



Consultation Document
He Whārangī Uiuī



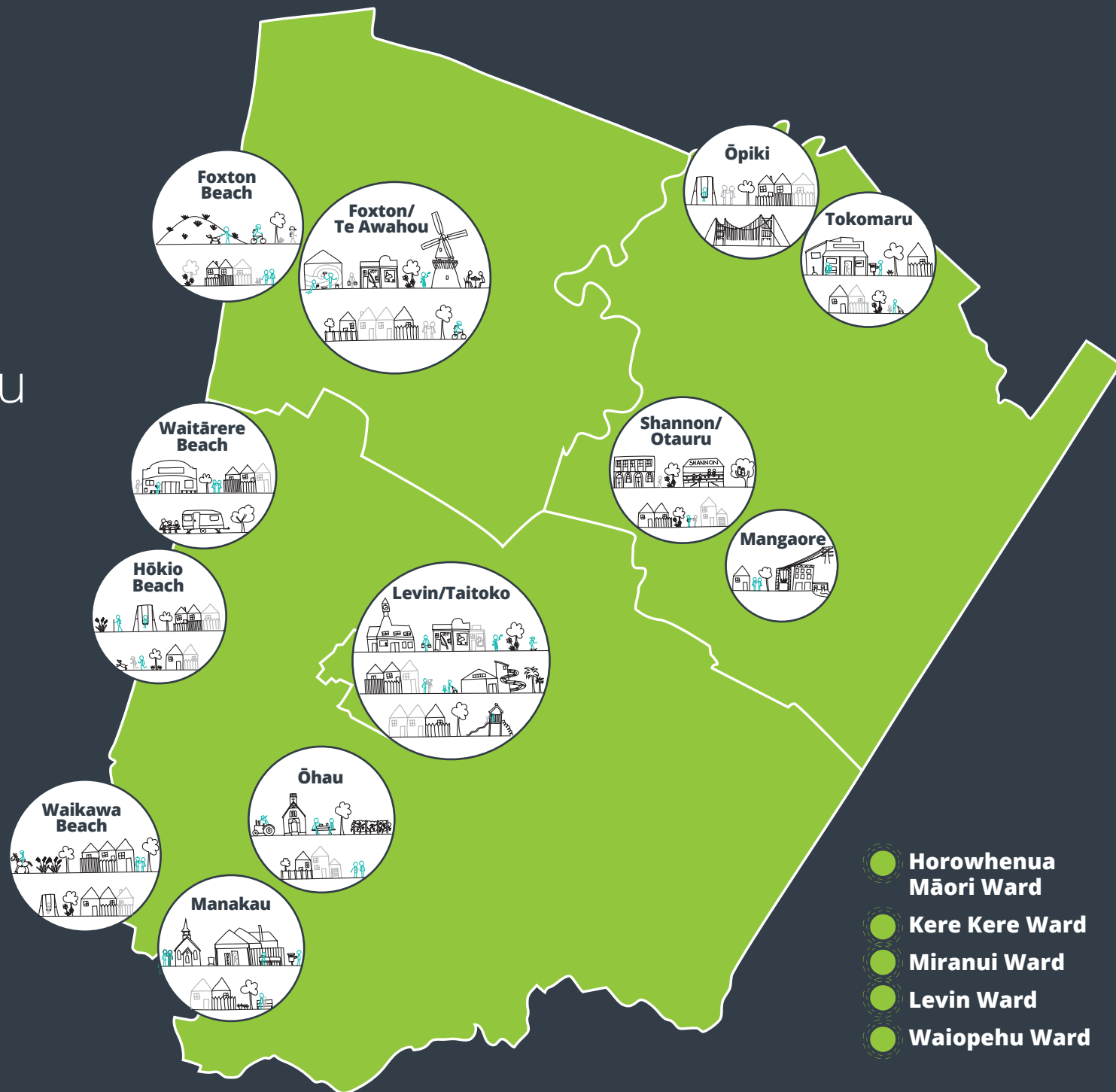
Long Term Plan 2021-2041 Amendment and Annual Plan 2023/24
Te Mahere Roa 2021-2041 Ngā Whakatikatanga me te Mahere ā-Tau 2023/24



We want to hear from you.

Kei te hiahia mātou
kia rongō kōrero
i a koe

The Long Term Plan 2021-2041 (LTP) sets out the services and projects the Council will provide to the Horowhenua community all the way out to 2041!



This year we propose making some changes to the way rates are distributed, the future of the Levin Landfill and water projects through this LTP Amendment.

We are also proposing to make changes to some of our fees and charges and funding projects through the Foxton Beach Freeholding Account through the Annual Plan.

This Consultation Document sets out the parts we are proposing to change, the reasons why and the options for how they could be changed. We need to hear from you – the information in this document can help you decide what you think is the best plan for #FutureHorowhenua.

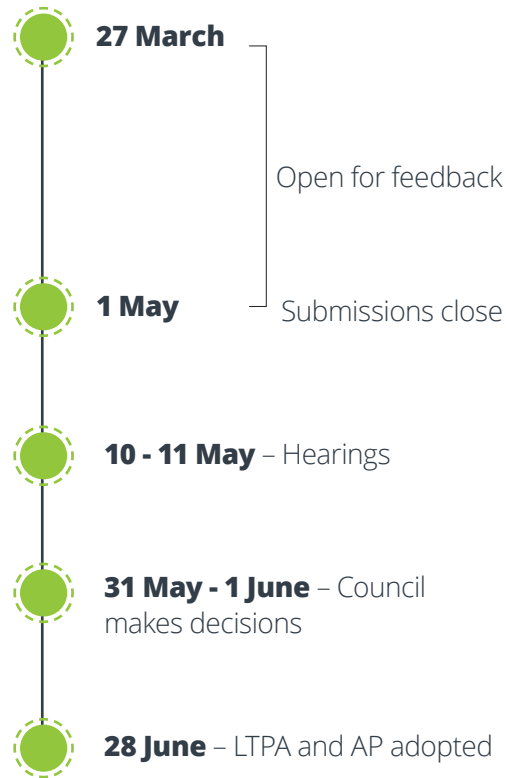
We look forward to discussing this with you – and there are several ways you can do that:

Learn more at our events

We'll be hosting a range of events to help you learn more about the options we're proposing, so you can give us your informed opinion.

We will have other drop in sessions and Facebook live discussions throughout this consultation period. Please view our website or Let's Korero for a full list of our events and times.

Key dates



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I encourage everyone in the community to get involved and have their say, as the decisions we make today will impact not just our children, but our children's children.

**Councillor
Jonathan Procter**





We want to hear from you!

This document sets out the issues we need to hear from you about:

- Rates Review
- Future of the Levin Landfill
- Our Key Water Projects
- Fees and Charges

See page 60 to find out how you can have your say.



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Message from the Mayor, Councillors and Chief Executive

He karere nā te Koromatua, ngā
Kaikaunihera me te Kaiwhakahaere Matua

We have some major decisions ahead that need your input. Council is amending the Long Term Plan 2021-2041 and preparing the Annual Plan 2023/2024.

