	1	5	2	7	4	2
Council Briefings Wednesday (3 rd Wed of the month or as advised) Council Chambers, Levin 4.00pm	21	18	18	15		17	15	19	16	14	18	
Council - Meetings for Long Term Plan Purposes Council Chambers, Levin 4.00pm		18 Adopt Consul- tation Docmnt			5, 6 & 7 Hearings 26, 27, 28 Deliberations	24 Adoption of LTP						
Finance Subcommittee Council Chambers, Levin Last Wed of the month 4.00pm	28	25	25	29	27	24	29	26	30	28	25	
Foxton Community Board Monthly – 3 rd Monday of the month Lions Club Hall, Foxton 6.30pm		16	16	20	-	15	20	17	21	19	16	

Monday, 19 January - Wellington Anniversary Day
Friday, 6 February - Waitangi Day
Friday, 3 April - Good Friday/Monday, 6 April-Easter Monday
Monday, 27 April - Anzac Day (25th is a Saturday)

Monday, 2 June - Queens Birthday
Monday, 26 October - Labour Day

Horowhenua District Council – Community Development Meeting Schedule 2015

	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUGUST	SEPT	OCT	NOV	DEC
Community Wellbeing Executive	Tuesday 17th 3.00pm	Tuesday 31st 3.00pm		Tuesday 12th 3.00pm	Tuesday 23rd 3.00pm		Tuesday 4th 3.00pm	Tuesday 15th 3.00pm	Tuesday 27th 3.00pm		Tuesday 8th 3.00pm
Community Wellbeing Forum		As required									
Horowhenua Youth Network	Tuesday 10th 10.00am	Tuesday 24th 10.00am		Tuesday 5th 10.00am	Tuesday 16th 10.00am	Tuesday 28th 10.00am		Tuesday 8th 10.00am	Tuesday 20th 10.00am		Tuesday 1st 10.00am
Horowhenua Youth Council		First Tuesday of every month.									
Horowhenua Older Persons Network.	Thursday 19th 10.00am	Thursday 19th 10.00am	Thursday 18th 10.00am	Thursday 14th 10.00am	Thursday 20th 10.00am	Thursday 16th 10.00am	Thursday 20th 10.00am	Thursday 17th 10.00am	Thursday 15th 10.00am	Thursday 19th 10.00am	

TRIM No: D14/

Documents Executed and Electronic Transactions Authorities Signed

File No.: 14/799

1. Purpose

To present to Council the documents that have been executed, Electronic Transactions Authorities and Contracts that have been signed by two elected Councillors, which now need ratification.

2. Recommendation

- 2.1 That Report 14/799 Documents Executed and Electronic Transactions Authorities Signed be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Horowhenua District Council hereby ratifies the signing of documents and Electronic Transaction Authorities as scheduled:
 - i) Electronic Transaction Authority relating to the sale of 8 Montgomery Street, Levin to Win Tak Lee Limited, contained in Certificate of Title WN11D/1243.
 - ii) Common Seal - Animal Nuisance and the Keeping of Pigs, Poultry and Bees Bylaw 2014.

3. Issues for Consideration

This report provides a mechanism for notifying the execution of formal documents by two elected Councillors and signing of Electronic Transactions Authorities.

Attachments



There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	David Clapperton Chief Executive	
Approved by	David Clapperton Chief Executive	

File No.: 14/888

Significance and Engagement Policy and Community Engagement Strategy

1. Purpose

The purpose of this report is to present to Council the feedback received from the recent consultation of the Draft Significance and Engagement Policy and Community Engagement Strategy, and to present finalised versions of both these documents for adoption.

2. Executive Summary

- 2.1 Council adopted the draft Significance and Engagement Policy and draft Community Engagement Strategy on 29 October 2014 for public consultation. This consultation process resulted in ten submissions, from both organisations and individuals.
- 2.2 Over all, the general nature of the submissions indicated support for the direction Council was taking with its proposed engagement structure. A number of areas were identified where improvements could be made. These areas were assessed by Officers and incorporated in the final (attached) documents, where appropriate.
- 2.3 These two documents will form the basis of all of Council's future engagement with its communities, and both will be reviewed in three years time, prior to the 2018-2028 Long Term Plan.

3. Recommendation

- 3.1 That Report 14/888 Significance and Engagement Policy and Community Engagement Strategy be received.
- 3.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 3.3 That the Significance and Engagement Policy and Community Engagement Strategy be adopted by Council.

4. Background / Previous Council Decisions

- 4.1 Council reviews its Significance and Engagement Policy (previously called Significance Policy) as part of each Long Term Plan process. The current Significance Policy was therefore adopted in 2012, as part of the 2012-2022 Long Term Plan. Under the 2014 Amendment to the Local Government Act 2002, Councils now need to adopt a Significance and Engagement Policy by 1 December 2014.
- 4.2 Councillors undertook a briefing on these matters earlier in 2014, and approved the draft version of both documents on 29 October 2014 for public consultation.

- 4.3 This consultation was open from 30 October 2014 to 14 November 2014 and resulted in ten submissions, from both organisations and individuals. Elected members have been provided with a copy of all submissions. Submissions have not been made publically available as this was not a public consultation process.

5. Discussion

- 5.1 The new Significance and Engagement Policy is intended to provide Council with more flexibility about how we undertake consultation. More specifically, to design decision-making and engagement processes that are appropriate in different circumstances, and meet the growing expectation of communities to be more connected to the decisions councils' make. This aligns well with Council's new approach to community engagement, which to date has proved to be successful in engaging communities throughout the District. This new approach is laid out in Council's Community Engagement Strategy, which sits alongside the Significance and Engagement Policy, designed to work in tandem together.
- 5.2 Of the submissions received, all indicated their general support for the intent and philosophy of both documents. A number of areas for improvements within both the draft Significance and Engagement Policy and draft Community Engagement Strategy were suggested. A 'tracked changes' version of each document is attached, so clarity of changes from the draft to the final are visible (**attachments A and C**).

6. Options

Options include adopting the Significance and Engagement Policy and Community Engagement Strategy as attached, or making specific amendments to be included in the adoption. Due to the 1 December deadline for adoption of the Significance and Engagement Policy, it is not advised that Council does not adopt a version of this Policy at tonight's meeting.

If Elected Members wish for any additional changes to made, it is recommended that these only be relevant to matters raised through the consultation process.

6.1 Cost

There are no additional costs associated with this decision.

6.1.1 Rate Impact

There will be no Rate impacts arising.

6.2 Community Wellbeing

Consultation and Engagement are key components of Council's Community Wellbeing Strategy, and both documents will strengthen opportunities for the community to be more engaged with decision making, in turn, contributing positively to its overall wellbeing.

6.3 Consenting Issues

There are no Consents required or consenting issues arising.

6.4 LTP Integration

These two documents provide the guidance as to how the draft LTP will be consulted upon. There is no Special Consultative Process required.

7. Consultation

- 7.1 Consultation was open from Thursday 30 October 2014 to Friday 14 November 2014. Both draft documents were made publically available on Council's website and from Council Service Centres and Libraries. An invitation to submit feedback was included in Council's Community Connection magazine, delivered to all households through the Horowhenua Chronicle on Wednesday 5 November 2014. A specific invitation to provide feedback was also sent to Council's Community Wellbeing Network, include all Ratepayer and Resident Associations, local iwi and hapu, and approximately 300 community organisations, agencies and local businesses.
- 7.2 A Special Consultative Procedure was not required to be undertaken under the Local Government Act 2002.

8. Legal Considerations

Under the Local Government Act, the Significance and Engagement Policy needs to be adopted by 1 December 2014. Due to Council being scheduled to meet on 3 December 2014 for their Ordinary meeting, it was not deemed worthwhile calling an Extraordinary meeting specifically for the adoption of this Policy.

9. Financial Considerations

There is no financial impact.

10. Other Considerations

It is important to note that all Councils have been directed, under the Local Government Act, to implement a Significance and Engagement Policy. This is the first time this version of this Policy has been implemented, and hence it is reasonable to suggest that there may be a large variance between different Councils. It is likely that there will be opportunity to learn from one another over the next three years, and for all Councils to work to identify future improvements to the Policy for the 2018-2028 Long Term Plan.

11. Next Steps

Both documents will now become the basis for all consultation with our communities. The first, large document that will be consulted and engaged on through these new principles will be the Draft 2015-2025 Long Term Plan.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:


- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

1. Appendices

Item 13.1

No.	Title	Page
A	Draft Significance and Engagement Policy (tracked changes)	103
B	Significance and Engagement Policy - November 2014 - Final	111
C	Draft Community Engagement Strategy (tracked changes)	119
D	Community Engagement Strategy - November 2014 - Final	130

Author(s)	Gina Scandrett Community Engagement Manager	
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Approved by	David Clapperton Chief Executive	
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DRAFT SIGNIFICANCE AND ENGAGEMENT POLICY

LAST UPDATED: OCTOBER ~~NOVEMBER~~ 2014

1. Introduction

The Significance and Engagement Policy outlines Council's general approach to determining the significance of proposals and decisions. This Policy includes procedures, criteria and some thresholds the Council will use in assessing which issues, proposals, decisions and other matters are significant. It also lists assets Council considers to be strategic assets.

The policy also highlights when something is significant how Council will engage with the community when a proposal is considered to be significant. This will be in line with Council's commitment to applying best practice consultation methods.

This Policy exists to inform you about what you can expect from Horowhenua District Council regarding consultation and ways to influence and participate in the decision-making of the Council.

2. Background

Councils must have a Significance and Engagement Policy. This requirement is set out in Part 6 of the Local Government Act 2002 (the Act).

Section 10 of the Act defines the purpose of local government as:

- Enabling democratic local decision-making and action by, and on behalf of, communities; and
- Meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses.

Significance and Engagement Policy

Version 1 - 2014

Whenever a Council makes a decision on any matter it must determine the significance of the decision to be made and, where appropriate, engage with its community.

Under legislation there are clearly defined principles for making decisions, determining significance and engaging with communities. These include:

- Identification and assessment of options
- Quantification of benefits and costs
- The amount of detail
- Evidence of compliance with the significance and engagement policy
- Providing processes to encourage and engage with Māori

Once a decision is determined as significant according to the approach, criteria and procedures of this policy, or by Council resolution, the decision-making and associated engagement provisions contained in section 76(1) of the Act will be observed.

3. Horowhenua District Council's general approach to significance

The Act requires local authorities to set out their "general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters" (section 76AA).

Horowhenua District Council will determine all decisions to be significant unless the impact on the:

- Current or future cultural, economic, environmental and social well-being of the district is minimal
- Achievement of, or ability to achieve, the Council's stated levels of service as set out in the current Long Term is minimal
- Capacity of the Council to perform its role and carry out its activities, now and in the future is unaffected
- Financial resource and other costs of the decision are minimal or included in an approved Long Term Plan.

If the issue, proposal, decision or other matters concerned involved a significant decision in relation to land or a body of water, Horowhenua District Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

When making decisions, Council will:

- Identify and assess as many options as are practicable
- Quantify the costs and benefits resulting from the decision to be made
- Provide detailed information accessible to the public

- Maintain clear and complete records showing how compliance with the Significance and Engagement Policy was achieved.

As part of the engagement process for the adoption of this policy, and subsequent reviews, the Council will work with people in the Horowhenua their engagement preferences and will review these preferences each Long Term Plan process, as part of a review of the Community Engagement Strategy.

The Council will also take into account views already expressed in the community, where there has been no material change to the issue since previous engagement, and make judgements on the level of support for those views, when determining the significance of a decision.

4. Criteria and procedures

Any criteria and procedures used for assessing the significance of a matter must be set out in the Significance and Engagement Policy (section 76AA).

The range of issues requiring decisions by the Council is very wide and it is impossible to foresee every possibility. The use of the following proposed procedure will be used to determine significance.

If a decision or proposal satisfies one or more of the following criteria, the matter is likely to have a high degree of significance:

- the decision or proposal affects all or a large portion of the community in a way that is not inconsequential
- the impact or consequences of the decision or proposal on the affected persons (being any number of persons) will be substantial
- the financial implications of the decision on Council's overall resources are substantial.

By way of guidance, a proposal or decision will not be deemed to be significant unless it is of similar importance to the following examples:

- involves an activity that will significantly affect capacity or cost to Council
- alteration to the level of service of a significant activity as defined in Council's LTP
- alteration to the mode by which a significant activity is undertaken
- transfer of ownership, control, construction, replacement or abandonment of a strategic asset
- a change to the LTP
- adoption of the LTP

Significance and Engagement Policy

Version 1 - 2014

Matters which do not satisfy these criteria may have a high degree of significance where it is known that the decision will nevertheless generate a high degree of controversy.

4.1 Procedure for determining significance

- Identification of an issue requiring a Council decision
- An assessment of significance, using Horowhenua District Council's general approach to significance (set out above)
- Council officer or other professional advice on significance and options.
- Council consideration and final decision-making on the degree of significance of the issue and appropriate level and type of engagement.

Every report to Council will include an overall assessment of the significance of the matter(s) under consideration, together with a recommendation regarding the extent and form of consultation appropriate to the proposal. This format specifically alerts elected members to significance impacts as set out in the Council's general approach outlined above.

5. Strategic assets

The Significance and Engagement Policy must list those Council-owned assets, considered by the Council to be strategic assets (section 76AA).

The Act defines strategic assets as:

"An asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future wellbeing or the community; and includes:

- Any asset or group of assets listed in accordance with section 76AA by the local authority; and
- Any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- Any equity securities held by the local authority in:
- A port company within the meaning of the Port Companies Act 1988.
- An airport company within the meaning of the Airport Authorities Act 1996."

The assets and groups of assets the Council deems to be significant are:

Activity/Group of Activities Asset	
Recreation	The public cemeteries, parks, reserves asportegrounds

Land Transport	The roading network system as a whole
Water Supply	Each water supply system as a whole (excluding water races)
Wastewater Disposal	Each wastewater drainage system as a whole
Solid Waste Disposal	Hokio landfill
Libraries	Levin Library (Te Takere), Foxton Library, Shannon Library
Property	Pensioner Flats as a whole
Stormwater	Each stormwater drainage system as a whole
Aquatic Centres	Levin Aquatic Centre and Foxton Aquatic Centre

Some are described 'as a whole' so as to permit (even though not explicitly provided for in the LTP) the opportune purchase, replacement, sale or other dealings with components of the system without affecting the provision of the service.

5. Horowhenua District Council's general approach to engagement

This section of the policy is guided by the Horowhenua District Council's Community Engagement Strategy. This strategy sets out Council's commitment to community engagement, its vision for empowering community engagement and in particular how it will enable implementation of the consultation principles set out in Section 14 of the Act.

Section 14 of the Act sets out the principles relating to local authorities, including:

- Conducting its business in an open, transparent and democratically accountable manner
- Making itself self aware of, and having regard to, the views of all its communities
- When making a decision, taking account of: the diversity of the community and the community's interests within its district or region; the interests of future as well as current communities; and the likely impact of any decisions on the interests
- Providing opportunities for Māori to contribute to its decision-making processes.

Horowhenua District Council is committed to engaging its community and stakeholders in a meaningful way, and to applying the assessment criteria outlined below. Council acknowledges that "communities" may be communities of place or communities of issue and will use appropriate tools and techniques to enable meaningful and timely connections that encourage feedback and participation in Council processes.

Significance and Engagement Policy

Version 1 - 2014

This policy and the Community Engagement Strategy require a Communications and Engagement Plan to be prepared for each decision or group of interrelated decisions.

A Communications and Engagement plan will outline the:

- Engagement objectives – the feedback that is sought from communities
- Timeframe and completion date
- Communities to be engaged with
- Engagement tools and techniques to be used
- Resources needed to complete the engagement
- Communication planning needed
- Basis of assessment and feedback to the communities involved
- Project team roles and responsibilities

6. Engagement assessment criteria

The significance of a matter should guide the local authority's decisions concerning the extent and nature of the consultation to be undertaken with the persons likely to be affected or interested in the decision or matter.