Council promised that we would carry out a review into the affordability of our rates and that we would decide on the future of the Levin Landfill. We also need to increase the spending on our drinking water supply and improve our wastewater and stormwater management. This will cost a lot and work needs to begin now so we can continue to provide these basic services for our community.

You may remember we asked you for feedback on the future of the Levin Landfill in January 2022. We should have included options other than to close it – we do that here. Have a look at the options and let us know what you think. If your feedback is the same, you're welcome to send us the same material you sent in last time.

This work comes at a time when households are facing price rises across the board. So, while we need to increase spending on our key water services to meet demand, we also want to consider how rates are spread across the district. At the moment, some households are spending 8-9% of

their income on rates, while others are spending just 1-2%. We want your feedback on how to make it fairer.

In working out Council's budget, we're facing many of the same challenges as many households and businesses. Inflation, interest, insurance and depreciation costs have increased significantly. We expected inflation to be around 2-3% for the next 10 years, so we too are feeling the effects of the current 7.2% inflation rate. These costs are out of our control and have blown out our planned budget for the 2023/2024 financial year and beyond. Our first round of budget analysis showed just these additional costs would need to increase rates by 8.2%. That's higher than the Council's self-imposed 6.5% rates limit set in consultation with our community in 2021. That's also before Council provides any services or funds any activities. Add those on and the figure becomes even less palatable.

We have spent many hours reviewing Council's budgets to ensure that the proposed overall rates increase of 7.9% means you get the services at the same quality you expect. Noting that when this is shared across the district and different property types it may not be a 7.9% increase for each property.

There's a lot to think about and you can learn about the issues from this consultation document and supporting information, our website Let's Korero, an Open Day, Facebook Live sessions and drop-in sessions.

This is about making sure our district is ready for the future. Now we need to hear from you – have we got it right?



Your Mayor and Councillors



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We have big issues to resolve

He nui ngā take
hei whakatau



Rates Affordability



Levin Landfill



Key Water Infrastructure

Rates affordability

Council promised to do a Rates Review after the Annual Plan 2022/2023 to consider how rates and costs are shared across our district.

Many members of our community on low incomes are spending some of the highest proportions of their incomes on rent and mortgages in NZ. Now inflation, interest rates rises and price increases have added to the pressure.

Some households are paying 8-9% of their income on rates, while others pay just 1-2%. There are different reasons for this, and we can influence one of them – how Council’s rating policy is set.

Levin Landfill – considering options for its future

Council promised our community that we would decide the future of the Levin Landfill this year, and when we consulted with you we should have given options other than closing the landfill. We’re doing that now.

Everyone put a lot of effort into those earlier submissions, so if your feedback hasn’t changed, you’re welcome to send us the same material.

Upgrading our water programme

We need to bring some of our infrastructure investments forward to increase our drinking water supply and improve our wastewater and stormwater management. The district is growing fast, and those frequent, severe rain events have pushed our stormwater system to and past capacity.

This will be expensive. But, work needs to begin now to build capacity and resilience in our water services so we can continue to deliver these core services to our community.

This work comes at a time when we know households are facing economic pressures across the board. While investment in our key water services is critical we also need to hear from you about how the costs could be shared across the district.

It’s clear we have some big decisions to make. We also need to set the budget and direction for the 2023/24 financial year. In this consultation document, you’ll see the pros, cons and costs of each option so you can tell us how you want the future of your district to look.

Why are we talking about two plans?

He aha e kōrerotia ai mō ngā mahere e rua?

Every three years, we must produce a Long Term Plan (LTP), which sets out the services and projects Council will deliver over 20 years and how we'll pay for them.

During the years in between, we have to produce an Annual Plan (AP). The AP sets out the planned projects and services for only one financial year, 1 July to 30 June.

The decisions we make now will impact what our district will look like for generations to come, so we need your input for both of these plans.

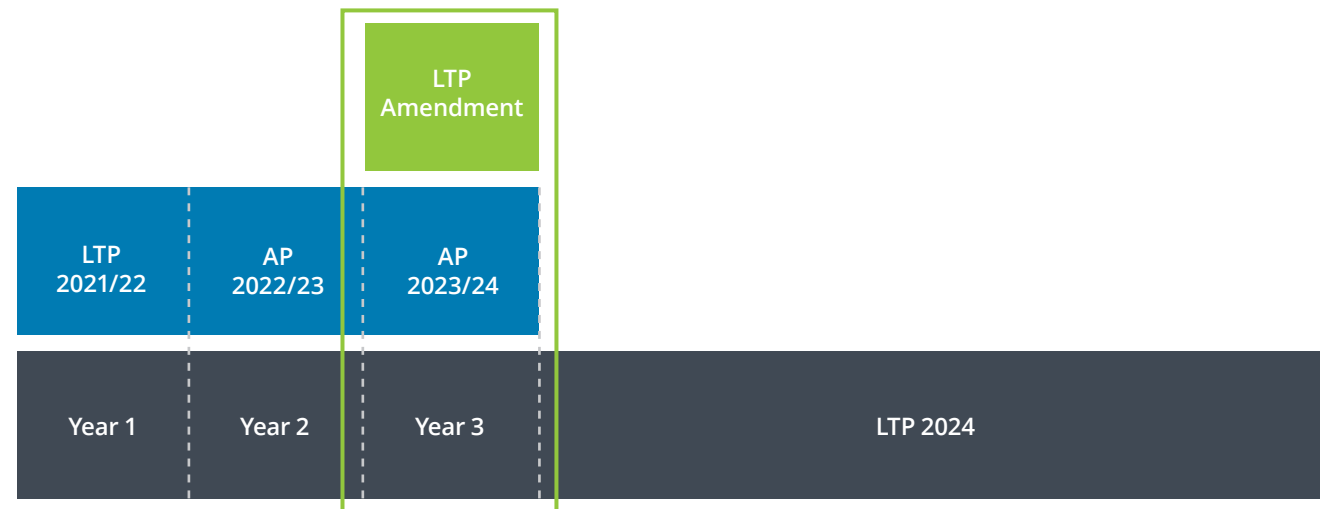
Normally, we'd only be considering our AP this year. But, because we have these big issues to resolve, we need to amend the current LTP.

We can't wait until the full LTP next year and we can't make these changes in just the Annual Plan.

This document outlines what we think should go into our AP for 2023/2024 and some proposed changes to parts of our LTP for 2021-2041.

These changes will focus only on rates affordability, the future of the Levin Landfill and key water projects- we'll ask you about the other issues facing our district next year when we build the 2024 LTP.

Where we are in the planning cycle





How can I find out more?

To dig into more detail, you can find supporting documents on our website and in hardcopy at our libraries and community centres.

 horowhenua.govt.nz

Where our district is heading

Te ahunga o tō tātou hapori

Where we are now - 2021



Population*
36,100

*(June 2020)

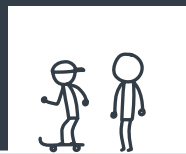


Households
16,606

Age



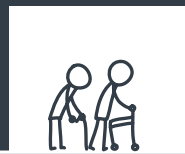
0 - 14 years
7,014



15 - 39 years
9,329



40 - 64 years
11,269



65+ years
8,981

Where are we going - 2041



Population
62,716



Households
27,815

Age



0 - 14 years
12,830



15 - 39 years
17,791



40 - 64 years
18,171



65+ years
14,022

Community Outcomes will stay the same

He rite tonu ngā Whiwhinga Hapori

Our Community Outcomes are essentially goals for the wellbeing of the community. We decided these together as part of the 2021-2041 LTP consultation process. We are not proposing to change these, but next year, while developing the next LTP, we will ask you if these are still the outcomes you want us to work towards.