The Council must comply with the principles of consultation set out in section 82 in such a manner that Council considers, at its discretion, to be appropriate. In determining what is appropriate, Council must have regard to various matters including the nature and significance of the decision or matter (including its likely impact from the perspective of the persons who will or may be affected by the decision). The more significant a matter from the perspective of the persons who may be affected by the decision, the more likely Council will need to consult with them on their views.

The level to which Council will engage will align with the significance of the decision to be made and will be at one of the levels shown below. A change in level during a consultation or engagement process could occur if deemed appropriate at that time.

Level	Goal
Inform	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
Consult	To obtain public feedback on analysis, alternatives and/or decisions
Involve	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.

Collaborate	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution
Empower	To place final decision-making in the hands of the public.

- In some circumstances the Council is required to use the special consultative procedure, set out in section 83 of the Act and described below.
- All decisions must be informed as a minimum
- High significance decisions must use engagement tools and techniques beyond inform and consult, involve and collaborate where appropriate.
- The actual location on the engagement spectrum will be made on a case by case basis. This decision will guide the selection of appropriate engagement tools and techniques to be used.

The significance of a decision will assist in determining the extent and detail of information to be provided by the local authority when consulting with or reporting to the community. The principles of consultation (section 82) include the principle that persons interested in decisions should be provided with reasonable access to relevant information, and should be given clear information concerning the purpose of the consultation. In addition, persons who present views to Council should be provided information concerning both the relevant decisions and the reasons for those decisions. In determining how to comply with these and the other principles of consultation, Council will take into account the nature and significance of the decision.

7. Special Consultative Procedure

In some cases the Act and other enactments require use of the special consultative procedure set out in section 83 of the Act. This process requires the Council to:

- Prepare and adopt a statement of proposal and in some cases a summary of the statement of proposal which must:
 - Be a fair representation of the statement of proposal
 - Be in a form determined by the Council
 - Indicate where it is available
 - State the period it is open for public submission
- Make publically available
 - The statement of proposal
 - A description of how people will be able to present their views
 - A statement of the period the proposal is open for comment/submission
- Make the summary of proposal widely available

Significance and Engagement Policy

Version 1 - 2014

- Allow people to present their views to the Council ensuring that they have a reasonable opportunity to do so and know how and when this opportunity will be available to them
- Allow people to present their views by audio link or audio visual link.

The Council may also request advice or comment from a Council officer or any other appropriate person.

Where a Council is required to use the special consultative procedure in relation to making, amending or revoking bylaws the statement of proposal must include:

- A draft of the proposed bylaw, or the proposed amendment or a statement of revocation of the bylaw
- The reasons for the proposal
- A report on any determinations made under section 155 of the Act on whether a bylaw made under this Act is appropriate.

Where none of section 86 to 93a of the Act apply but a Council is required or chooses to use the special consultative procedure the statement of proposal is a draft of any plan, policy or similar document or in any other case a detained statement of the proposal which must include:

- The reasons for the proposal
- An analysis of options
- Any other relevant information

8. Review of this policy

This policy will be reviewed at least once every three years. The review will typically occur when a Long Term Plan review is taking place and will include community engagement. The review will be undertaken alongside the review of the Community Engagement Strategy.



DRAFT SIGNIFICANCE AND ENGAGEMENT POLICY

LAST UPDATED: NOVEMBER 2014

1. Introduction

The Significance and Engagement Policy outlines Council's general approach to determining the significance of proposals and decisions. This Policy includes procedures, criteria and some thresholds the Council will use in assessing which issues, proposals, decisions and other matters are significant. It also lists assets Council considers to be strategic assets.

The policy also highlights when something is significant how Council will engage with the community when a proposal is considered to be significant. This will be in line with Council's commitment to applying best practice consultation methods.

This Policy exists to inform you about what you can expect from Horowhenua District Council regarding consultation and ways to influence and participate in the decision-making of the Council.

2. Background

Councils must have a Significance and Engagement Policy. This requirement is set out in Part 6 of the Local Government Act 2002 (the Act).

Section 10 of the Act defines the purpose of local government as:

- Enabling democratic local decision-making and action by, and on behalf of, communities; and
- Meeting the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost effective for households and businesses.

Whenever a Council makes a decision on any matter it must determine the significance of the decision to be made and, where appropriate, engage with its community.

Under legislation there are clearly defined principles for making decisions, determining significance and engaging with communities. These include:

- Identification and assessment of options
- Quantification of benefits and costs
- The amount of detail
- Evidence of compliance with the significance and engagement policy
- Providing processes to encourage and engage with Māori

Once a decision is determined as significant according to the approach, criteria and procedures of this policy, or by Council resolution, the decision-making and associated engagement provisions contained in section 76(1) of the Act will be observed.

3. Horowhenua District Council's general approach to significance

The Act requires local authorities to set out their "general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters" (section 76AA).

Horowhenua District Council will determine all decisions to be significant unless the impact on the:

- Current or future cultural, economic, environmental and social well-being of the district is minimal
- Achievement of, or ability to achieve, the Council's stated levels of service as set out in the current Long Term is minimal
- Capacity of the Council to perform its role and carry out its activities, now and in the future is unaffected
- Financial resource and other costs of the decision are minimal or included in an approved Long Term Plan.

If the issue, proposal, decision or other matters concerned involved a significant decision in relation to land or a body of water, Horowhenua District Council will take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, waahi tapu, valued flora and fauna, and other taonga.

When making decisions, Council will:

- Identify and assess as many options as are practicable
- Quantify the costs and benefits resulting from the decision to be made
- Provide detailed information accessible to the public

- Maintain clear and complete records showing how compliance with the Significance and Engagement Policy was achieved.

As part of the engagement process for the adoption of this policy, and subsequent reviews, the Council will work with people in the Horowhenua their engagement preferences and will review these preferences each Long Term Plan process, as part of a review of the Community Engagement Strategy.

The Council will also take into account views already expressed in the community, where there has been no material change to the issue since previous engagement, and make judgements on the level of support for those views, when determining the significance of a decision.

4. Criteria and procedures

Any criteria and procedures used for assessing the significance of a matter must be set out in the Significance and Engagement Policy (section 76AA).

The range of issues requiring decisions by the Council is very wide and it is impossible to foresee every possibility. The use of the following proposed procedure will be used to determine significance.

If a decision or proposal satisfies one or more of the following criteria, the matter is likely to have a high degree of significance:

- the decision or proposal affects all or a large portion of the community in a way that is not inconsequential
- the impact or consequences of the decision or proposal on the affected persons (being any number of persons) will be substantial
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- alteration to the mode by which a significant activity is undertaken
- transfer of ownership, control, construction, replacement or abandonment of a strategic asset
- a change to the LTP
- adoption of the LTP

Matters which do not satisfy these criteria may have a high degree of significance where it is known that the decision will nevertheless generate a high degree of controversy.

Item 13.1

4.1 Procedure for determining significance

- Identification of an issue requiring a Council decision
- An assessment of significance, using Horowhenua District Council's general approach to significance (set out above)
- Council officer or other professional advice on significance and options.
- Council consideration and final decision-making on the degree of significance of the issue and appropriate level and type of engagement.

Every report to Council will include an overall assessment of the significance of the matter(s) under consideration, together with a recommendation regarding the extent and form of consultation appropriate to the proposal. This format specifically alerts elected members to significance impacts as set out in the Council's general approach outlined above.

Attachment B

5. Strategic assets

The Significance and Engagement Policy must list those Council-owned assets, considered by the Council to be strategic assets (section 76AA).

The Act defines strategic assets as:

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- Any asset or group of assets listed in accordance with section 76AA by the local authority; and
- Any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
- Any equity securities held by the local authority in:
- A port company within the meaning of the Port Companies Act 1988.
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The assets and groups of assets the Council deems to be significant are:

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Stormwater	Each stormwater drainage system as a whole
Aquatic Centres	Levin Aquatic Centre and Foxton Aquatic Centre

Some are described 'as a whole' so as to permit (even though not explicitly provided for in the LTP) the opportune purchase, replacement, sale or other dealings with components of the system without affecting the provision of the service.

5. Horowhenua District Council's general approach to engagement

This section of the policy is guided by the Horowhenua District Council's Community Engagement Strategy. This strategy sets out Council's commitment to community engagement, its vision for empowering community engagement and in particular how it will enable implementation of the consultation principles set out in Section 14 of the Act.

Section 14 of the Act sets out the principles relating to local authorities, including:

- Conducting its business in an open, transparent and democratically accountable manner
- Making itself self aware of, and having regard to, the views of all its communities
- When making a decision, taking account of: the diversity of the community and the community's interests within its district or region; the interests of future as well as current communities; and the likely impact of any decisions on the interests
- Providing opportunities for Māori to contribute to its decision-making processes.

Horowhenua District Council is committed to engaging its community and stakeholders in a meaningful way, and to applying the assessment criteria outlined below. Council acknowledges that "communities" may be communities of place or communities of issue and will use appropriate tools and techniques to enable meaningful and timely connections that encourage feedback and participation in Council processes.

This policy and the Community Engagement Strategy require a Communications and Engagement Plan to be prepared for each decision or group of interrelated decisions.

A Communications and Engagement plan will outline the:

- Engagement objectives – the feedback that is sought from communities
- Timeframe and completion date

- Communities to be engaged with
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- Basis of assessment and feedback to the communities involved
- Project team roles and responsibilities

6. Engagement assessment criteria

The significance of a matter should guide the local authority's decisions concerning the extent and nature of the consultation to be undertaken with the persons likely to be affected or interested in the decision or matter.

The Council must comply with the principles of consultation set out in section 82 in such a manner that Council considers, at its discretion, to be appropriate. In determining what is appropriate, Council must have regard to various matters including the nature and significance of the decision or matter (including its likely impact from the perspective of the persons who will or may be affected by the decision). The more significant a matter from the perspective of the persons who may be affected by the decision, the more likely Council will need to consult with them on their views.

The level to which Council will engage will align with the significance of the decision to be made and will be at one of the levels shown below. A change in level during a consultation or engagement process could occur if deemed appropriate at that time.

Level	Goal
Inform	To provide the public with balanced and objective information to assist them in understanding the problems, alternatives, opportunities and/or solutions.
Consult	To obtain public feedback on analysis, alternatives and/or decisions
Involve	To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered.
Collaborate	To partner with the public in each aspect of the decision including the development of alternatives and the identification of the preferred solution
Empower	To place final decision-making in the hands of the public.

- In some circumstances the Council is required to use the special consultative procedure, set out in section 83 of the Act and described below.
- All decisions must be informed as a minimum
- High significance decisions must use engagement tools and techniques beyond inform and consult, involve and collaborate where appropriate.
- The actual location on the engagement spectrum will be made on a case by case basis. This decision will guide the selection of appropriate engagement tools and techniques to be used.

The significance of a decision will assist in determining the extent and detail of information to be provided by the local authority when consulting with or reporting to the community. The principles of consultation (section 82) include the principle that persons interested in decisions should be provided with reasonable access to relevant information, and should be given clear information concerning the purpose of the consultation. In addition, persons who present views to Council should be provided information concerning both the relevant decisions and the reasons for those decisions. In determining how to comply with these and the other principles of consultation, Council will take into account the nature and significance of the decision.

7. Special Consultative Procedure

In some cases the Act and other enactments require use of the special consultative procedure set out in section 83 of the Act. This process requires the Council to:

- Prepare and adopt a statement of proposal and in some cases a summary of the statement of proposal which must:
 - Be a fair representation of the statement of proposal
 - Be in a form determined by the Council
 - Indicate where it is available
 - State the period it is open for public submission
- Make publically available
 - The statement of proposal
 - A description of how people will be able to present their views
 - A statement of the period the proposal is open for comment/submission
- Make the summary of proposal widely available
- Allow people to present their views to the Council ensuring that they have a reasonable opportunity to do so and know how and when this opportunity will be available to them
- Allow people to present their views by audio link or audio visual link.

The Council may also request advice or comment from a Council officer or any other appropriate person.

Item 13.1

Where a Council is required to use the special consultative procedure in relation to making, amending or revoking bylaws the statement of proposal must include:

- A draft of the proposed bylaw, or the proposed amendment or a statement of revocation of the bylaw
- The reasons for the proposal
- A report on any determinations made under section 155 of the Act on whether a bylaw made under this Act is appropriate.

Where none of section 86 to 93a of the Act apply but a Council is required or chooses to use the special consultative procedure the statement of proposal is a draft of any plan, policy or similar document or in any other case a detained statement of the proposal which must include:

- The reasons for the proposal
- An analysis of options
- Any other relevant information

Attachment B

8. Review of this policy

This policy will be reviewed at least once every three years. The review will typically occur when a Long Term Plan review is taking place and will include community engagement. The review will be undertaken alongside the review of the Community Engagement Strategy.



Horowhenua

Draft Community Engagement Strategy

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Why do we have a Community Engagement Strategy?	Page 23
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About this Strategy

As a Council, we are committed to making sure we effectively engage with our local people about what matters most to them. We need to make sure we have simple and valuable methods in place so that you can get your voice heard.

The Council's community engagement is also guided by legislation. A Bill is currently going through Parliament that will require Councils to have a Significance and Community Engagement Strategy.

This Strategy is our public commitment about what we will do in regards to community engagement and how we will do it. We want to improve the way we engage with the public and make it easier for people to engage with us – when they want to and on the issues that interest them.

We plan to:

- Take a clear and consistent approach to how we talk and engage with all people on issues big and small
- Make better use of the feedback you provide by incorporating it into all our work
- Strengthen our relationships with key stakeholders and community and neighbourhood groups
- Make a public commitment to improve how we engage in future and make sure we have what we need to meet that commitment.

What do you think about all of this?

We want to know your thoughts about this proposed Strategy, and what we could change to make it even better. You could use the following questions to frame a response and send us your thoughts:

Significance

1. What issues are so important that we should/must engage whether the law requires it or not? (i.e. high significance.)
2. What are the issues or decisions where you as a council feel you need community input?
3. What issues do you want to see Council just get on with?
4. Do you consider we engage too much, or not enough?

Engagement

1. What things has the council tried with engagement that you felt worked? What was it about them that worked?
2. What has the community told you about the way it would like to be engaged?
3. What resources are you prepared to allocate to engagement?
4. Overall, what do you think the approach and principles for the policy should be?

We need to receive your feedback by 5pm on Friday 14 November 2014. You can find a feedback form available online at www.horowhenua.govt.nz or let us know on Facebook (www.facebook.com/HorowhenuaDistrictCouncil) or Twitter (@horods).

Alternatively, we are happy to have conversations with you. If you want to talk to us in more detail, please get in touch. We are happy to meet with you or your group. Just let us know what suits your needs. You can call us on (06) 366 0000 or email us at enquiries@horowhenua.govt.nz.

Why do we have a Community Engagement Strategy?

As a Council, we are committed to engaging with the people of Horowhenua. We have developed this Engagement Strategy so that people are able to participate in and contribute to advancing the District. Engagement provides the Council with a strong base to develop a relationship with our communities. It provides the opportunity for Council to learn about diverse views, insights and issues by talking with as many of its residents and stakeholders as possible.

Engagement can be both proactive and responsive. It can happen in a number of ways, all of which provide a solid platform for engagement to occur. This includes:

- How the Council undertakes everyday services and activities
- The relationships that the Council develops and maintains with communities and sector groups
- The range of consultation processes it undertakes.

This Strategy also relates to the integrated approach that the Council takes as an organisation to continue building and strengthening its engagement with communities through all of these channels.

Council's community engagement occurs within a statutory framework, especially the Local Government Act (LGA) 2002. Section 10 of the LGA states that the purpose of local government is-

To enable democratic local decision-making and action by, and on behalf of, communities

The primary aim of the Community Engagement Strategy then is to ensure that the community is involved in ways that ensure that local residents and organisations, and the Council, can have confidence that decisions reflect principles of open democracy, are scrutinised by key stakeholders, and ultimately reflect good principles of decision-making.

Significance and Engagement Policy

This policy on significance and engagement outlines Council's general approach to determining the significance of proposals and decisions, and includes procedures, criteria and some thresholds the Council will use in assessing which issues, proposals, decisions and other matters are significant. It also lists assets Council considers to be strategic assets.

Item 13.1

The policy also highlights when something is significant how it will engage with the community it serves in particular its commitment to applying best practice consultation.

The Significance and Engagement Policy exists to inform you about what you can expect from Horowhenua District Council regarding engagement and ways to influence and participate in the decision-making of the Council.

Attachment C

All about Horowhenua

The lower North Island District of Horowhenua is home to around 30,000 people, and covers just over 1,000km², from just south of Himatangi in the north to just north of the Otaki River in the south; it includes Levin as its main township, as well as Shannon, Foxton and Foxton Beach as larger settlements and many other smaller villages. Horowhenua is home to many beaches, rivers, lakes, forests and mountains, as well as farmland, bushwalks, gardens, parks, community facilities and a rich and diverse culture and heritage. We are conveniently located right on State Highway 1 and the North Island main trunk railway line.

Tangata Whenua

As a Council, we recognise the importance and special position of tangata whenua within the region, and the role iwi play within our community engagement processes.

Memorandums of Partnerships are becoming increasingly important as Council seeks closer and meaningful working relationships with the Māori community, to achieve effective consultation on a wide range of issues affecting our respective areas of governance.

Māori see people and the environment as closely inter-related and share with us a strong interest in maintaining and protecting the environment as well as developing the economic future of the area.

Through its decision-making processes, Council recognises the principles of the Treaty of Waitangi and kaitiakitanga, providing for the relationship of Māori and their traditions with their ancestral lands, water sites, waahi tapu and other taonga.

Council is committed to the continuing process of consultation with Māori in the District, and has worked with iwi on a number of collaborative projects including our prestigious Culture and Community Centre - Te Takeretanga o Kura-Hau-Pō.

Council currently has in place Memorandum of Partnerships with:

- Muaūpoko Tribal Authority
- Rangitaane O Manawatu
- Ngāti Tukorehe
- Te Kotahitanga o Te Iwi o Ngāti Wehi Wehi

There are also other local iwi and hapu who have strong ties to the Horowhenua District, including Te Runanga o Raukawa, Ngāti Huiā and Ngāti Whakātere. While Council do not currently have Memorandum of Partnerships with these iwi groups, we recognise that they are also key stakeholders in the District, and are often involved in both formal and informal consultation.

Additional Stakeholders

- Culturally & Linguistically diverse groups
- Residents Groups and Associations
- Local businesses and business associations
- Farming/Rural community
- Trusts, Societies & Advocacy Groups
- Young people
- Education
- Seniors
- People with disabilities
- Health agencies
- Arts & Culture groups
- Sport and Recreation associations
- Religious groups
- Government Agencies (Department of Conservation, Fish and Game, Heritage NZ and Horizons Regional Council)
- Many others!

LGA Consultation Principles

The primary aim of the Community Engagement Strategy then is to ensure that the community is involved in ways that ensure that local residents and organisations, and the Council, can have confidence decisions reflect principles of open democracy, are scrutinised by key stakeholders, and ultimately reflect good principles of decision-making.

The Strategy includes a set of Community Engagement Principles to guide its community engagement. These principles are based on best practice and, while they are consistent with the consultation principles in the Local Government Act, they inform a broader set of engagement practices. The principles say that when the Council engages with local residents and organisations the nature of this should:

- Be fairly informal and not too bureaucratic
- Seek the views of interested and affected people
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- Undertake the engagement with an open mind. (The Council expects other people involved in the engagement to also have an open mind)
- Be receptive to new ideas
- Give people involved in the engagement a response to the issues they raise
- Undertake the engagement in a cost effective way

What is Council currently doing?

While this is Horowhenua's first Community Engagement Strategy, it does not mean that we are not already engaging with our communities and key stakeholders.

Long Term Plan and Annual Plan

Council is responsible for producing a 10 Year Plan (the Long Term Plan) every three years, with an Annual Plan produced in the years between Long Term Plans. During these processes, Council consults widely with our communities through a Special Consultative Process. This can include public meetings, submission forms, summary documents and online engagement.

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Council operates a comprehensive Community Wellbeing and Engagement Framework, which has three different levels of regular engagement. This includes a high level, Subcommittee of Council (incorporating Councillors, Central Government representatives, iwi and community agencies), publically advertised Community Wellbeing Forums and sector specific network groups (Youth, Disability, Education and Older Persons). This structure provides a strong foundation for the future engagement requirements of Council.

Resident Satisfaction Survey results

Council also undertakes an annual Resident Satisfaction Survey, which provides local people the opportunity to provide feedback of the variety of services and facilities Council provides. The findings of this survey are then incorporated into Council's operations, to ensure we are constantly evolving with the needs of our communities.

What does this mean for you?

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We will monitor and evaluate how we engage with the public, and adapt to incorporate what we have learnt from past projects

Action Plan

Change Goal	Actions	Success will look like:
All Council departments utilise positive and meaningful consultation methods	Annual community engagement training is held for appropriate staff. The Council continues to consult in accordance with the consultation principles of the Local Government Act and the Council's Community Engagement Principles.	People have trust in Council's decision making and there is an increase in the percentage of residents who are satisfied with the way Council involves them in decision making.
Tangata Whenua feel engaged and valued throughout all consultation processes	Memorandums of Understanding are maintained and developed with local iwi	There is a measureable increase in responsiveness by Māori to Council initiated consultation and participation processes. Relationships become characterised as more 'long term' rather than 'one-off' engagement with key Māori stakeholders.
Older people are well connected and able to take part in everyday community activity.	Support a forum for older people to ensure views of this sector are understood.	Older people report that Council services are appropriate for their needs.
People with a disability are well connected and able to take part in everyday community activity.	Support a forum for people with a disability to ensure views of this sector are understood.	People with a disability report that Council services are appropriate for their needs.
Decision-making processes reflect the views of young	Presentations are made to Youth Council on	Youth Council views are integrated into Council

people.	relevant issues.	decision-making.
Council commits to best practice in the Community Engagement sphere	<p>Council will review the Engagement Policy and Public Commitment every three years. These will be amended and confirmed through public consultation as part of the Long-Term Plan.</p> <p>An annual Resident satisfaction survey is conducted, to monitor how we are improving in the ways we serve our communities.</p>	Any changes in the needs of our communities are responded to in a timely and efficient manner.
Engagement methods evolve to include current best practice.	Online submissions and feedback are available through our website and Social Media channels.	Residents can use a variety of tools to engage with Council, to suit their needs and preferences.



Draft Community Engagement Strategy

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What is Council currently doing?	Page 7
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About this Strategy

As a Council, we are committed to making sure we effectively engage with our local people about what matters most to them. We need to make sure we have simple and valuable methods in place so that you can get your voice heard.

The Council's community engagement is also guided by legislation. A Bill is currently going through Parliament that will require Councils to have a Significance and Community Engagement Strategy.

This Strategy is our public commitment about what we will do in regards to community engagement and how we will do it. We want to improve the way we engage with the public and make it easier for people to engage with us – when they want to and on the issues that interest them.

We plan to:

- Take a clear and consistent approach to how we talk and engage with all people on issues big and small
- Make better use of the feedback you provide by incorporating it into all our work
- Strengthen our relationships with key stakeholders and community and neighbourhood groups
- Make a public commitment to improve how we engage in future and make sure we have what we need to meet that commitment.

Why do we have a Community Engagement Strategy?

As a Council, we are committed to engaging with the people of Horowhenua. We have developed this Engagement Strategy so that people are able to participate in and contribute to advancing the District. Engagement provides the Council with a strong base to develop a relationship with our communities. It provides the opportunity for Council to learn about diverse views, insights and issues by talking with as many of its residents and stakeholders as possible.

Engagement can be both proactive and responsive. It can happen in a number of ways, all of which provide a solid platform for engagement to occur. This includes:

- How the Council undertakes everyday services and activities
- The relationships that the Council develops and maintains with communities and sector groups
- The range of consultation processes it undertakes.

This Strategy also relates to the integrated approach that the Council takes as an organisation to continue building and strengthening its engagement with communities through all of these channels.

Council's community engagement occurs within a statutory framework, especially the Local Government Act (LGA) 2002. Section 10 of the LGA states that the purpose of local government is-

To enable democratic local decision-making and action by, and on behalf of, communities

The primary aim of the Community Engagement Strategy then is to ensure that the community is involved in ways that ensure that local residents and organisations, and the Council, can have confidence that decisions reflect principles of open democracy, are scrutinised by key stakeholders, and ultimately reflect good principles of decision-making.

Significance and Engagement Policy

This policy on significance and engagement outlines Council's general approach to determining the significance of proposals and decisions, and includes procedures, criteria and some thresholds the Council will use in assessing which issues, proposals, decisions and other matters are significant. It also lists assets Council considers to be strategic assets.

The policy also highlights when something is significant how it will engage with the community it serves in particular its commitment to applying best practice consultation.

The Significance and Engagement Policy exists to inform you about what you can expect from Horowhenua District Council regarding engagement and ways to influence and participate in the decision-making of the Council.

All about Horowhenua

The lower North Island District of Horowhenua is home to around 30,000 people, and covers just over 1,000km², from just south of Himatangi in the north to just north of the Otaki River in the south; it includes Levin as its main township, as well as Shannon, Foxton and Foxton Beach as larger settlements and many other smaller villages. Horowhenua is home to many beaches, rivers, lakes, forests and mountains, as well as farmland, bushwalks, gardens, parks, community facilities and a rich and diverse culture and heritage. We are conveniently located right on State Highway 1 and the North Island main trunk railway line.

Tangata Whenua

As a Council, we recognise the importance and special position of tangata whenua within the region, and the role iwi play within our community engagement processes.

Memorandums of Partnerships are becoming increasingly important as Council seeks closer and meaningful working relationships with the Māori community, to achieve effective consultation on a wide range of issues affecting our respective areas of governance.

Māori see people and the environment as closely inter-related and share with us a strong interest in maintaining and protecting the environment as well as developing the economic future of the area.

Through its decision-making processes, Council recognises the principles of the Treaty of Waitangi and kaitiakitanga, providing for the relationship of Maori and their traditions with their ancestral lands, water sites, waahi tapu and other taonga.

Council is committed to the continuing process of consultation with Māori in the District, and has worked with iwi on a number of collaborative projects including our prestigious Culture and Community Centre - Te Takeretanga o Kura-Hau-Pō.

Council currently has in place Memorandum of Partnerships with:

- Muaūpoko Tribal Authority
- Rangitaane O Manawatu
- Ngāti Tukorehe
- Te Kotahitanga o Te Iwi o Ngāti Wehi Wehi

There are also other local iwi and hapu who have strong ties to the Horowhenua District, including Te Runanga o Raukawa, Ngāti Huia and Ngāti Whakare. While Council do not currently have Memorandum of Partnerships with these iwi groups, we recognise that they

are also key stakeholders in the District, and are often involved in both formal and informal consultation.

Item 13.1

Additional Stakeholders

- Culturally & Linguistically diverse groups
- Residents Groups and Associations
- Local businesses and business associations
- Farming/Rural community
- Trusts, Societies & Advocacy Groups
- Young people
- Education
- Seniors
- People with disabilities
- Health agencies
- Arts & Culture groups
- Sport and Recreation associations
- Religious groups
- Government Agencies (Department of Conservation, Fish and Game, Heritage NZ and Horizons Regional Council)
- Many others!

Attachment D

LGA Consultation Principles

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Item 13.1

Attachment D

Action Plan

Change Goal	Actions	Success will look like:
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Tangata Whenua feel engaged and valued throughout all consultation processes	Memorandums of Understanding are maintained and developed with local iwi	<p>There is a measureable increase in responsiveness by Māori to Council initiated consultation and participation processes.</p> <p>Relationships become characterised as more 'long term' rather than 'one-off' engagement with key Māori stakeholders.</p>
Older people are well connected and able to take part in everyday community activity.	Support a forum for older people to ensure views of this sector are understood.	Older people report that Council services are appropriate for their needs.
People with a disability are well connected and able to take part in everyday community activity.	Support a forum for people with a disability to ensure views of this sector are understood.	People with a disability report that Council services are appropriate for their needs.

Decision-making processes reflect the views of young people.	Presentations are made to Youth Council on relevant issues.	Youth Council views are integrated into Council decision-making.
Council commits to best practice in the Community Engagement sphere	<p>Council will review the Engagement Policy and Public Commitment every three years. These will be amended and confirmed through public consultation as part of the Long-Term Plan.</p> <p>An annual Resident satisfaction survey is conducted, to monitor how we are improving in the ways we serve our communities.</p>	Any changes in the needs of our communities are responded to in a timely and efficient manner.
Engagement methods evolve to include current best practice.	Online submissions and feedback are available through our website and Social Media channels.	Residents can use a variety of tools to engage with Council, to suit their needs and preferences.

Resource Consents Considered Under Delegated Authority

File No.: 14/800

Item 13.2

1. Purpose

To receive the Land Use and Subdivision Resource Consent applications approved under delegated authority by the Environmental Services Department.

2. Recommendation

- 2.1 That Report 14/800 Resource Consents Considered Under Delegated Authority be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Subdivision and Land Use Resource Consents, as listed, be received:

All Subdivision Resource Consents Granted Under Delegated Authority 21/10/14 to 20/11/14

Granted Date	File Ref	Subdivider	Address
05 Nov 14	502/2014/3540	Ian Hopkirk	17 Marine Parade, Foxton Beach
13 Nov 14	502/2014/3544	J & C Hathaway	96 Engles Road, Tokomaru Rural
20 Nov 14	502/2014/3549	Kimbal McHugo	151 Takapu Road, Levin Rural
20 Nov 14	502/2014/3413	Huritini Trust	Waikawa Beach Road, Levin Rural

All Land Use Resource Consents Granted Under Delegated Authority 21/10/14 to 20/11/14

Granted Date	File Ref	Applicant	Address
28 Oct 14	501/2014/3536	Quin Buildings Direct	115 Rua Avenue, Waitare Beach
29 Oct 14	501/2014/3547	Gorm Holdings Limited	125 Emma Drive, Levin Rural
10 Nov 14	501/2014/3546	D B McGregor	58 Shortt Street, Foxton Beach
12 Nov 14	501/2014/3551	N Z Transport Agency	689 Foxton/Shannon Road, Foxton/Himatangi
14 Nov 14	501/2014/3553	Wayne Bishop Builder Limited	70 Kimberley Road, Levin Rural

New Road Names approved under Delegation:

There were no new road names approved under delegation during the reporting period.

3. Issues for Consideration

That the Subdivision and Land Use Resource Consents be received as listed.

We have not received any notice of publicly notified resource consents from Horizons Regional Council.

Attachments

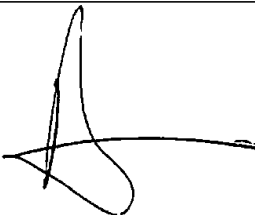
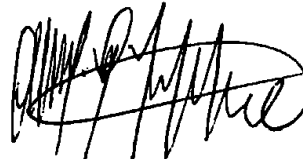
There are no attachments for this report.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

Signatories

Author(s)	Dorstan Hayman Planning Services Manager	
Approved by	Mike Lepper Customer and Regulatory Services Manager	

Exclusion of the Public : Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following part(s) of the proceedings of this meeting.

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

C1 Development Contributions

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C2 2015 Tertiary Scholarship Recipients

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(a) - The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

C3 Proposed Sale of Roe Street Land

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.	s7(2)(b)(ii) - The withholding of the information is necessary to protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding

	<p>subject of the information.</p> <p>s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.</p> <p>s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>exists under section 7.</p>
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Notice is hereby given that an In Committee meeting of Horowhenua District Council will be held on:

Date: Wednesday 3 December 2014
Time: 4.15 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council IN COMMITTEE AGENDA

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the Chief Executive Officer or the Chairperson.