Our vision for the district is:

***He rau ringa e pakari ai nga taura whiri I o tatou hapori -
mai te pae maunga o Tararua ki te moana***

*With many hands the threads which weave
our neighbourhood and communities together
will be strengthened from the Tararua ranges
to the sea. Growing neighbourhoods and
building stronger communities together.*





ISSUE ONE

Rates Review for a fairer distribution of rates

He arotake i ngā rēti kia
matatika ai te tuaritanga

As part of the Council's long-term planning, we've reviewed our rating system, which sets out who pays what. We'd like to know whether you think we should leave the rating system as it is or change the way we share costs.

We want to make sure that those fees and charges are fair and that those who use the council facilities pay their share.

Should we change the way we share rates across our district?

In everything the Council does, we remember that it's funded by ratepayers, grants from Central Government and fees from our facilities and developers. We take that responsibility seriously.

Concerns about affordability

Some people on low and fixed incomes struggle to pay rates. According to the 2007 Shand Report¹, rates shouldn't be more than 5% of a household's income. In some areas, like Foxton, Levin Central and Shannon, many households are paying over 5% of their income.

Our district has a wide range of demographics and income levels, with many in our community on low incomes and further challenged by the cost of living crisis. Here are some numbers for our district:

- Average income is 35% lower than nationwide (2018 Census).
- Renters spent an average of 40% of their income on rent in 2021 (Dot loves Data) – the highest proportion in NZ.
- Renters in Foxton spent an average of 45% of their income on rent in 2021. In Shannon it was 51%.
- Those with a mortgage paid an average of 43.9% of their income on mortgage payments in 2022.

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As your elected officials, we believe that rates should be shared fairly and equitably across the district. What do you think?

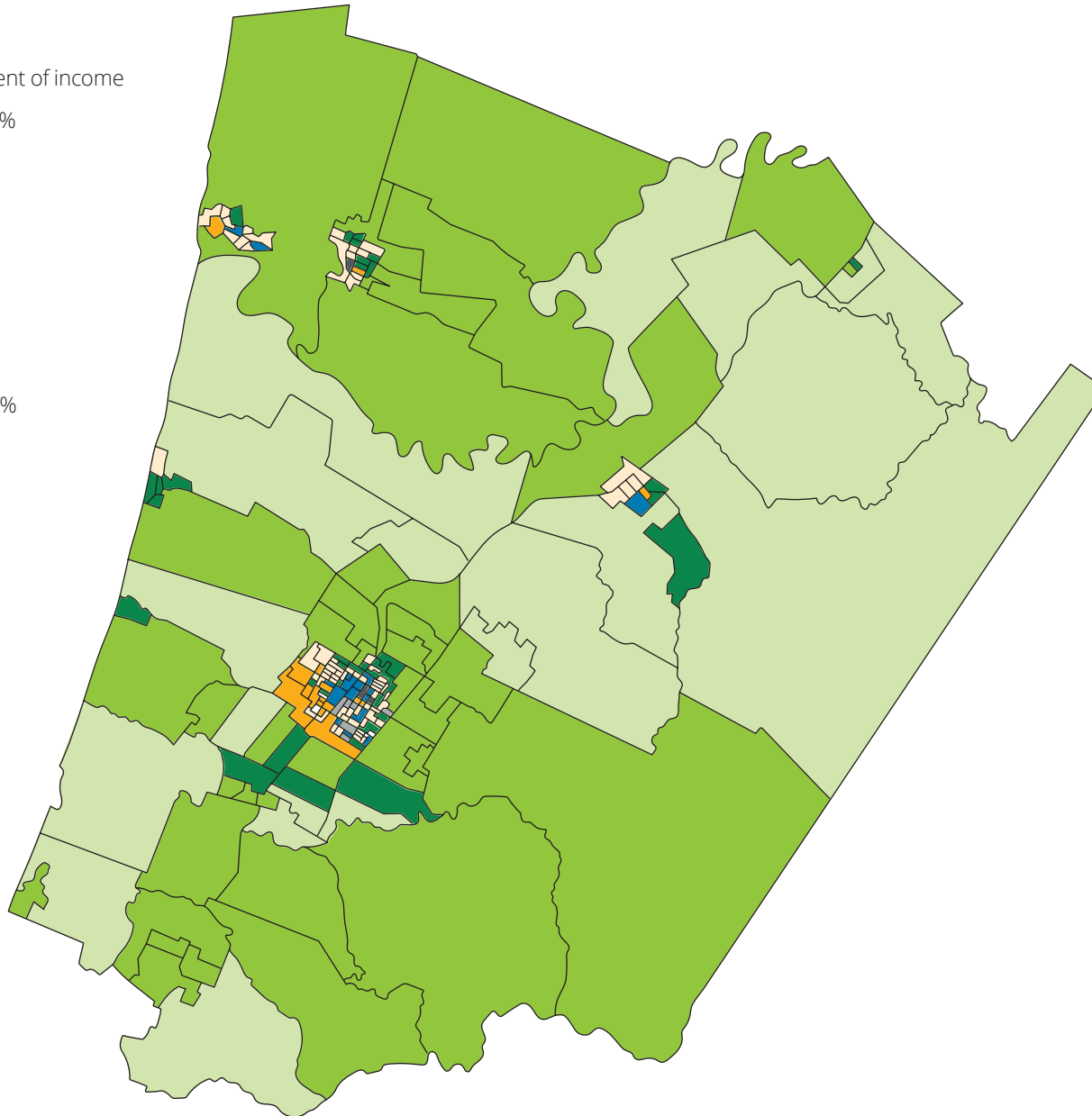
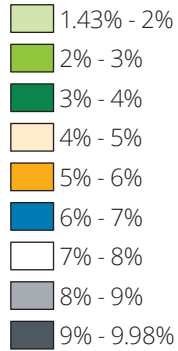
Mayor Bernie Wanden



¹ Report of the Local Government Rates Inquiry 2007 – known as 'the Shand Report'

How much people are currently paying in rates as a proportion of their household income

DISTRICT
Rates as percent of income



Recent research has helped us better understand the affordability challenges in different parts of the district.

The results are illustrated on this map using median income levels from the last census data from March 2018, updated for the labour cost index movement to March 2022, and the median rates data for 2022/23.

This image shows how unevenly rates are spread across the district. Some households are paying almost 10% of their income in rates, while others are paying only 1.43%.

Housing, living, rates – these costs mount up. That makes it even more important that we ensure our rates are split fairly and are kept as low as possible.

How can this be made fairer?

Affordability is one of the big issues we need to resolve. In the past, we've done this by reducing or delaying the spend on key water infrastructure – and now that's another big issue we need to resolve.