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C1 Development Contributions

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File No.: 14/899

Item C1

In Committee Development Contributions

Confidentiality

Reason:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Interests:	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Grounds:	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

1. Purpose

The purpose of this report is for Council to consider options for the Development Contributions Policy for the 2015-2025 LTP.

2. Executive Summary

- 2.1 Horowhenua District Council ("HDC") adopted a Development Contributions Policy as part of its Long Term Plan in 2006. HDC reviews the development contribution charges every 3 years with reviews being undertaken in 2009 and 2012.
- 2.2 There is an argument in the Horowhenua context that as a mechanism for collecting a small amount of revenue, development contributions do not evaluate well as an alternative revenue source. It is expensive to administer relative to revenue, it impacts on the behaviour of the payers and it does not have a broad base.
- 2.3 The financial arguments for keeping development contributions as a mechanism are also not strong. It does not yield a significant amount of revenue and imposes risks on the organisation due to the uncertainty of it as an income system.
- 2.4 This report considers the following options regarding development contributions:
 - (a) Cancellation of the Development Contributions Policy;
 - (b) Suspension of development contributions;
 - (c) Harmonised development contribution funding for the whole district;
 - (d) Moderated development contributions to market affordable levels;
 - (e) Recalculate development contributions under the current Development Contributions Policy.

3. Recommendation

- 3.1 That Report 14/899 Development Contributions be received.
- 3.2 That this decision is recognised as significant in terms of S76 of the Local Government Act
- 3.3 That the Horowhenua District Council consults on the following in relation to Development Contributions in the Long Term Plan Consultation document:
- (i) Cancellation of the HDC Development Contributions Policy;
 - OR (ii) Suspension of the HDC Development Contributions Policy;
 - OR (iii) Harmonisation of development contributions across the district and retention of the current Development Contributions Policy;
 - OR (iv) Moderation of development contributions to market affordable levels under the current Development Contributions Policy;
 - OR (v) Recalculation of existing development contributions under the current Development Contributions Policy.

4. Background / Previous Council Decisions

- 4.1 HDC has committed to creating an enabling environment to encourage economic growth in the in the Horowhenua district. Part of that commitment is the review of HDC's position on development contributions and how they may be a disincentive to economic growth. Reviewing HDC's position on development contributions is one area Council can influence in the short to medium term, the stimulation of economic growth in the district.
- 4.2 A number of factors indicate that it is a good time to consider whether development contributions should be retained as a funding tool in the Horowhenua district. These factors include:
- 1. Whether development contributions should be remitted to encourage economic development
 - 2. The Local Government Amendment Act has introduced clauses which make development contributions clearer and of lesser scope in regards to services for which they can apply
 - 3. Analysis of Council financial information indicates development contributions are not yielding the budgeted revenue indicating growth is not at expected levels
 - 4. The difficulty of implementing and managing development contributions in a consistent manner
 - 5. Better Council asset management information identifying capacity of existing infrastructure to handle forecasted growth in the district.
- 4.3 The Local Government Act 2002 (LGA 2002) introduced development contributions as a mechanism for Territorial Authorities to obtain funding for community infrastructure and public amenities. Development contributions are an optional source of funding and throughout New Zealand, 43 Territorial Authorities charge development contributions and 20 do not. In the last two years both Rotorua District Council and Hutt City Council have made decisions to discontinue or

exempt development contributions in order to assist the stimulation of growth in their respective areas.

- 4.4 The purpose of development contributions is to fund the costs of infrastructure, reserves or other community facilities arising from new housing or commercial developments. A financial contribution can be imposed as a condition of a resource consent for a purpose set out in the district Plan. HDC ceased using financial contributions when development contributions were introduced.
- 4.5 Development contributions in simple terms are the cost of capital expenditure for network and community infrastructure where a share of that cost is attributed to a unit of demand created by growth.

Legislative Changes

- 4.6 In 2013, the Ministry of Internal Affairs instigated a review of development contributions which resulted in changes to the LGA 2002. Of particular note, the review concluded that development contributions can be an appropriate method of funding infrastructure except for public amenities e.g. civic buildings and museums. It was also concluded that it is widely accepted that improvements should be made to both the legislation and the way development contributions are applied across New Zealand. These improvements have been included in the Local Government Act 2002 Amendments Bill No.3. An extract from the explanatory note to that Bill stated:

“A 2013 government review of development contributions identified difficulties associated with the current legislative framework and how it is being implemented by Councils. For example, development contributions are being used to fund types of infrastructure that may be better funded from general revenue sources, and the degree of transparency in apportionment of the costs and benefits of infrastructure is variable. There are also limited mechanisms for resolving challenges to development contribution charges and opportunities to encourage greater private provision of infrastructure.”

The Bill provides a new purpose for development contributions and principles to direct and guide how they are used by Councils. Secondly, there are provisions that clarify and narrow the range of infrastructure that can be financed by development contributions. Thirdly, the Bill introduced a development contribution objection process, with decisions made by independent commissioners. In addition, the Bill encourages greater private provision of infrastructure through the use of Development agreements and includes provisions to improve the transparency of Council's Development Contribution policies.”

5. Discussion

Development Contributions in the Horowhenua district - Discussion on Effective Funding and Implications on Growth

- 5.1 Horowhenua district Council adopted a Development Contributions Policy as part of its Long Term Plan in 2006. HDC reviews the development contribution charges every three years, reviews have been undertaken in 2009 and 2012.
- 5.2 The 2006 Development Contribution Policy did not include charges for commercial development. This was introduced by Council in 2009.

- 5.3 Council collects development contributions to support the following activities:

Network Infrastructure

Roading

Water Supply

Wastewater

Community Infrastructure

Reserves

Public and civic amenities

- 5.4 Under each of these activities are a number of specific projects included in the Development Contribution Policy which is formally adopted as part of the Long Term Plan.
- 5.5 The development contribution amount triggered by a development is calculated by using units of demand on infrastructure.
- 5.6 For residential development, each allotment in addition to the original allotment is assessed as one unit of demand. For residential development on existing sites, any additional residential dwelling (as defined in the district Plan) over and above that on the site is assessed as one unit of demand.
- 5.7 Non-residential developments are assessed on the demand that they create. The number of units of demand generated by the development is determined by using a conversion function based on gross floor area of the development.
- 5.8 Development contributions are charged over a 15-20 year period to cover the incremental growth of increased demand on Council's infrastructure over time. This lengthy period was intended to achieve a situation where the costs are apportioned between the community and the developer.
- 5.9 Whether a development attracts a development contribution depends on the type of activity and use, and development contribution's can be charged for developments of all types and scales. For instance, a one into two lot subdivision, an extension to an industrial workshop and a comprehensive commercial development will commonly attract a development contribution.
- 5.10 ***Accessory buildings (as defined in the district Plan) associated with primary production activities in the rural zone is not liable for a development contribution unless a new connection to the Council water, wastewater or stormwater infrastructure is imposed as a condition of the Resource or Building Consent or is requested by the applicant.***
- 5.11 Essentially, any development or change of land use that can generate more demand on infrastructure than the current use of the land will attract a development contribution.
- 5.12 In regard to keeping scale and type of development in mind, it is important to outline that 'developers' and developments relate to a range of people and scales. The point is that 'development' in general is the holistic growth of the district and the accumulation of both small and large developments. Development contributions are charges to the developer, but ultimately, the cost is passed on to businesses and tenants or capitalised in the price of the development.
- 5.13 In the Horowhenua district context, HDC receives feedback about development contributions being a disincentive to business development and new residential development. In the current low population growth, average economic growth,

below average employment growth Horowhenua environment, the issues surrounding development contribution's are amplified in particular where the application of a development contribution to a Brownfield or even Greenfield type development can be the tipping point between investment or not. This is of particular relevance when the property market is fairly flat as the risk of over capitalisation is a very real risk when investments are considered in relation to other markets with increasing property prices.

- 5.14 There are two major schools of thought in regards to development contributions. The proponents state that the Local Government Act funding principles support that the developer as exacerbator and beneficiary of costs, incurred by council to support growth, should pay for a portion of those costs as the people causing and or benefiting from that expenditure. The logic flow looks something like:

1. Council provides infrastructure and community facilities for the community
2. Those services have restrictions around capacity to service a constrained number of users
3. New developments use up existing service capacity and require the Council to increase the scale of the service to cope with increased users
4. New developments pick up a benefit from being able to use the existing service which has been funded by existing properties
5. Therefore, a logical extension is that new developments should contribute to the additional costs that growth will impose on the council and other rate payers.

- 5.15 The opponents take a slightly different view. They typically do not refute that growth imposes costs. Their logic flow looks something like this:

1. There is no growth in the Horowhenua district
2. As there is no growth in the district, the new developments are not using up existing infrastructure capacity
3. Council is keen to see growth in the community as more ratepayers share a largely fixed cost of service
4. New ratepayers who come into the community, even if they do pick up a share of the unutilised capacity, lower the average cost for all ratepayers
5. New ratepayers also pick up a proportionate share of existing debt which is often incurred on capital items that were not designed to meet growth requirements. In doing so they lower the average cost for existing ratepayers
6. Development contributions are an uncertain mechanism for recovery and attributing costs, and this uncertainty impacts on decisions by developers
7. Development contributions are an obstacle to development.

- 5.16 Development contributions are an important part of the Local Government funding toolkit. However, they are a tool to be selected with some care. In reality, there is a strong logic for both charging and not charging development contributions. So there is no right or wrong stance to take.

- 5.17 There is a perception that the imposition of development contributions restricts development. This has not been clearly established to be true or false.

Analysis

- 5.18 The analysis of development contributions should be undertaken from the viewpoint not of the tool but of the circumstances for the community. In this type of analysis, important elements to consider are:

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- Understanding the actual costs of growth, whether these costs are necessary for growth or drivers by growth
- Identifying the reality of growth in the context of the services and assets
- Understanding the revenue and funding impacts and the costs of the alternatives.

5.19 Analysis of the Long Term Plan capital programme and projected revenue from development Contributions reveals:

- The 10 year costs of growth for capital are \$27.477m of a total capital budget of \$172.355m
- Development contributions revenue is budgeted at \$15.965m.

5.20 For the last three years Council's Annual Reports show the following breakdowns of growth capital expenditure against budget:

(\$000)	Budget	Actual collected from previous year's collected but not expended	Variance
2011/12	1,738	537	(1,201)
2012/13	1,759	1,745	(14)
<u>2013/14</u>	<u>1,714</u>	<u>1,040</u>	<u>(674)</u>
Total	5,211	3,322	(1,889)

5.21 The following table shows actual development contributions revenue against budget:

(\$000)	Budget	Actual	Variance
2012/13	1,366	784	(582)
2013/14	1,366	463	(903)
Budget 2014/15	1,461	646	(815)
Total	4,191	1,893	(2,298)

5.22 Two major things stand out in regards to the above:

Firstly, the level of growth related expenditure is 36% below forecasted expenditure, indicating a deferral of growth related capital expenditure

The second item is that the revenue from development contributions is significantly below budget. The revenue from this source accounts for 1.2% of actual total revenue. As such, the Development Contributions Policy and its management are not strong contributors to the revenue or the indebtedness of Council.

5.23 Another consideration with regard to development contributions is that it is a complex and expensive process for obtaining income. The cost of preparing the policy, reviewing and implementing is estimated to be on average \$83k per annum. This has not been precisely calculated but is a reasonable estimate based on staff time for reviewing, calculating development contributions, debtors and debt

recovery administration, CEO and Mayor time dealing with complaints and the time taken for appeals. This point becomes more important when considering funding sources. The cost of the administration sets as an operational cost and is funded from operational revenue. However the revenue from development contributions sets as a capital funding source which reduces operations funding to the extent of the interest component as cost of funds. Therefore, the operating costs of Council are lower by approximately \$104k over the last three years through the interest effect, while the operating costs are more than double that sum through the costs of administering the policy.

- 5.24 There is an argument in the Horowhenua context that as a mechanism for collecting a small amount of revenue, development contributions do not evaluate well as an alternative revenue source. It is expensive to administer relative to revenue, it impacts on the behaviours of the payers and it does not have a broad base. The financial arguments for keeping it as a mechanism are also not strong. It does not yield a significant amount of revenue and imposes risks on the organisation due to the uncertainty of it as an income system.

Methodology and Calculations as at 1 May 2012

Development Contributions Key Logic

- 5.25 What follows outlines the key logic relating to the Development Contributions Policy and the methodology behind the calculation of development contributions.

(i) Household Equivalent Units and Growth

As part of its Long Term Plan 2012/22, Council decided to equalize rates across all of its water and wastewater schemes in recognition of the high unit costs of upgrading those schemes serving smaller communities. However, legislation requires that developers pay only for the projected growth related components of the scheme to which the proposed development is connected. Consequently, for small schemes where upgrading costs are high and growth is slow, the resulting development contributions are inordinately high.

Development contributions have generally been calculated based on the growth projects as set out in the 2008 Growth Strategy occurring over a 10 year period. However, growth is projected to be slow in some smaller communities so in order to encourage development across all parts of the district the following has been assumed in calculating the number of HEUs (household equivalent units).

- Where the proposed growth rate for a town or development areas is 5 or more allotments per annum then the number of HEUs used to determine the appropriate development contribution, shall be calculated over a 10 year period.
- Where the proposed growth rate for a town or development area is less than 5 allotments per annum then the number of HEUs used to determine the appropriate development contribution, shall be calculated over a fifty year period.

(ii) Development Contribution Fee

Stage 1 – Fee Development

Three drivers are used to assess whether projects meet Council's objectives – growth, levels of service, or renewal. Some projects have only one driver, while others have all three as drivers. When a project is included in Council's LTP as assessment is made as to the extent to which each of the drivers relates to the project cost. Development contribution fees were calculated based on the assessed percentage of project cost allocated to the growth driver only. The resulting development contribution fees are presented in the following table:

Development Contribution Fees - Unmoderated

	<u>Water</u> \$	<u>Wastewater</u> \$	<u>Roads</u> \$	<u>Reserves</u> \$	<u>Community</u> \$	<u>Total</u> (ex GST) \$
Tokomaru	2,325	100	2,348	645	1,104	6,522
Tokomaru Development Area	2,325	0	2,348	645	1,104	6,422
Shannon	4,836	15,625	2,348	645	1,104	24,558
Foxton	9,190	20,815	2,348	645	1,104	34,102
Foxton Development Area 1	700	16,759	2,348	645	1,104	21,556
Foxton Development Area 2	700	16,769	2,348	645	1,104	21,566
Foxton Beach	1,728	17,864	2,348	645	1,104	23,689
Foxton Beach Devel area 1	2,957	19,291	2,348	645	1,104	26,345
Levin	7,906	4,262	2,348	645	1,104	16,265
Levin Development Area 1	7,906	4,262	2,348	645	1,104	16,265
Levin Development Area 2	7,171	2,904	2,348	645	1,104	14,172
Levin Development Area 3	9,428	6,086	2,348	645	1,104	19,611
Ohau	7,906	0	2,348	645	1,104	12,003
Waitarere Beach	0	3,896	2,348	645	1,104	7,993
Waitarere Beach Devel Area 1	0	3,761	2,348	645	1,104	7,858
Waitarere Beach Devel Area 2	0	3,896	2,348	645	1,104	7,993
All Other Rural & Urban Areas	0	0	2,348	645	1,104	4,097

Stage 2 – Executive Management Team (EMT)

The fees shown in the above table were presented to the Executive Management Team where they were moderated for presentation to Council. The above table now shows the unmoderated development contribution fees.

Stage 3 – Development Contribution Fee Moderation

The development contribution fees were moderated as instructed by EMT. The moderated fees in the following table were presented to Council for inclusion in the Long Term Plan 2012/22. It is important to note that the moderation was carried out on actual fees and not the logic behind the calculation.