When doing the LTP 2021-41 Council agreed to a Rates Review. We have two key ways of influencing rates affordability: deciding what to fund through rates keeping in mind that it is our main source of revenue, and reviewing how the rates are distributed across our district. A rates review looks at how rates are shared between different property types and uses.

We are doing that review as part of this LTP Amendment to ensure our rates are as fair and equitable as possible. It does not change the total amount needed from rates. The rates

system, however it is configured, has those who are impacted less and those affected more.

Property revaluations must be factored in

The August 2022 property revaluations have to be included in the options. The Rating Valuation Act 1988 says valuations for each rating unit (basically, a property) have to be updated every three years. These revaluations are the largest driver in the rates increase by property type and account for the large increases in both land and capital value we've seen over three years. Urban properties have experienced the greatest increases.



Which 'value' is which?

Rating value: the value that is assigned to every property based on the capital and/or land value of the property.

Capital value: the price a property would likely sell for at the time of revaluation including any buildings or other improvements.

Land value: the price that the land would likely sell for at the time of revaluation without any buildings or other improvements.

Value of improvement: the difference between the land value and capital value. This reflects the value added to the land resulting from any buildings or other improvements.

Our Approach

Our rating system is currently made up of nine individual charges, some fixed and some charged according to property values. Added together, these charges make up your rates bill from the Horowhenua District Council. Currently, charges based on land value make up almost 25% of the rates we collect and fixed charges make up about 60%. This means that owners of lower-value homes can have rates bills that are similar to those of owners of much higher-value properties. We believe it would be fairer to shift that proportion, so more of our rates are based on capital value. This includes the value of your land and buildings. We will also look to reduce the level of fixed charges in future reviews.

Our proposed change

We are proposing to change how we calculate the district-wide general rates from based on land value to based on capital value – the value of both your land and your building.



We have parts of our community paying 8-9% of their income on rates. When many are already struggling with the cost of living, this is absolutely something that needs to be addressed.

Councillor Alan Young



The effects of last year's property revaluations

All councils have to keep up-to-date registers of property valuations in their areas. Last year's review from Quotable Value showed a strong increase in residential property values throughout Horowhenua. Commercial and rural property values also rose, although not as much as residential. Under our current rating system, the sharp increase in residential property prices would see:

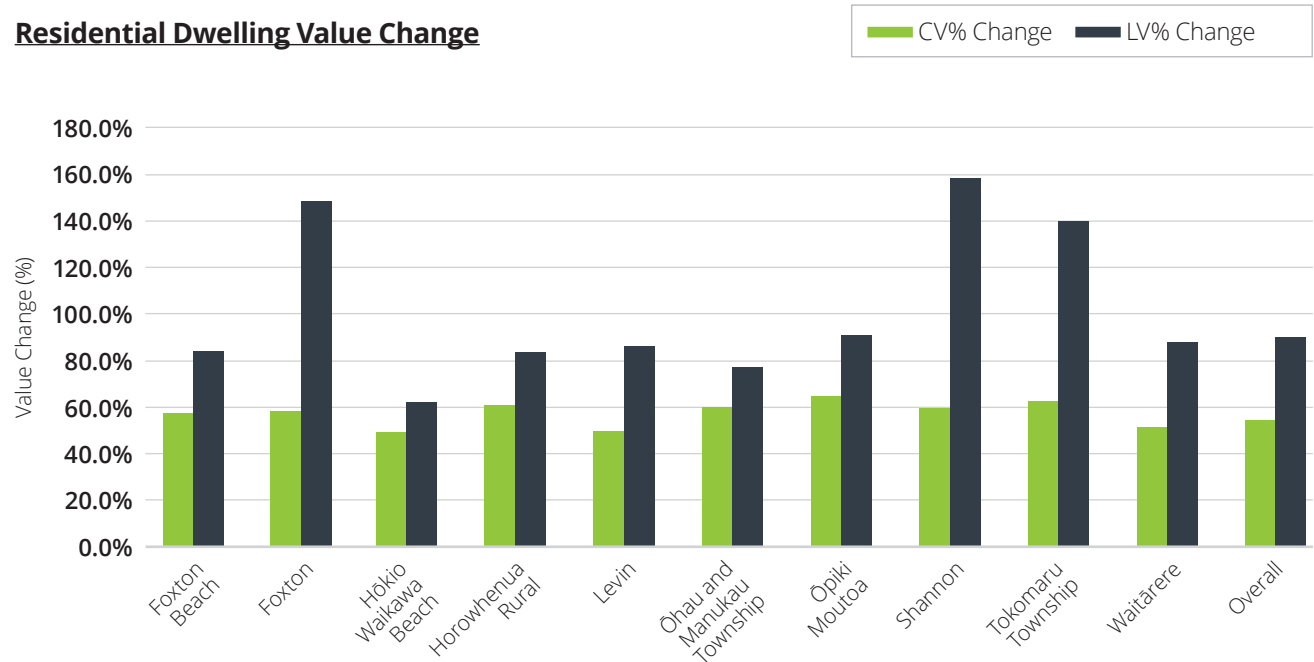
- Approximately 12,500 residential properties in the district shouldering close to an additional \$485,000 of rates between them
- Our 800 businesses paying \$130,000 more
- Our rural non-farming properties paying \$149,000 more; and
- Our 1,947 rural farming properties paying \$785,000 less.

How would the proposed changes affect your rates?

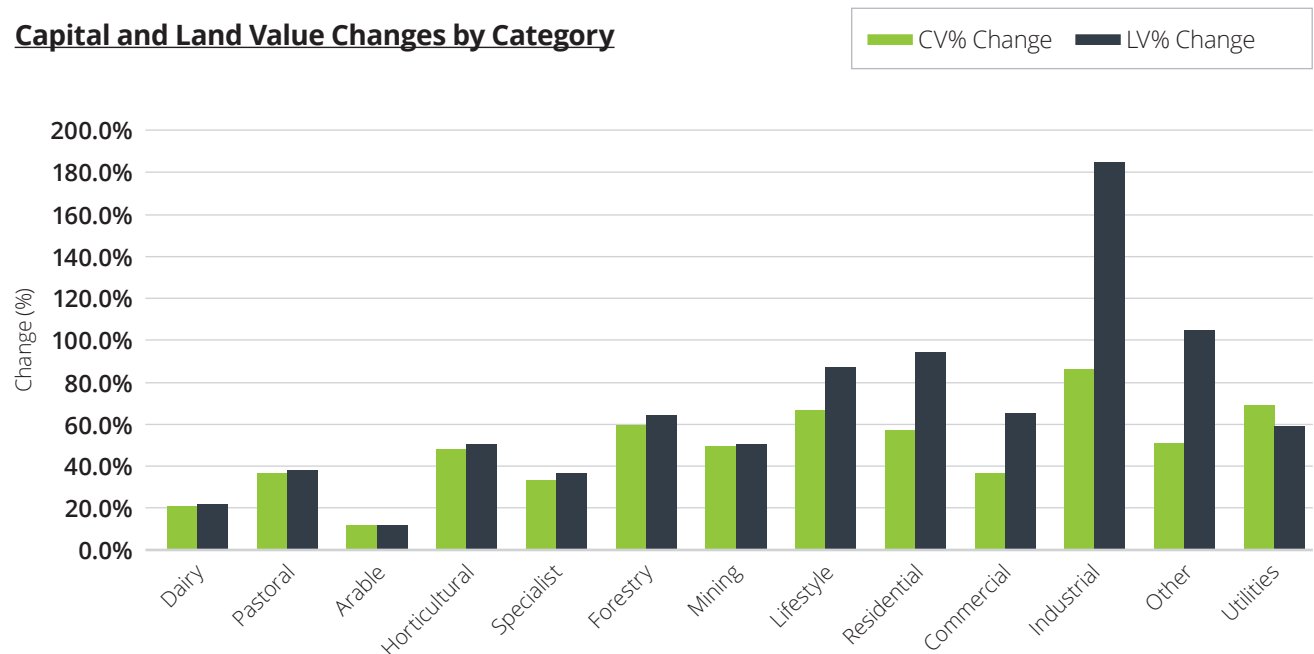
See pages 19-25 for examples of rates impacts and to see how rates for your property would be affected by the proposed rating system change and your property revaluation.