Development Contribution Fees - Moderated

	<u>Water</u> \$	<u>Wastewater</u> \$	<u>Roads</u> \$	<u>Reserves</u> \$	<u>Community</u> \$	<u>Total</u> (ex GST) \$
Tokomaru	476	15	3,675	656	1,134	5,956
Tokomaru Development Area	476	15	3,675	656	1,134	5,956
Shannon	1,895	4,168	3,675	656	1,134	11,528
Foxton	1,750	1,886	3,675	656	1,134	9,101
Foxton Development Area 1	1,750	1,886	3,675	656	1,134	9,101
Foxton Development Area 2	1,750	1,886	3,675	656	1,134	9,101
Foxton Beach	1,378	7,114	3,675	656	1,134	13,957
Foxton Beach Development Area 1	2,607	8,540	3,675	656	1,134	16,612
Levin	5,001	4,329	3,675	656	1,134	14,795
Levin Development Area 1	5,001	4,329	3,675	656	1,134	14,795
Levin Development Area 2	6,677	6,152	3,675	656	1,134	18,294
Levin Development Area 3	4,846	4,329	3,675	656	1,134	14,640
Ohau	6,719	0	3,675	656	1,134	12,184
Waitarere Beach	0	1,038	3,675	656	1,134	6,503
Waitarere Beach Development Area 1	0	1,038	3,675	656	1,134	6,503
Waitarere Beach Development Area 2	0	1,038	3,675	656	1,134	6,503
All Other Rural & Urban Areas	0	0	3,675	656	1,134	5,465

6. Options

- (1) Cancellation of the Development Contributions Policy.
- (2) Suspend the Development Contributions Policy.
- (3) Universal Development Contributions funding for the whole district, i.e. harmonisation.
- (4) Moderate Development Contributions to market affordable levels.

- (5) Recalculate existing Development Contributions under the current Development Contributions Policy.

6.1 **CANCELLATION OF THE DEVELOPMENT CONTRIBUTIONS POLICY**

Subject to consultation, if Council resolves to cancel development contributions, this would result in no development contributions from any residential or non-residential development in the district from a date identified by Council, likely to be 1 July 2015.

With this option Council could choose to reintroduce Financial Contributions for development in new growth areas of the district, under the provisions of the Resource Management Act 1991 ("RMA").

If Council opts for financial contributions to the exclusion of development contributions, it will also need to set in motion the process to make the necessary changes to the District Plan.

6.1.1 **Cost**

Current projections for growth over the next 10 years in the district have resulted in an estimate of \$4.8m in development contributions being collected over that period.

Should Council decide to cancel the Development Contributions Policy, it would be required to fund this amount for infrastructure development and renewals through loan funding, less any amount collected through Financial Contributions, should Council decide to introduce Financial Contributions.

The cost of borrowing over the period of the LTP of the \$4.8m or \$400,000 per annum accumulating over the 10 years is estimated as follows:

	<u>Total Borrowing</u>	<u>Cumulative Annual Interest</u>
Year 1	\$400,000	\$24,000
2	\$800,000	\$49,440
3	\$1,200,000	\$74,966
4	\$1,600,000	\$100,498
5	\$2,000,000	\$126,030
6	\$2,400,000	\$151,562
7	\$2,800,000	\$177,094
8	\$3,200,000	\$202,626
9	\$3,600,000	\$228,158
10	\$4,000,000	\$253,689

6.1.2 **Rate Impact**

The rate impact of funding infrastructure development and renewals through loan funding rather than development contributions would be a 0.08% increase on current rates revenue income or 0.80% over a period of 10 years.

6.1.3 **Community Wellbeing**

This option would not have any impact on Council's Community Wellbeing Strategy.

6.1.4 **Consenting Issues**

There are no consenting issues with this option.

6.1.5 LTP Integration

Whilst some would argue that cancelling development contributions would increase development in the district, thus increasing the number of ratepayers and lowering the average cost of infrastructure service delivery, no amendment has been made to growth projections in the 2015-25 draft LTP.

Should this option be adopted by Council for consultation, in the 2015-25 LTP draft the Revenue and Financing Policy would be amended to exclude development contributions and include financial contributions estimated for growth areas where infrastructure development is planned.

6.2 SUSPEND DEVELOPMENT CONTRIBUTIONS

Subject to consultation, if Council resolves to suspend development contributions for a defined period, this would result in no development contributions being collected for residential and non-residential development until Council decides to reinstate them.

With this option Council could choose to reintroduce financial contributions for development in new growth areas of the district under the provisions of the RMA. This would require Council to make the necessary changes to the District Plan.

6.2.1 Cost

Higher administration costs would apply for a suspension of development contributions compared to the cancelling of financial contributions until such time as Council decides to lift the suspension of development contributions.

6.2.2 Rate Impact

The rate impact of suspending development contributions and funding infrastructure development and renewals through loan funding rather than development contributions would be an average of 0.08% increase on current rates revenue per annum depending on interest rates.

6.2.3 Community Wellbeing

This option does not have an impact on Council's Community Wellbeing strategy.

6.2.4 Consenting Issues

There are no consenting issues with this option.

6.2.5 LTP Integration

Should this option be adopted by Council for consultation in the 2015-25 LTP draft, the Revenue and Financing Policy would be amended to exclude development contributions and include financial contributions estimates for growth areas where infrastructure development is planned.

6.3 UNIVERSAL DEVELOPMENT CONTRIBUTION FUNDING FOR THE WHOLE DISTRICT

Presenting universal development contributions across the whole district is applied for the following infrastructure types:

Roading	\$3,675
Community	\$1,134
Reserves	\$ 656

Despite water and wastewater rates being harmonized across the district, these two infrastructure types do not have their development contributions harmonised.

Development contributions for water and wastewater have been calculated using estimated growth, renewal and development costs, and planned plant upgrades for each township with these utilities.

Should a universal development contribution be applied across all infrastructure types across the district, the following development contributions would be charged compared to the current development contributions for each township, not including development areas.

	<u>Water</u> \$	<u>Wastewater</u> \$	<u>Roads</u> \$	<u>Reserves</u> \$	<u>Community</u> \$	<u>Total</u> (ex GST) \$
<u>Universal DC</u>	4,439	4,458	3,675	656	1,134	14,362
<u>Current DCs</u>						
Tokomaru	475	15	3,675	656	1,134	5,956
Shannon	1,895	4,168	3,675	656	1,134	11,528
Foxton	1,750	1,886	3,675	656	1,134	9,101
Foxton Beach	1,378	7,114	3,675	656	1,134	13,957
Levin	5,001	4,329	3,675	656	1,134	14,795
Ohau	6,719	-	3,675	656	1,134	5,465
Waitarere Beach	-	1,035	3,675	656	1,134	6,500
All other rural & urban areas	-	-	3,675	656	1,134	5,465

6.3.1 Cost

Should Council decide to harmonise development contributions across all infrastructure activities, it is estimated that slightly less than \$400,000 per annum will be collected in development contributions compared to the current budget of \$400,000 per annum.

6.3.2 Rate Impact

There is very little rate impact with this option as no additional loan funding will be required.

6.3.3 Community Wellbeing

This option does not have an impact on Council's Community Wellbeing Strategy.

6.3.4 Consenting Issues

There are no consenting issues with this option.

6.3.5 LTP Integration

Should this option be adopted by Council for consultation with the draft 2015-25 LTP, the Development Contributions Policy would be amended to harmonise development contributions across all infrastructure activities. Development contributions for growth areas would be maintained at existing levels.

6.4 **MODERATE DEVELOPMENT CONTRIBUTIONS TO MARKET AFFORDABLE LEVELS**

Council could choose to moderate development contributions to around \$7,500 for urban residential and the roading component only for rural, \$3,675, which still enables a development contribution but does not tip the development to be unviable. If rural properties were connected to either of Council's water or sewerage network an additional DC charge could apply.

The theory behind the roading component being retained for rural development is that each new unit will generate additional vehicular traffic on rural roads.

There is anecdotal evidence from some developers in the district that development contributions are justified and understood. However, the quantum of current development contributions relative to lower market values of new housing in the Horowhenua, compared to say Kapiti and Manawatu, means margins are being squeezed with current development contributions. Some developers have suggested to the Chief Executive that they would be comfortable to pay \$7,000-\$8,000 in development contributions if Council retained the Development Contributions Policy.

6.4.1 **Cost**

Should Council decide to moderate the development contributions to say \$7,500 for urban residential development and \$3,675 for rural development, the level of development contributions collected per annum would be \$250,000-\$300,000, compared to the current budget of \$400,000 per annum.

This would result in additional borrowing of \$100,000-\$150,000 per annum or \$1,000,000-\$1,500,000 over the period of the LTP.

6.4.2 **Rate Impact**

The rate impact of funding infrastructure development and renewals through additional loan funding rather than development contributions would be a 0.03% increase on current rates revenue or 0.30% over a 10 year period.

6.4.3 **Community Wellbeing**

This option would not have any impact on Council's Community Wellbeing Strategy.

6.4.4 **Consent Issues**

There are no consenting issues with this option.

6.4.5 **LTP Integration**

Should this option be adopted by Council for consultation in the draft 2015-25 LTP the current Development Contributions Policy would be recalculated and updated taking into account updated costs for projects and new assumptions. Council would then resolve to moderate the development contributions to levels deemed appropriate based on assumptions revolved around affordability and the projected growth assumptions.

6.5 **RECALCULATE DEVELOPMENT CONTRIBUTIONS UNDER CURRENT
DEVELOPMENT CONTRIBUTIONS POLICY**

Should this option be adopted by Council, the Development Contributions Policy would be updated taking into account updated costs for projects and new assumptions.

Taking into account the unmoderated development contributions detailed in 5.25(ii), Council would probably be required to moderate development contributions to at least current levels.

The recalculation of current Development Contributions would be required before the end of December 2014.

6.5.1 **Cost**

Should Council retain the existing Development Contributions Policy, an estimated \$400,000 in development contributions will be raised each year for the period of the LTP.

6.5.2 **Rate Impact**

Should this option be chosen by Council, there will be no rate impact.

6.5.3 **Community Wellbeing**

This option would not have any impact on Council's Community Wellbeing Strategy.

6.5.4 **Consenting Issues**

There are no consenting issues with this option.

6.5.5 **LTP Integration**

Should Council retain the Development Contributions Policy and moderated development contributions as per current rates or similar, it is unlikely that development contributions would be included in the 2015-25 LTP consultation document. The Significance and Engagement Policy criteria is unlikely to have been met; thus not requiring including in the LTP consultation document.

7. Consultation

- 7.1 Should Council recommend that it wishes to suspend or cancel the Development Contributions Policy, it must first consult in a manner that gives effect to the requirements of section 82 of the Local Government Amendment Act 2014 (details of which are covered in the legal considerations section of this report).
- 7.2 Council's proposed Significance and Engagement Policy for consultation would also be triggered should Council recommend suspending or cancelling the Development Contributions Policy or moderate current development contributions.
- 7.3 It is recommended that any consultation on changes to the Development Contributions Policy be included in the consultation document for the 2015-25 LTP.

8. Legal Considerations

- 8.1 Council has sought legal advice from Brookfields Lawyers concerning the possibility of cancelling or suspending Council's Development Contributions Policy in response to concerns about its impact as a funding source for capital expenditure projects.

- 8.2 We advised Brookfields that Council may wish either to declare a moratorium on the implementation of the Development Contributions Policy for a period of years whilst its impact on the funding of growth-related projects is reviewed, or to cancel the policy altogether. Council asked Brookfields to advise, in either case, the process that would need to be followed by Council, particularly in relation to public consultation.
- 8.3 Council is required by law to have adopted a policy on development contributions or financial contributions. This is clearly set out in section 102 of the Local Government Act 2002 (“LGA02”), which states, as far as is relevant:
- “(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).
- (2) The policies are –
- (d) A policy on development contributions or financial contributions.”
- 8.4 It follows that if Council cancels its current Development Contributions Policy, it will need to replace it with a new policy. This may be a policy that states that no development contributions will be required, and describes the financial contributions, the Council will collect under the provisions of the RMA. If the Council opts for financial contributions to the exclusion of development contributions, it will also need to set in motion the process to make the necessary changes to the District Plan.
- 8.5 The provisions that relate to the contents of a financial contributions policy are set out at section 106(2) and (4) of the LGA02. In section 106(2)(f) it states that the policy must, if financial contributions will be required, “summarise the provisions that relate to financial contributions in the District Plan”. Council currently relies on development contributions rather than financial contributions for growth-related infrastructure (other than that integral to subdivision). Therefore, if Council were to cancel the Development Contributions Policy, it would need to either make the timing coincident with the adoption of changes to the District Plan introducing provisions for financial contributions, or adopt an interim policy under section 102(2)(d) that addressed the gap in provision for either development contributions or financial contributions.
- 8.6 The manner in which a development contribution policy must be adopted or amended is set out in section 102(4) of the LGA02, as recently amended by the Local Government Act 2002 Amendment Act 2014 (“the 2014 Amendment”). Section 102(4) reads:
- “A local authority –
- (a) must consult on a draft policy in a manner that gives effect to the requirements of section 82 before adopting a policy under this section;
- (b) may amend the policy adopted under this section at any time after consulting on the proposed amendments in a manner that gives effect to the requirements of section 82”.
- 8.7 There is no provision that specifically addresses the cancellation of the Development Contributions Policy, although it is noted the requirement, in section 106(6), to review a Development Contributions Policy every three years must also be conducted pursuant to “a consultation process that gives effect to the requirements of section 82”. Since a review of the Development Contributions Policy might well, under certain circumstances, lead to its cancellation, we consider

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the consultation process outlined in that provision to be applicable in the event that Council proposes to cancel the Development Contributions Policy. Brookfields considers a moratorium on the implementation of the Development Contributions Policy to be an amendment to the period over which the Development Contributions Policy applies, and therefore subject to the consultation process set out in section 102(4)(b).

- 8.8 That is to say whether Council wishes to suspend or to cancel the Development Contributions Policy, it must first consult in a manner that gives effect to the requirements of section 82.
- 8.9 Section 82 of the LGA02 requires that a local authority undertakes consultation in accordance with a set of principles, although pursuant to section 82(3) those principles are to be observed in such manner as the Council, in its discretion, considers to be appropriate. The limits on the exercise of that discretion are set out in section 82(4).
- 8.10 Although section 82 is largely unaffected by the 2014 amendment, there is a new related section 82A that applies where a local authority is required to consult "in accordance with, or using a process or a manner that gives effect to, the requirements of section 82". It therefore applies to the consultation Council must undertake if it intends to suspend or cancel the Development Contributions Policy. The active requirements are set out in section 82A(2), which reads as follows:
- "The local authority must, for the purposes of section 82(1)(a) and (c), make the following publicly available:*
- (a) the proposal and the reasons for the proposal; and*
 - (b) an analysis of the reasonably practicable options, including the proposal, identified under section 77(1); and*
 - (c) if a plan or policy or similar document is proposed to be adopted, a draft of the proposed plan, policy or other document; and*
 - (d) if a plan or policy or similar document is proposed to be amended, details of the proposed changes to the plan, policy, or other document."*
- 8.11 The combined effect of these provisions is that before Council determines the future of the Development Contributions Policy it will be required to prepare a consultation document pursuant to section 82A, and to consult with the relevant stakeholders (i.e. those persons who will or may be affected by, or have an interest in, the decision). Whereas the consultation process now required pursuant to the changes made by the 2014 Amendment is more flexible than the previous requirement to adopt or amend a Development Contributions Policy pursuant to the special consultative procedure, Council will still be required to go through a public consultation process with respect to the future of the Development Contributions Policy. This will apply whether it is proposed to introduce a moratorium (i.e. suspend the implementation of the Development Contributions Policy), or to cancel the Development Contributions Policy.
- 8.12 In the case of cancellation, that consultation process would also include consultation on the adoption of a new financial contribution policy, or an interim development contribution/financial contribution policy.
- 8.13 Finally, Brookfields notes that the Development Contributions Policy is included in Council's LTP although there is no specific requirement for its inclusion. The only relevant reference is found in Schedule 10 of the LGA02, at clause 15, namely that

the Funding Impact Statement identify the sources of funding to be used by the local authority, and the amount of funds expected to be produced from each source. Therefore, if the suspension or cancellation of the Development Contributions Policy will be made effective at the same time as the 2015 LTP is adopted next year, or at some later date, there will be no need to amend the current LTP.

9. Financial Considerations

- 9.1 The financial considerations for each option have been included in the options section of this report.
- 9.2 An additional consideration for cancelling or suspending Development Contributions is the impact on Council debt levels over the period of the 10 year LTP. Council's Financial Strategy will need to be modified should Development Contributions be cancelled or modified.

10. Other Considerations

Risks

The following risks have been identified for the options identified:

- (a) Implementing transition provisions during the consultation period and up to 30 June 2015. Developers may get upset about having to pay a development contribution when a development contribution may not apply or have been modified after 30 June 2014.
- (b) Upset developers who have paid development contributions over the past 8 years when development contributions may not apply or be modified from 30 June 2015.
- (c) Not implementing a District Plan change to reintroduce financial contributions by 30 June 2015 should development contributions be cancelled or suspended.

11. Next Steps

Whatever decision Council makes with regard to the future of development contributions, this will be consulted on as part of the 2015-25 LTP.

Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and,
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision.

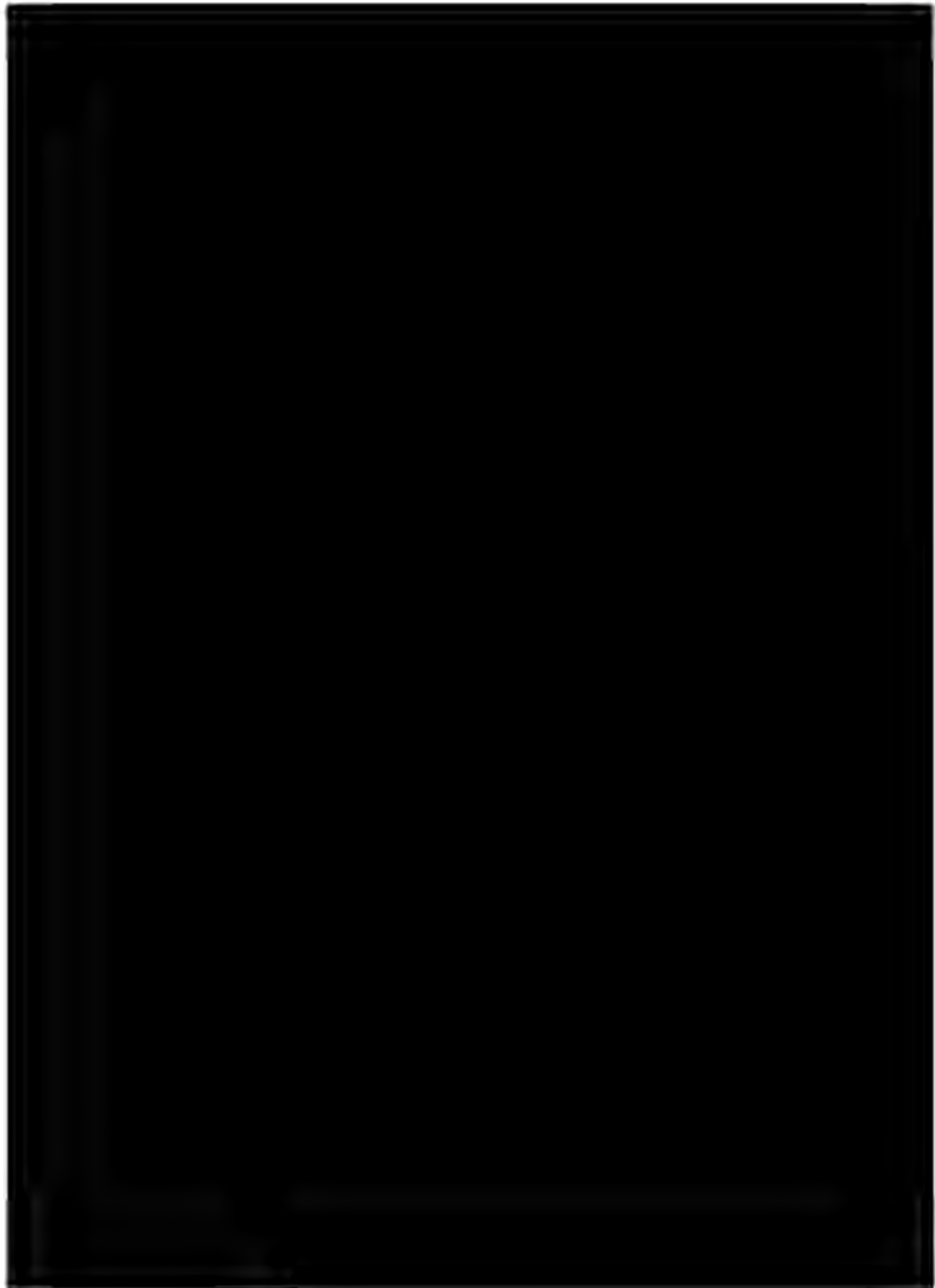
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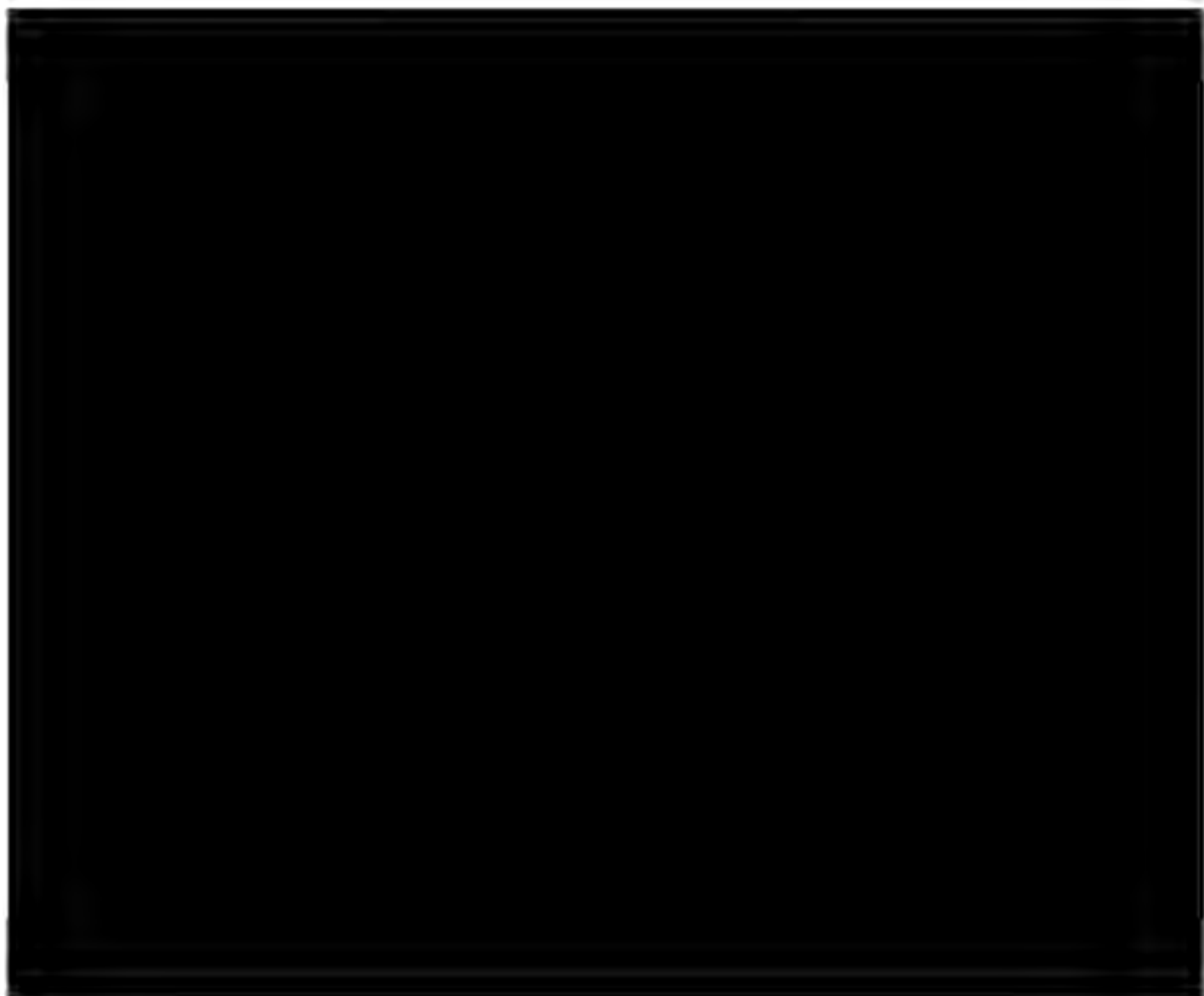
1. Appendices