Here is a summary of the change in values across the district.

Residential Dwelling Value Change



Capital and Land Value Changes by Category



Option 1

Leave the rating system as it currently is

Keeping the current rating system wouldn't solve the affordability issue, with owners of some lower-value properties paying similar rates to those with higher-value properties

Under this scenario, the rural farming community would contribute 9% of the rates rather than 11% currently contributed, despite making up 30% of the land value and 19% of the capital value.

Moving the general rates from being charged based on land value to being charged on capital value:

Percentage of properties with rates increases and decreases under this option



Note: these figures reflect the 2022 revaluation impact and proposed rating system change before annual rates increases are added

Option 2

Calculate general rate based on capital value (Council's preferred option)

Percentage of properties with rates increases and decreases under this option.



Note: these figures reflect the 2022 revaluation impact and proposed rating system change before annual rates increases are added

Option 3

Calculate general rate based on capital value, but include a rural differential

A special differential would protect the rural farming community from 20% of the rates increase

Percentage of properties with rates increases and decreases under this option



Note: these figures reflect the 2022 revaluation impact and proposed rating system change before annual rates increases are added

Key differences between the options

	Option 1 – Land Value	Option 2 – Capital Value <i>(Council’s preferred option)</i>	Option 3 – Capital Value with 80% differential for rural farming
Advantages	<ul style="list-style-type: none"> Less change, closest to current system. 	<ul style="list-style-type: none"> More closely reflects the value of a property Consistent with the principle driving the rates review of increasing equity and affordability of rates. <ul style="list-style-type: none"> - Capital value is more equitable owing to a better fit between capital value and a person’s ability to pay. 	<ul style="list-style-type: none"> Recognises the size variation in many rural properties and offers an option to lessen the impact by introducing an 80% differential or share of the costs.
Disadvantages	<ul style="list-style-type: none"> Disadvantages lower income households which have a smaller capital value relative to land value. 	<ul style="list-style-type: none"> Has significant increases for high capital value properties. 	<ul style="list-style-type: none"> Is a significant increase for utilities and for properties with lower capital value.

This year's rates

When we develop LTPs and Annual Plans, we look at the work we're proposing, how we pay for it and whether that's reasonable.

Rates revenue lets our Council deliver the levels of service we agreed to provide in the LTP. Unlike some other councils, we don't have income from assets in airports or ports to offset our rates income. We rely on rates to pay for a majority of what we do. Despite this, we have managed to keep rates relatively low.

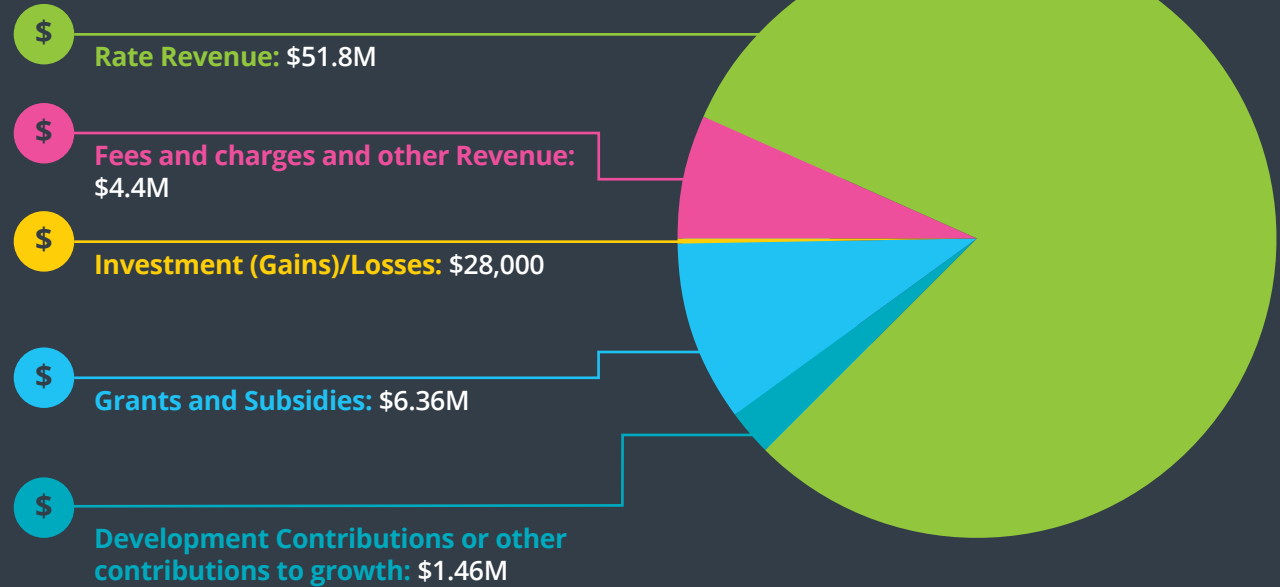
Council starts by calculating what it needs, then decides how that cost is split between ratepayers.

Think of it as a pie. The size of the pie is what we need to deliver our services and projects. From one year to the next, that pie can get bigger because the cost of those services and projects goes up through things like inflation and interest. That bigger pie is then divided between rateable properties – properties that have to pay rates. This is where growth is on our side. Since 2008, we've had more rateable properties each year than the last – more pieces of the pie, means each piece is smaller.

We do have other sources of income, but the amount we get is limited, not guaranteed, or is controlled by Central Government.

What are our revenue sources?

2023/24 Financial Year

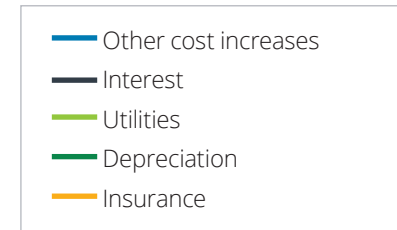


How we worked out the rates

When the LTP 2021-2041 was developed, we expected that we would need a 6.4% rates revenue increase and set a limit of 6.5% for the total rates revenue increase. However, things have changed.

Our first look at the budget showed us we'd need an 18.9% rates increase to do everything planned for 2023/24 in the LTP. This figure isn't something a council would usually share – it's not something we'd propose. By sharing it this year we hope to give you more insight into how Council calculates rates increase, the pressures the budget is facing and that there's little we could sensibly cut.