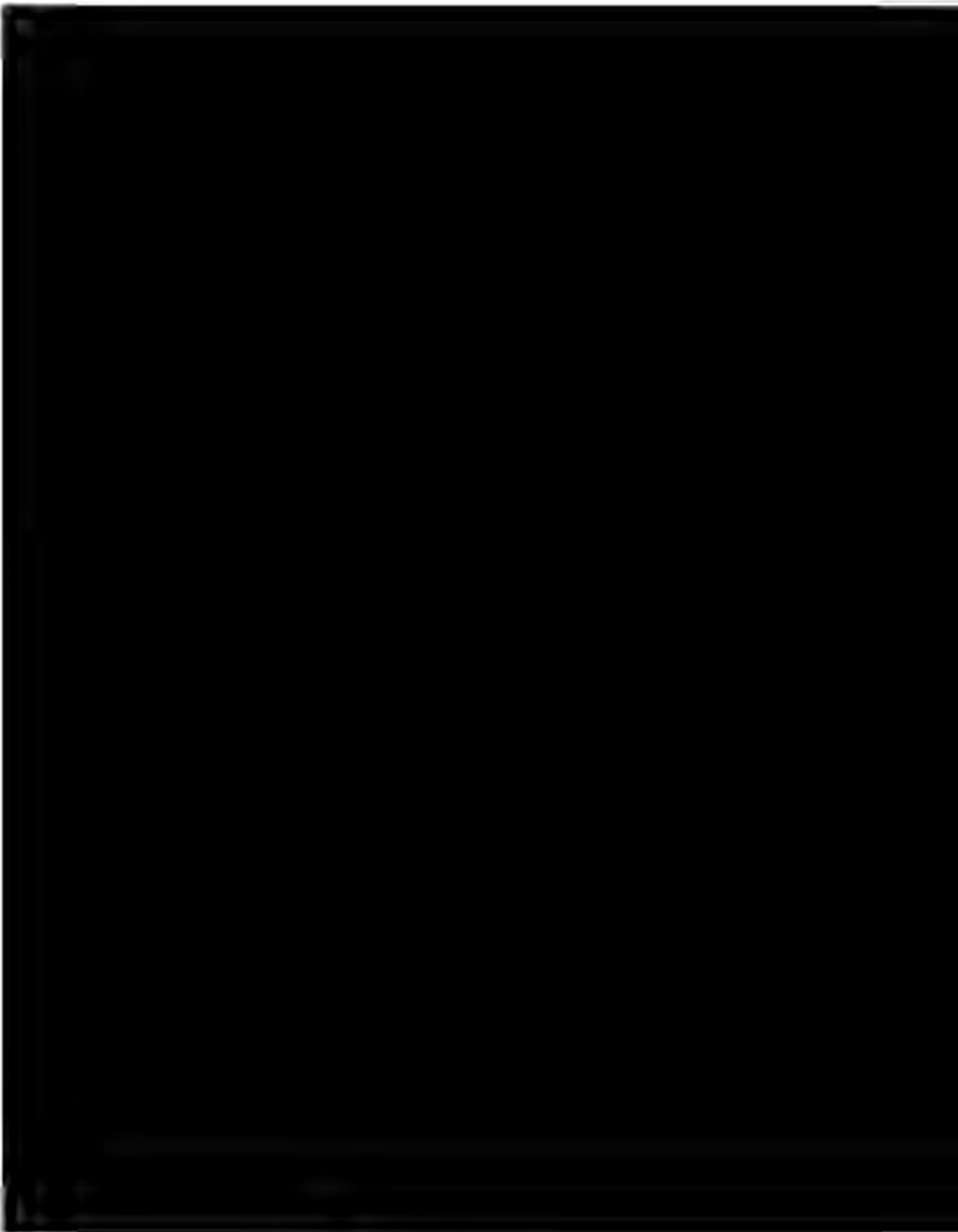
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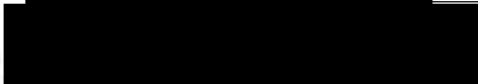
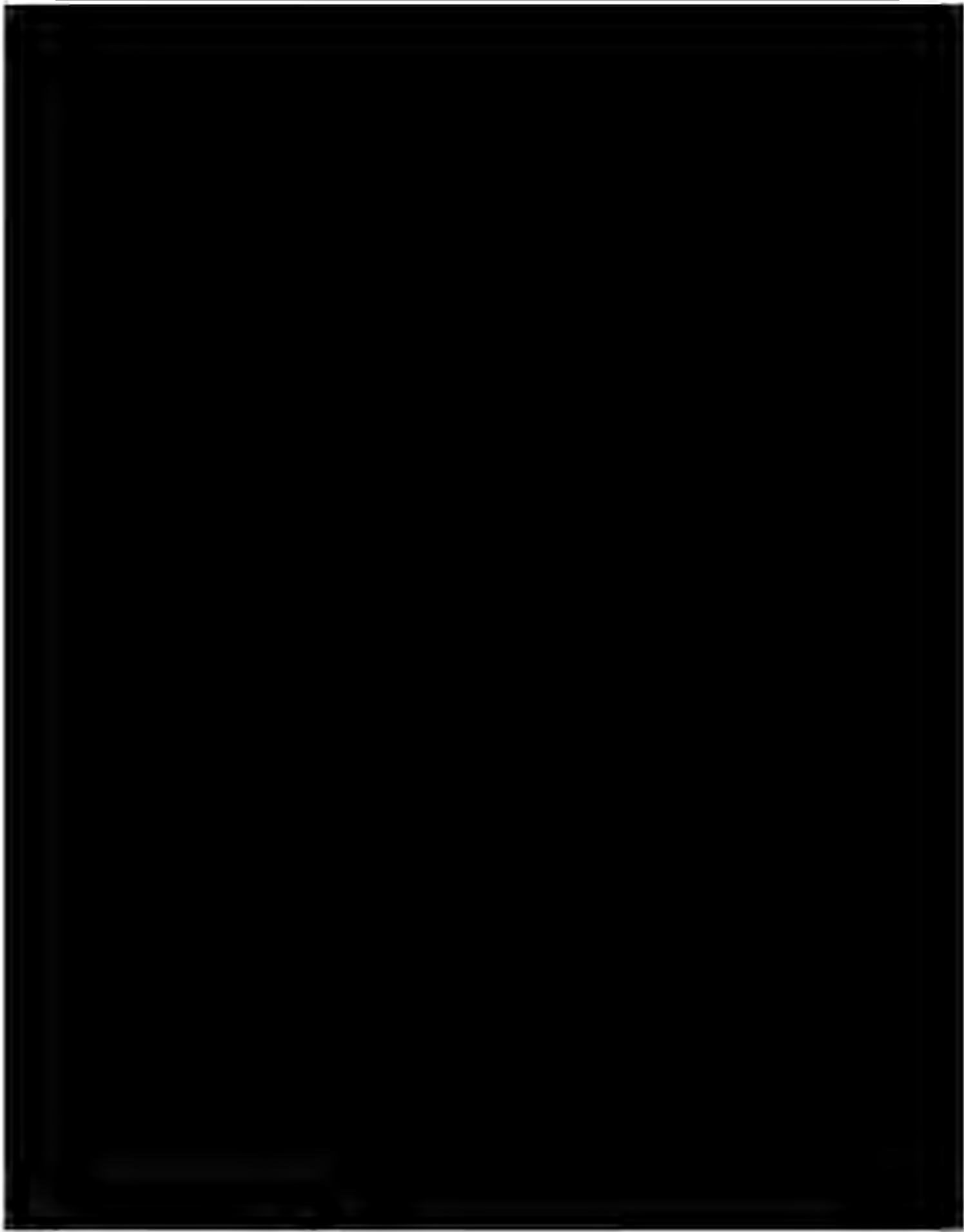
Author(s)	David Clapperton Chief Executive	
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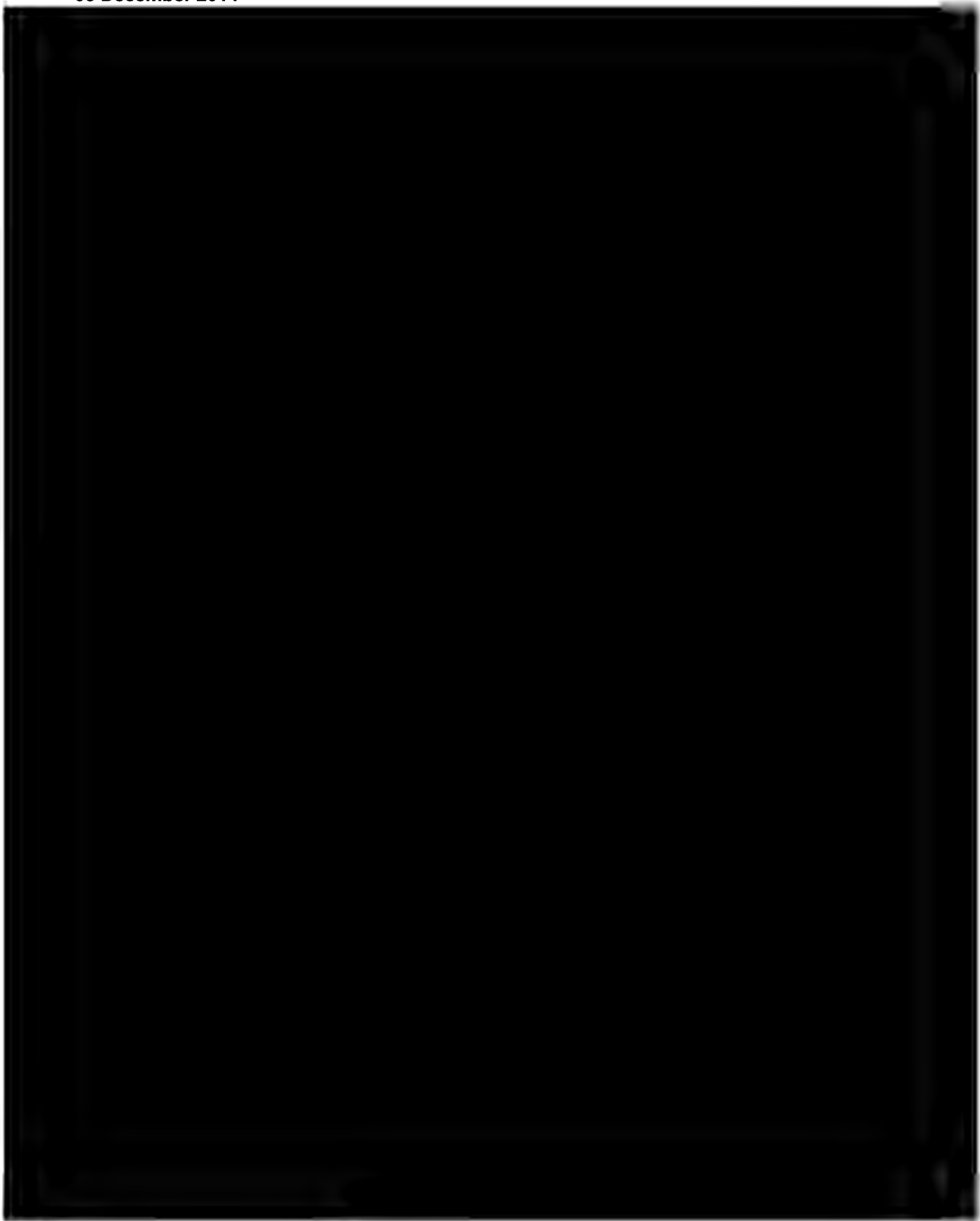
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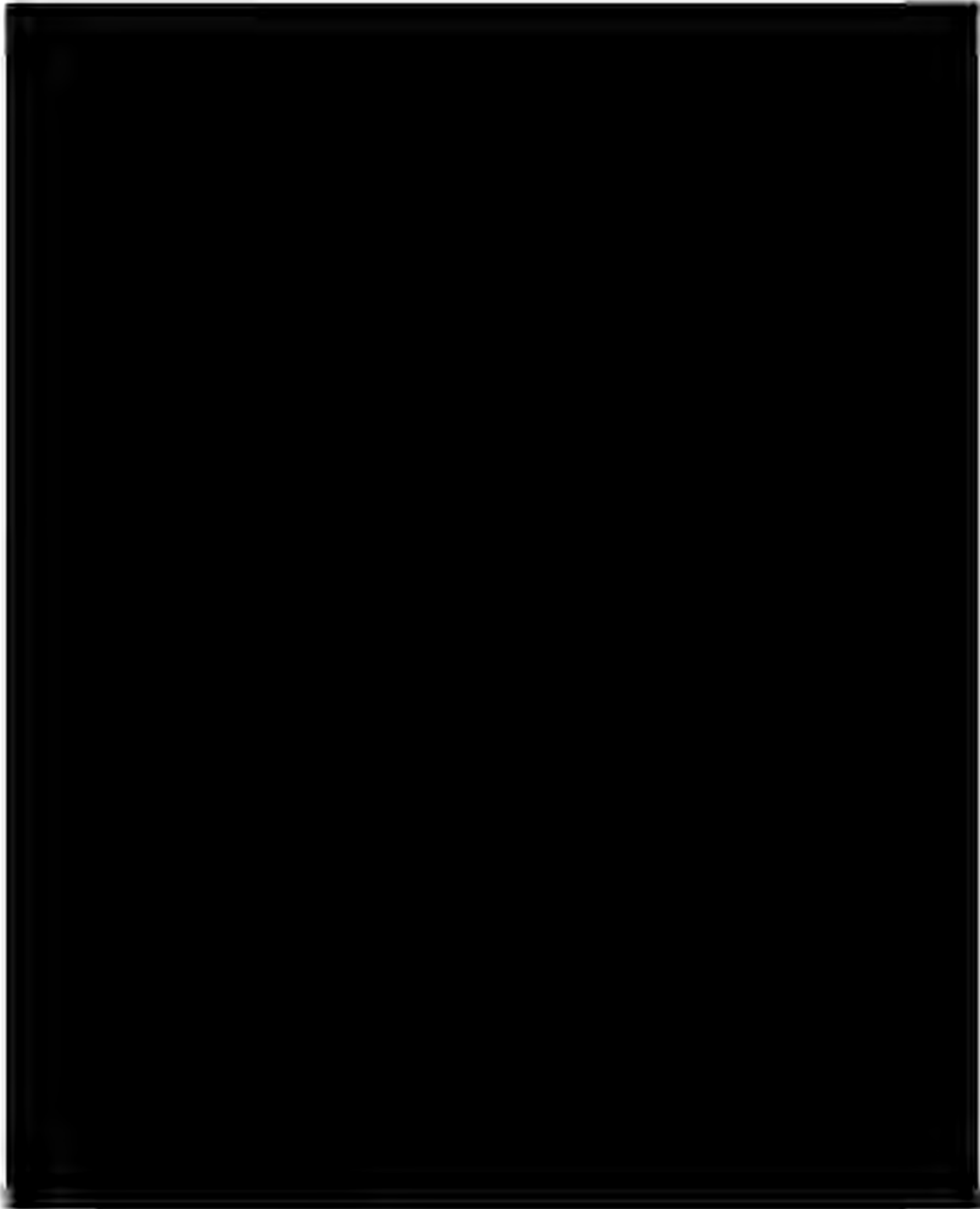


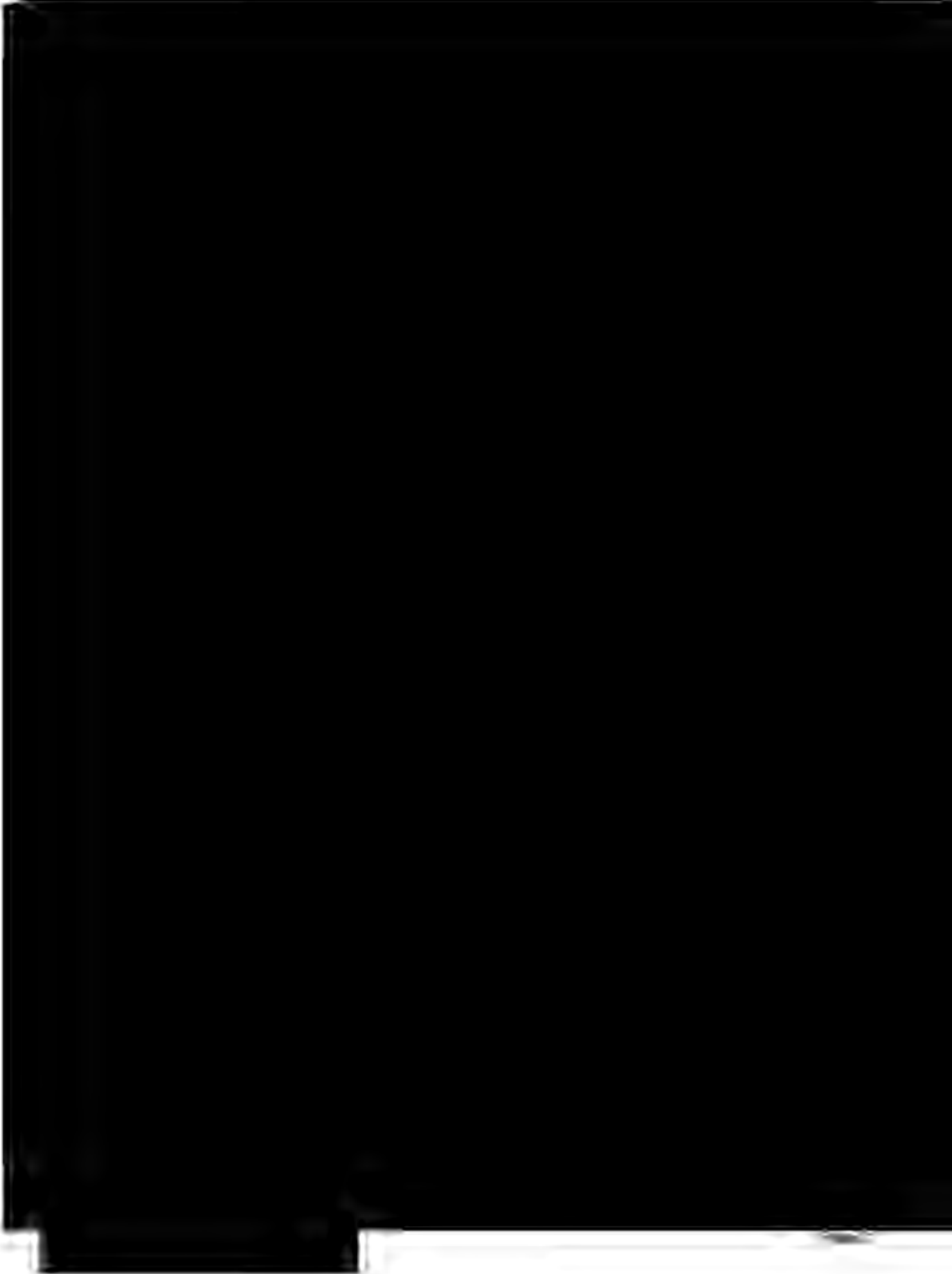


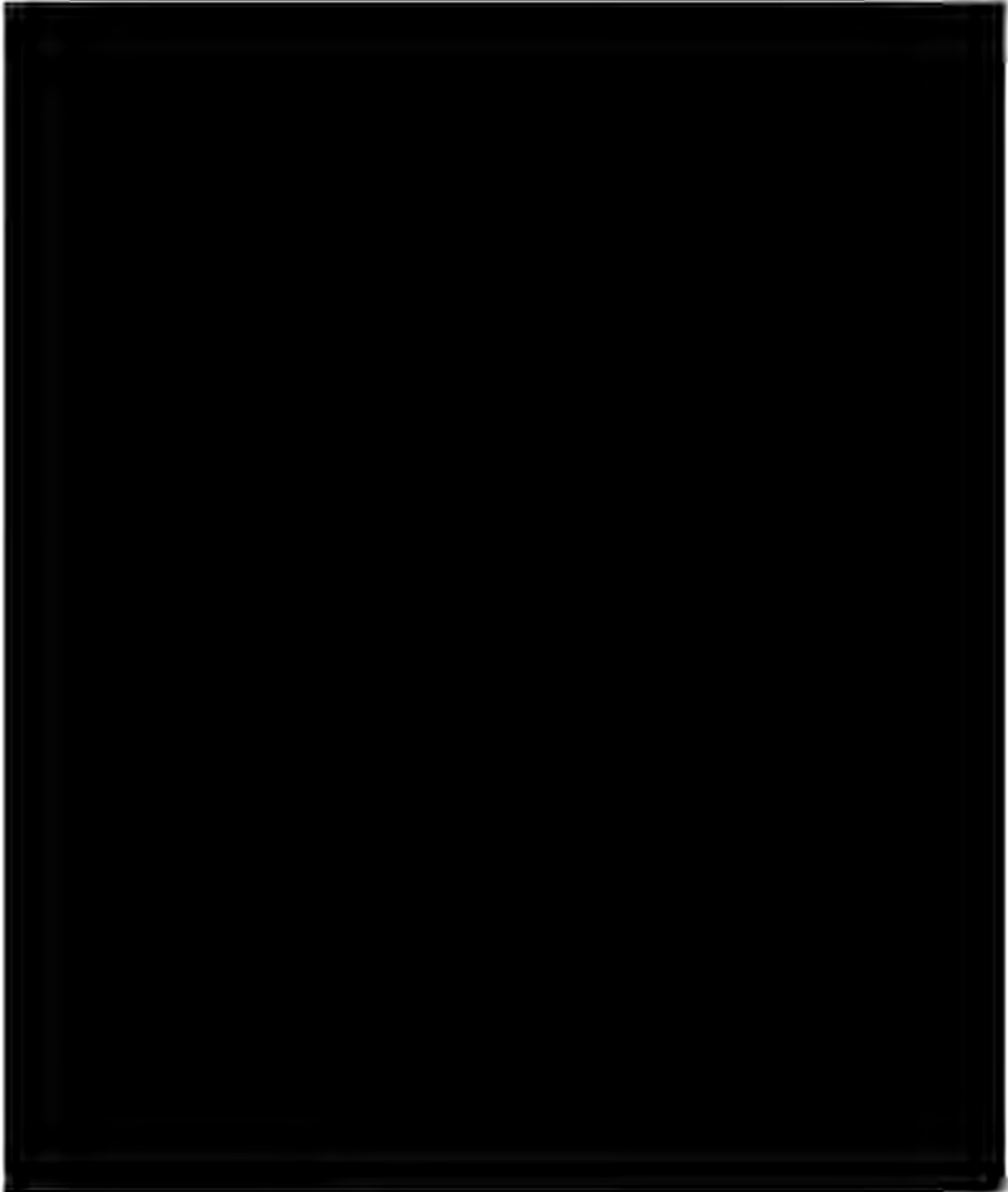














Notice is hereby given that an In Committee extraordinary meeting of Horowhenua District Council will be held on:

Date: Wednesday 17 December 2014
Time: 5.00 pm
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Council IN COMMITTEE AGENDA

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the Chief Executive Officer or the Chairperson.

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File No.: 14/924

In Committee Development Contributions Policy and Financial Contributions Policy

Item C1

Confidentiality

Reason:	The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
Interests:	s7(2)(h) - The withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. s7(2)(i) - The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).
Grounds:	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.

1. Purpose

The purpose of this report is to seek Council's approval to draft an Amended Development Contributions Policy and a Draft Financial Contributions Policy.

2. Executive Summary

- 2.1 At its 3 December 2014 Council meeting, Council resolved that during the Long Term Plan 2015-2025 Council would consult on a number of options in regards to development contributions, with the preferred option identified as cancelling development contributions.
- 2.2 This report identifies the options available to council on how they would pursue that, and the process to be followed to ensure Council is meeting its legislative requirements.

3. Recommendation

- 3.1 That Report 14/924 Development Contributions Policy and Financial Contributions Policy be received.
- 3.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act
- 3.3 That Council supports Option 1 which is that Officers prepare an amended Development Contributions Policy and a Draft Financial Contributions Policy to come back to Council for adoption in February 2014 prior to being included in the Long Term Plan 2015-2025 consultation document.

4. Background / Previous Council Decisions

- 4.1 Horowhenua District Council ("HDC") adopted a Development Contributions Policy as part of its Long Term Plan in 2006. HDC reviews the development contribution charges every three years with reviews being undertaken in 2009 and 2012.
- 4.2 Over the last nine months Council have been participating in extensive briefings in preparation for the Long Term Plan 2015-2025.
- 4.3 A key focus has been the consideration of development contributions and in particular what future focus the Development Contributions policy should have.
- 4.4 At its meeting on 3 December, Council considered an in committee report that provided a comprehensive analysis on future options for Development Contributions. The options presented were as follows:
- (a) Cancellation of the Development Contributions Policy;
 - (b) Suspension of development contributions;
 - (c) Harmonised development contribution funding for the whole district;
 - (d) Moderated development contributions to market affordable levels;
 - (e) Recalculate development contributions under the current Development Contributions Policy.
- 4.5 Council resolved:
- THAT the Horowhenua District Council consults on the following in relation to Development Contributions in the Long Term Plan Consultation document:*
- (i) Cancellation of the HDC Development Contributions Policy*
- 4.6 It is understood that while Council wishes to consult on cancelling Development Contributions, it still wishes to ensure that a contribution is made by developers for development in those areas where 100% growth is identified (new growth areas).
- 4.7 The purpose of this report is to advise Council of the legislative requirements Council must now follow in order to enable the policy direction as identified in 4.6, and for Council to endorse the direction Council Officers recommend in developing an amended Development Contributions Policy and a Financial Contributions Policy. This report and endorsement of the recommended option is considered necessary to enable officers to proceed in preparing the LTP Consultation Document and associated supporting information prior to February.
- 4.8 This report also presents an alternative option, should Council not wish to endorse Council Officers recommendation.

5. Discussion

- 5.1 As highlighted in the 3 December 2014 report Council has sought legal advice from Brookfields Lawyers concerning the possibility of cancelling Council's Development Contributions Policy.
- 5.2 Council is required by law to have adopted a policy on development contributions or financial contributions. This is clearly set out in section 102 of the Local Government Act 2002 ("LGA02"), which states, as far as is relevant:
- "(1) A local authority must, in order to provide predictability and certainty about sources and levels of funding, adopt the funding and financial policies listed in subsection (2).*

- (2) *The policies are –*
(d) *A policy on development contributions or financial contributions.”*

- 5.3 If Council cancels its current Development Contributions Policy, it will need to replace it with a new policy. This may be a policy that states that no development contributions will be required, and describes the financial contributions, the Council will collect under the provisions of the Resource Management Act 1991 (“RMA”). If the Council opts for financial contributions to the exclusion of development contributions, it will also need to set in motion the process to make the necessary changes to the District Plan.
- 5.4 The provisions that relate to the contents of a financial contributions policy are set out at section 106(2) and (4) of the Local Government Act 2002 (“LGA02”). In section 106(2)(f) it states that the policy must, if financial contributions will be required, “summarise the provisions that relate to financial contributions in the District Plan”. Council currently relies on development contributions rather than financial contributions for growth-related infrastructure (other than that integral to subdivision). Therefore, if Council were to cancel the Development Contributions Policy, it would need to either make the timing coincident with the adoption of changes to the District Plan introducing provisions for financial contributions, or adopt an interim policy under section 102(2)(d) that addressed the gap in provision for either development contributions or financial contributions.
- 5.5 It is conceivable that Council could adopt a Financial Contributions Policy by 30 June 2015. This would however not be able to be implemented until such time as a plan change to the District Plan has been initiated and become operative. The timeframe for preparing the plan change could range from 6 to 18 months. It would take approximately six months from developing the plan change through the decision being notified. Once Council notifies the decision it triggers the period for submitters to appeal the decision to the Environment Court. If there are appeals the timeframes for resolution will be dependent on the number and nature of the appeals. Recent experience suggests that the Environment Court would be directing parties to resolve appeals within 12 months. The length of time for the plan change to become operative becomes a relevant consideration for the options set out below.

6. Options

- 6.1 Council has resolved to consult on the cancellation of development contributions. As a result of this Council has two options as to how it might introduce Financial Contributions.

Option 1 - Council could amend the Development Contributions Policy to allow the continued collection of particular development contributions in specific catchments (areas of new growth) for a period of time until the Financial Contributions Policy is adopted and enforceable. The Financial Contributions Policy is only enforceable once the necessary changes are made to the District Plan (potentially up to 18 months). If the Development Contributions Policy is instead to be amended for a limited period of time, the Council needs to propose an appropriate amendment to the Development Contributions Policy, and also a policy on financial contributions that sets out its intent to propose an amendment to the District Plan within a defined timeframe that would provide for financial contributions to be taken as conditions of resource consents for the provision of the specified types of infrastructure. The amendment to the Development Contributions Policy should set out the intent that the remaining development contributions be replaced with financial contributions,

and could include a sunset clause that cancelled the Development Contributions Policy if and when the plan change containing the new financial contributions come into force.

or

Option 2 - Council could cancel the Development Contributions Policy from 1 July 2015, so that there was a period of time during which neither development contributions nor financial contributions could be required. Pursuant to section 101(2)(d) the Council would need to adopt and include in the LTP a policy stating that the Council intended not to require development contributions, but instead intended to propose an amendment to the District Plan within a defined timeframe that would provide for financial contributions to be taken as conditions of resource consents for the provision of the specified types of infrastructure.

- 6.2 It is Council Officers' recommendation that Option 1 is supported. This is consistent with Council's support for ensuring development is charged where the growth component is evident. If Option 2 was selected, there would be a time for which Council would have no ability to charge for development in those areas identified as new growth (potentially up to 18 months).

7. Consultation

The draft policies will be consulted on during the Long Term Plan 2015-2025 consultation process, pursuant to Section 82 and 82A requirements. No public consultation has been undertaken on this matter.

8. Legal Considerations

Legal Considerations have been referred to in the discussion above.

9. Financial Considerations

If Council endorses Option 1, Council will still have an ability to charge for development in those areas where new growth is identified. However if Council prefers to endorse Option 2, there will be a period (potentially up to 18 months) by which Council will have no ability to charge for development in new areas of growth - this would no doubt have a funding impact.

10. Other Considerations

There are no other considerations.

11. Next Steps

If Council were to accept the recommendation, Officers will prepare a Draft Amendment to the Development Contributions Policy and a Draft Financial Contributions Policy to be presented to Council for adoption in February 2014, prior to the Long Term Plan 2015-2025 consultation document being adopted.



Confirmation of statutory compliance

In accordance with section 76 of the Local Government Act 2002, this report is approved as:

- a. containing sufficient information about the options and their benefits and costs, bearing in mind the significance of the decisions; and
- b. is based on adequate knowledge about, and adequate consideration of, the views and preferences of affected and interested parties bearing in mind the significance of the decision

1. Appendices

There are no appendices for this report

Author(s)	Monique Davidson Group Manager - Customer and Community Services	
Approved by	David Clapperton Chief Executive	

Council

IN COMMITTEE MINUTES

In Committee minutes of a meeting of Council held in the Council Chambers, 126-148 Oxford St, Levin on Wednesday 3 December 2014 at 4.15 pm.



Finance

C1 Development Contributions

Purpose

The purpose of this report is for Council to consider options for the Development Contributions Policy for the 2015-2025 LTP.

MOVED by Cr Campbell, seconded Cr Kaye-Simmons:

THAT Report 14/899 Development Contributions be received.

THAT this decision is recognised as significant in terms of S76 of the Local Government Act.

CARRIED

Mr Clapperton noted that the purpose of this report was to identify Council's preferred option with regard to Development Contributions going forward. Whilst Council would consult on all the options noted in his report during the LTP process, he believed it was important that Council did indicate its preference. Should Council decide to cancel development contributions, there were other mechanisms, such as financial contributions or capital contributions, it could use to assist with funding growth.

After responses from Mr Clapperton and Mr Law to Councillors' queries, discussion and debate, it was:

MOVED by Cr Rush, seconded Cr Feyen:

THAT the Horowhenua District Council consults on the following preferred option in relation to Development Contributions in the Long Term Plan Consultation document:

(i) Cancellation of the HDC Development Contributions Policy;

with other options for consultation to include:

(ii) Suspension of the HDC Development Contributions Policy;

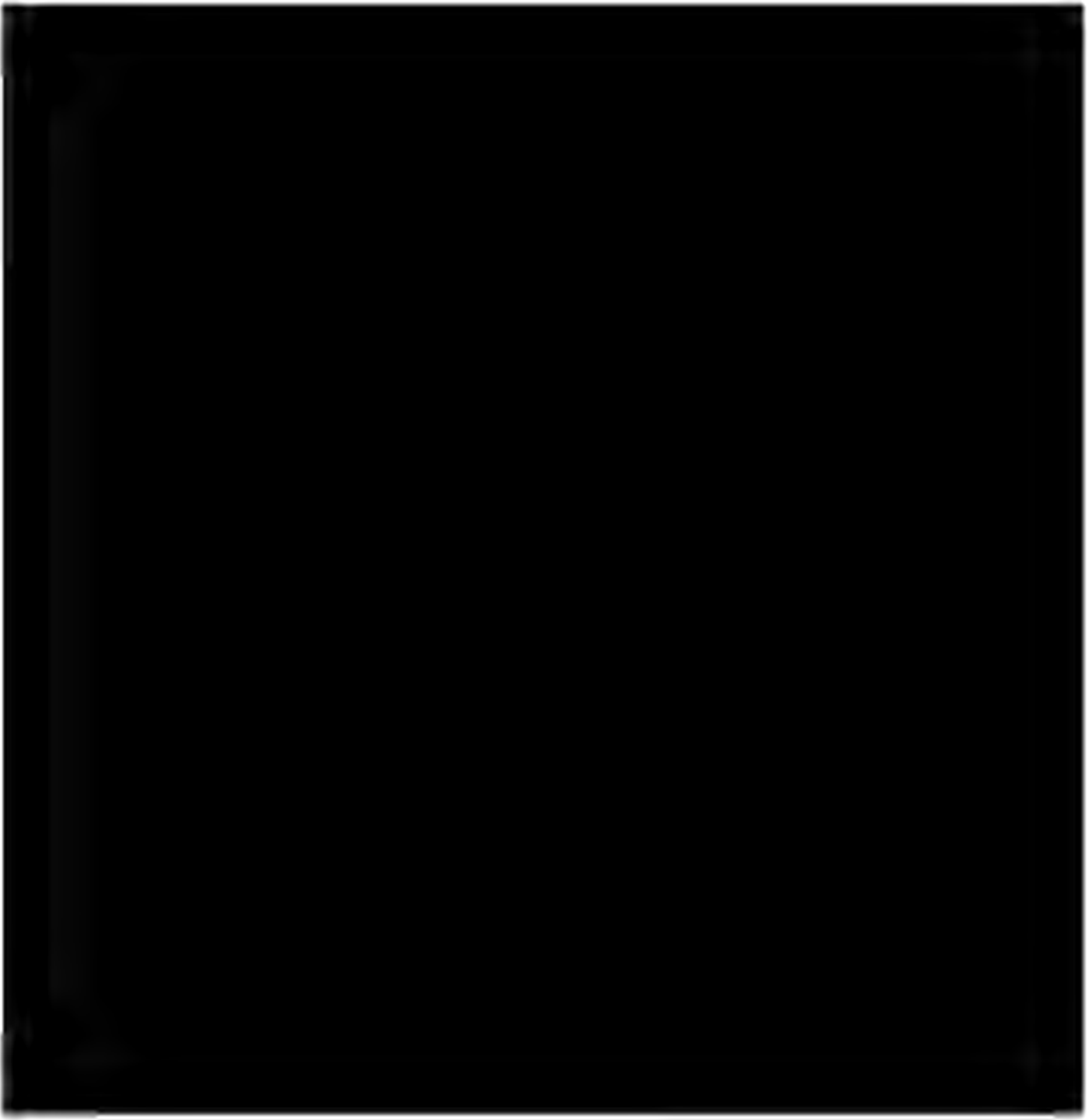
OR *(iii) Harmonisation of development contributions across the district and retention of the current Development Contributions Policy;*

OR *(iv) Moderation of development contributions to market affordable levels under the current Development Contributions Policy;*

OR *(v) Recalculation of existing development contributions under the current Development Contributions Policy.*

CARRIED





7.47 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF COUNCIL HELD ON

DATE:.....

CHAIRPERSON:.....

Council

IN COMMITTEE MINUTES

In Committee minutes of an extraordinary meeting of Council held in the Council Chambers, 126-148 Oxford St, Levin on Wednesday 17 December 2014 at 5.00 pm.

Executive

C1 Development Contributions Policy and Financial Contributions Policy

Purpose

The purpose of this report is to seek Council's approval to draft an Amended Development Contributions Policy and a Draft Financial Contributions Policy.

MOVED by Cr Good, seconded Cr Mason:

THAT Report 14/924 Development Contributions Policy and Financial Contributions Policy be received.

THAT this decision is recognised as not significant in terms of S76 of the Local Government Act.

CARRIED

Mr Clapperton noted that at the last Council meeting a preferred option had been identified from a Council perspective which was that Development Contributions should be cancelled. Since that meeting he had sought further counsel from staff and legal advisors as to the timeline that Council would have to go through to get financial contributions in place should it be decided to cancel Development Contributions from 1 July 2015. The reality was it would be very unlikely to get financial contributions into the District Plan by July 2015. That would then mean Council would not have the ability to recover the cost of new infrastructure in the district's growth areas such as Gladstone Road and Kawi Road, because a Financial Contributions Policy would not be in place.

Mr Clapperton further explained the financial implications of the two options proposed and possible timelines and possible impact on projected growth.

After discussion on the possible cost to Council, the impact it could have on projected growth and also on community perception, Option 2 was proposed by Councillors as their preferred option.

MOVED by Cr Bishop, seconded Cr Campbell:

THAT the Horowhenua District Council adopts to consult on as part of the Long Term Plan 2015-2025 consultation document, the cancellation of the Development Contributions Policy from 1 July 2015, and pursuant to section 101(2)(d) the adoption of a policy to not require development contributions and instead introduce a Financial Contributions Policy that would be implemented through an amendment to the District Plan, to provide for financial contributions to be taken as a condition of resource consents for the provision of the specified types of infrastructure.

CARRIED

6.24 pm

There being no further business, the Chairperson declared the meeting closed.

CONFIRMED AS A TRUE AND CORRECT RECORD
AT A MEETING OF COUNCIL HELD ON

DATE:.....

CHAIRPERSON:.....