What is driving our rates increase?



Looking into that first number, we found that 8.2% of it was caused by costs outside of our control – insurance, interest rates, depreciation and contract rate increases. This means that even before doing any work this year we need an 8.2% rate increase to cover costs.

To fund this increase, we will need to borrow, increase rates or both.

Option 1

7.9% rates increase *(Council's preferred option)*

This is Council's preferred option. We believe this option is financially responsible. It lets us deliver the basic services and projects we committed to through the current LTP, without taking on an unmanageable level of debt.

Under Option 1, we will not reduce any levels of service, but will not provide new or improved services.



Advantages:

- No reduction in any levels of service



Disadvantages:

- Higher than was forecast in the original LTP
- We have chosen to fund some additional operational costs through borrowings and will repay it over the next 3-5 years



Option 2

A rates increase less than 7.9%

We do have the option of a rates increase of lower than 7.9%, which would require cuts to the level of services we provide. You can see below how cutting a service will impact rates. While our preferred option is one that does not reduce any Levels of Service we provide to our community,

we are providing an option for you to tell us if you'd prefer rates to be lower than 7.9%. You can see examples below how cutting a service will impact rates.

	Savings (\$000)	Rates impact
Stop urban berm mowing	(140)	-0.3%
<i>If urban Berm mowing is to be maintained, should it be directed to main arterial roads that a majority use and benefit from?</i>		
Reduce Park Maintenance budget by reducing mowing, weeding, maintaining playground, cleaning toilets, collecting rubbish at:	(82)	-0.2%
<i>Waitārere Rise Boulevard, Waitārere Beach</i>	(19)	0.0%
<i>Victoria Park, Foxton</i>	(31)	-0.1%
<i>Moynihan Park, Shannon</i>	(22)	-0.0%
<i>Vincent Drive Reserve, Levin</i>	(10)	-0.0%
Events - having no contestable fund/support for major events in 2023/24	(80)	-0.2%
Reduce funding for community grants and funding arrangements with community groups	(200)	-0.4%
Reduce level of funding for Wellington Regional Growth Framework collaboration	(70)	-0.1%

“

Council has identified some things that can save money. It means trimming budgets and adjusting a few service levels but we're open to your ideas too. This is your opportunity to have your say.

Councillor Piri-Hira Tukapua

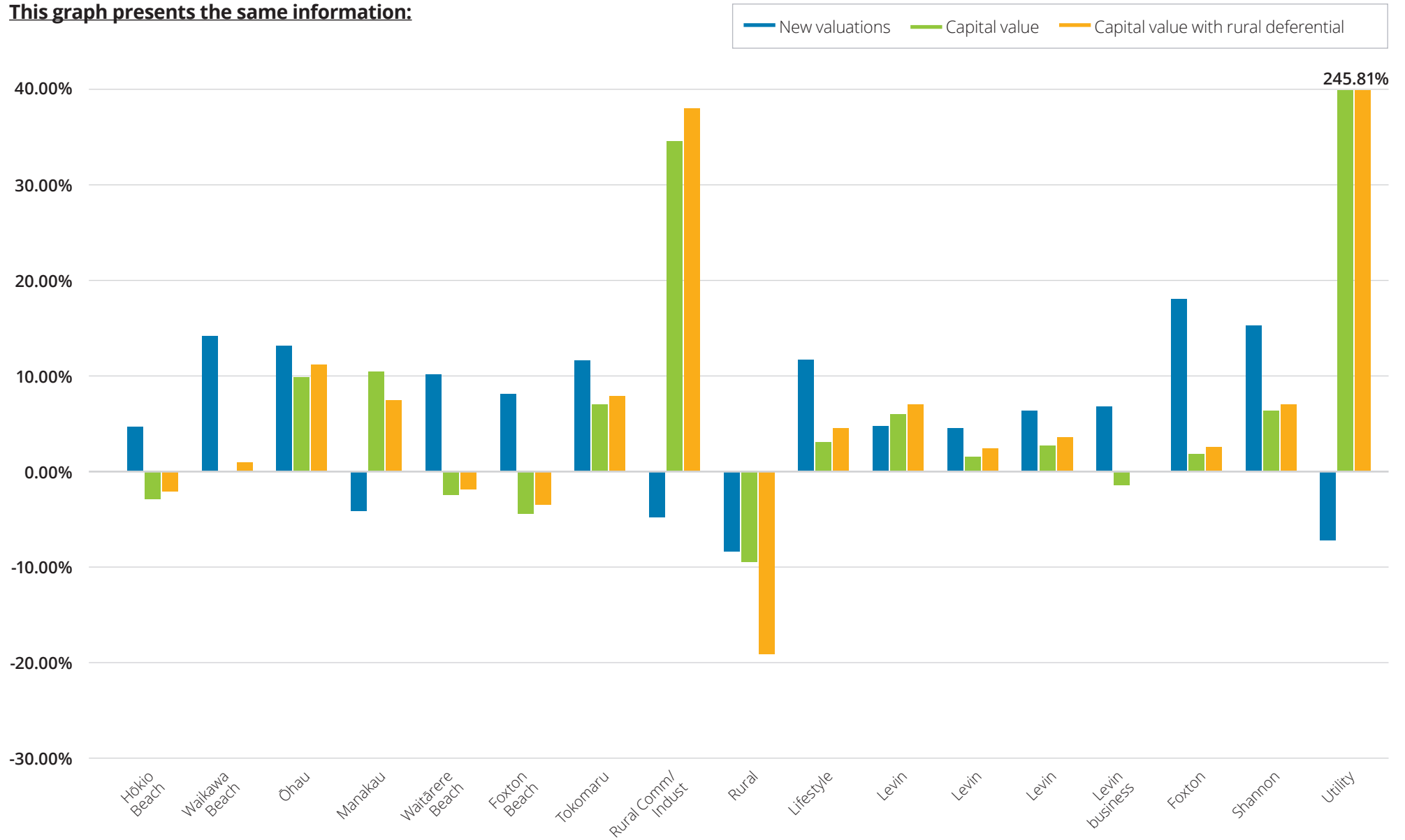


Indicative Rates on Selected Properties

This table presents the rates review options with a 7.9% rates increase.

Locality	Current Land Value \$	Current Capital Value \$	New Land Value \$	New Capital Value \$	2022/23 ACTUAL RATES	2022/23 RATES BASED ON NEW VALUATIONS			OPTIONS 1: RATES BASED ON NEW VALUATIONS			OPTION 2: GENERAL RATE FROM LV TO CV BASED ON NEW VALUATIONS			OPTION 3: GENERAL RATE FROM LV TO CV 80% RURAL DIFFERENTIAL BASED ON NEW VALUATIONS		
					Total	Indic Total Rates	Total Change From 2022/23 Actual		Indic Total Rates	Total Change From 2022/23 Actual		Indic Total Rates	Total Change From 2022/23 Actual		Indic Total Rates	Total Change From 2022/23 Actual	
					\$	\$	\$	%	\$	\$	%	\$	\$	%	\$	\$	%
Hōkio Bch	135,000	220,000	190,000	290,000	1,544	1,421	-123	-7.97%	1,618	74	4.79%	1,501	-43	-2.78%	1,514	-30	-1.94%
Waikawa Bch	280,000	465,000	500,000	740,000	2,260	2,281	21	0.93%	2,583	323	14.29%	2,251	-9	-0.40%	2,283	23	1.02%
Ōhau	245,000	560,000	480,000	930,000	2,744	2,872	128	4.66%	3,110	366	13.34%	3,018	274	9.99%	3,058	314	11.44%
Manakau	300,000	600,000	500,000	950,000	2,456	2,413	-43	-1.75%	2,354	-102	-4.15%	2,716	260	10.59%	2,642	186	7.57%
Waitārere Bch	375,000	550,000	690,000	865,000	4,858	4,915	57	1.17%	5,357	499	10.27%	4,737	-121	-2.49%	4,775	-83	-1.71%
Foxton Bch	230,000	330,000	420,000	530,000	2,996	3,031	35	1.17%	3,241	245	8.18%	2,868	-128	-4.27%	2,890	-106	-3.54%
Tokomaru	140,000	375,000	340,000	590,000	2,876	3,056	180	6.26%	3,217	341	11.86%	3,081	205	7.13%	3,106	230	8.00%
Rural Comm/ Indust	650,000	2,620,000	850,000	3,400,000	4,260	3,499	-761	-17.86%	4,056	-204	-4.79%	5,740	1,480	34.74%	5,887	1,627	38.19%
Rural	3,220,000	3,340,000	4,190,000	4,318,000	7,804	6,117	-1,687	-21.62%	7,142	-662	-8.48%	7,071	-733	-9.39%	6,306	-1,498	-19.20%
Lifestyle	375,000	680,000	660,000	1,095,000	2,910	2,915	5	0.17%	3,257	347	11.92%	2,999	89	3.06%	3,041	131	4.50%
Utility	-	20,550,000	-	25,170,000	10,819	8,889	-1,930	-17.84%	10,051	-768	-7.10%	36,323	25,504	235.73%	37,413	26,594	245.81%
Levin	180,000	530,000	335,000	750,000	3,157	3,147	-10	-0.32%	3,307	150	4.75%	3,348	191	6.05%	3,380	223	7.06%
Levin	180,000	400,000	320,000	590,000	3,033	3,019	-14	-0.46%	3,174	141	4.65%	3,081	48	1.58%	3,107	74	2.44%
Levin	155,000	360,000	300,000	540,000	2,911	2,950	39	1.34%	3,098	187	6.42%	2,998	87	2.99%	3,021	110	3.78%
Levin - business	400,000	930,000	760,000	1,270,000	4,271	4,266	-5	-0.12%	4,568	297	6.95%	4,215	-56	-1.31%	4,269	-2	-0.05%
Foxton	195,000	400,000	525,000	625,000	3,083	3,423	340	11.03%	3,645	562	18.23%	3,140	57	1.85%	3,167	84	2.72%
Shannon	136,000	235,000	340,000	485,000	2,729	2,990	261	9.56%	3,151	422	15.46%	2,906	177	6.49%	2,927	198	7.26%

This graph presents the same information:



We are sending letters to property owners setting out the changes from valuations, and proposed rates increases so you can see what this would mean for you.

What should the future of the Levin Landfill be?

He aha te ahunga whakamua o Te Rua Para o Taitoko?



As a District, we need to decide on the future of the Levin Landfill this financial year. Operations at the Landfill are currently 'suspended' until Council makes a decision on its future.

In 2019, the Levin Landfill Agreement set out a formal review of the landfill closure date. From November 2021 to the end of January 2022, we consulted with you on three options for closing the landfill. That consultation process should have offered a broader range of options – not just ones to close the landfill. It should also have been connected to the Long Term Plan, which would have made it more transparent about the ongoing implications of each option.

It's urgent – the landfill's resource consent and the Landfill Agreement have given us some hard deadlines and we need to make a decision this financial year.

So, to put things right, we need to hear from you again as part of this Long Term Plan Amendment. This time, you'll get to consider the following options: close the landfill, close the landfill with alternative uses for the land, or re-open the landfill.

Everyone put in a lot of work during the previous landfill consultation, so if your position hasn't changed, feel free to resend the same submission.

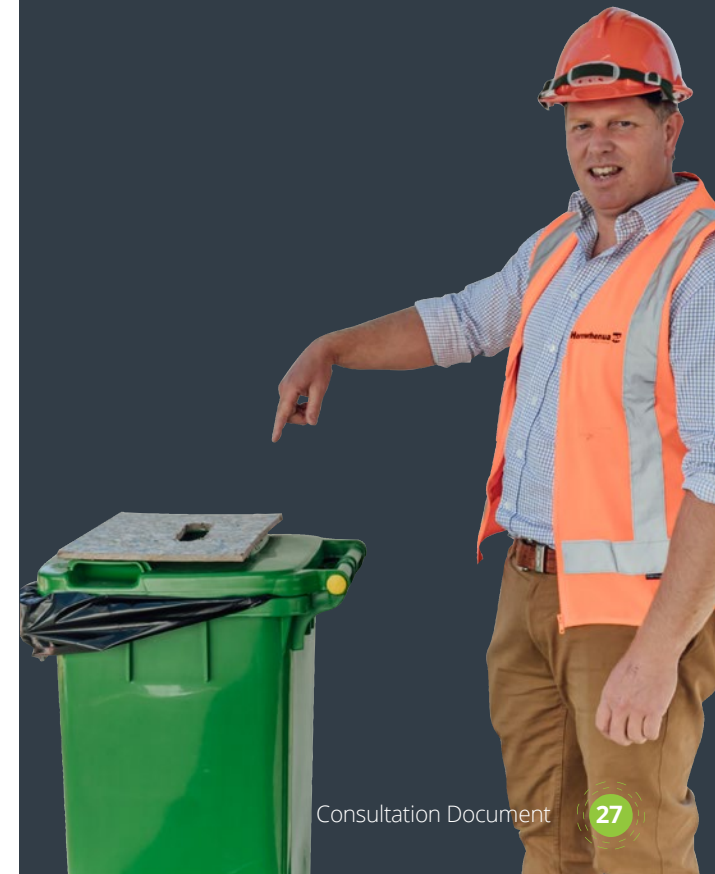
We know this is frustrating, but your feedback is critical, and we encourage you to take part again.

All the options will involve a programme of inspections, maintenance, and capping using a clay cover while maintaining forestry currently on the site. This will minimise further environmental impact and improve the effects it has already had. Through this process, we are not proposing any changes to the old dump's remediation work. This work will continue to ensure we are doing our best for the environment.

“

We know our community wants a decision about the future of the Levin Landfill, but what is equally important is the impact each of us can have by reducing the amount of waste we send to landfill. This is your opportunity to have your say, so make sure to make a submission today.

Councillor Paul Olsen



What is the current status of the Levin Landfill?

The Levin Landfill is on Hōkio Beach Road, between Levin and Hōkio Beach. It's next to an old, unlined landfill that operated from the 1970s to 2004. The modern, lined landfill opened in 2004 and the consents expire in 2037, or sooner if the consented capacity is reached. The landfill used to also accept waste from the Kāpiti district.

On 31 October 2021, the landfill stopped accepting all waste while we decided its future. The landfill has not opened since this date.

What happens to our waste?

Our district's residents and visitors can get rid of solid waste by putting out a wheelie bin or bag on their kerbside or by dropping it off at waste transfer stations in Foxton and Shannon. When we closed the Levin Landfill, all our waste was diverted to Bonny Glen Landfill near Marton. Our sewage sludge from the Levin Wastewater Treatment plant is also disposed of there. Council's long-term plans for waste minimisation and disposal will be determined through the review of our Waste Management and Minimisation Plan (WMMP). There is more about our plan for this below.

What are the issues with the Levin Landfill?

The Levin Landfill is a Class A landfill. It is fully lined and all the leachate is directed to the wastewater treatment plant for processing. This means that it does not have the same negative impact on the environment as the old landfill. However, it is becoming less financially sustainable, which has an impact on the wider community through rates.

Odour

Nearby residents have complained about odour at their properties, caused mainly from gas escaping through the top of the landfill. Council has received several significant non-compliance notices regarding odour since 2004, but none since 2017. The old landfill no longer emits odour as this phase has ended. Permanently closing the Levin Landfill would reduce the odour emitting for the Levin Landfill. The clay cover will stop most of the odour. However, while it may not completely stop all odour, it will reduce it over time.

Methane emissions

All landfills generate methane and most New Zealand landfills capture some of this through a landfill gas collection and destruction system. The Levin Landfill is only 30% efficient at collecting and destroying methane. This will improve once the final clay cover is in place. If the Levin Landfill were closed, we'd divert the district's waste to other

landfills, which are more efficient at collecting and destroying the gas while operating. This is particularly important because methane is over 25 times more powerful than carbon dioxide at trapping heat in the earth's atmosphere – which contributes to climate change. If we close the landfill, it will produce less and less methane every year.

Leachate

Closing the Levin Landfill will have no effect on the leachate coming from the old unlined landfill. The remediation work for the old landfill is already planned for outside of this process and should reduce the leachate discharge.

Other considerations

- **We'll need help covering the costs to keep it open.** Council does not collect enough waste to justify keeping the landfill open, so we'll need to accept waste from elsewhere to help cover the costs. This waste could be from either in or outside our district from private waste collectors, large businesses or from other local authorities.
- **We're sending less waste to landfill.** Waste volumes to landfill per person are predicted to decrease in the future. We expect more waste will be recycled, composted or repurposed. This could be spurred on by new legislation the government is considering,

meaning you couldn't send green waste, like kitchen scraps, garden clippings and even paper to landfills.

- **Landfills are becoming more expensive.**

Government levies and Emissions Trading Scheme costs are making it more expensive to dispose of waste in landfills which will assist in diverting more waste from landfills.

Our objectives for the future of the landfill

- Supporting Council's waste minimisation and climate change objectives
- Restoring the mana of Hōkio
- Meeting Council's existing consent obligations
- Protecting the environment from harm
- Minimising cost for ratepayers

The detailed business case considered 13 options. They were assessed against Council's objectives along with the following:

- Strategic fit and business needs: how well it aligned with the LTP and other council and regional strategic plans

- Value for money: whether it was the right solution at right time for the right price
- Supplier capacity and capability: whether we have the external suppliers we need to maintain it long term
- Potential affordability: the constraints on funding
- Potential achievability: whether we have the ability and skills internally to deliver it

You can find the full assessment in Appendix A of the Business Case, available on our website.

Based on that assessment, we've chosen the following three options for you to consider:

- Option 1 – Keep Levin Landfill closed with no alternative site use
- Option 2 – Keep Levin Landfill closed with revenue generated from alternative site use determined through the WMMP development
- Option 3 – Reopen Levin Landfill until its consent expires in 2037

Our proposed approach

We are proposing to keep the Levin Landfill closed with revenue generated from alternative site use determined through the WMMP development, because this aligns most closely with our objectives for the Levin Landfill.

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With food scraps accounting for 30% of household waste going to landfills, an aspirational Waste Minimisation Strategy needs to be a key focus.

Councillor Rogan Boyle



Does this include the Waste Management and Minimisation Plan (WMMP)?

It doesn't, but this is a step towards it and work on the WMMP will follow because they are so closely related. As you consider the future of the Levin Landfill, you may also be thinking about whether you agree with our waste being taken to another landfill – and what options we have instead. We'd like your feedback on that and other questions for the WMMP and we'll let you know when we're starting that work. Keep an eye on our webpage, in the local paper, and on social media for details.

This is our indicative timeline for the work:



Option 1

Keep Levin Landfill closed with no alternative site use

This option effectively means we shut the gate and don't re-enter it except for when the Council needs to inspect the site, complete maintenance and remediation work or maintain the forestry currently on site.

This option continues the current situation – the Levin Landfill is closed and will stay closed. However, our district will keep producing waste that will need to go to a landfill in another district – at the moment, our waste is going to the Bonny Glen Landfill in the Rangitikei district.

Under this option, we'll keep up the compliance requirements: regulated repairs and maintenance, including capping with additional clay cover, weed control, grazing and mowing. The well-established forestry will also need ongoing maintenance and harvesting.

\$ Cost: This is the most expensive option, at \$1.6 million per annum – \$500,000 per annum more than Option 3. This budget covers transport and disposal of waste elsewhere and maintaining the landfill.



Advantages:

- The original business case for closing the landfill showed it would create significant wellbeing benefits. This still remains relevant.
- This option meets Council's consent obligations, reduces environmental harm and helps to restore the mana of Hōkio.



Disadvantages:

- This option does not align with our strategic objectives as strongly as Option 2, because it doesn't make the site available for resource recovery.
- This option won't generate revenue to help reduce the cost of waste disposal elsewhere.



\$ Rates impact: There will be no change to rates – the current budget has factored in this option.



Option 2

Keep Levin Landfill closed with revenue generated from alternative site use determined through the WMMP development *(Council's preferred option)*

This is Council's preferred option. Like Option 1, the Levin Landfill will remain closed but we will also look at how we could use the landfill site for something else. We would still need to pay for transporting our waste out of the district and would still keep up the necessary inspections, maintenance and other compliance requirements .

We're exploring a number ways we could use the site. The options that most aligned with our strategic objectives for alternative uses are:

- Clean fill – materials like clay, soil or rock that won't impact the environment
- A native plant nursery
- A local resource recovery park
- A local or regional-scale processing facility for organic material
- A local or regional-scale processing facility for construction and demolition (C&D) material

All of these options have a much smaller impact on the environment than the current landfill – some would have no negative impacts and others, like the native plant nursery would help repair the area. A number of these options could also help offset some of the cost of sending waste out of the district.

Highest ranked options:

- Cleanfill
- Native plant nursery
- Local resource recovery park
- Regional processing facility for organic or C&D material

Mid ranked options:

- Farming
- Forestry
- Recreation reserve
- No ongoing use

Lowest ranked options:

- General waste landfill (30,000 tpa or 10,000 tpa)
- C&D fill Managed or controlled fill
- Waste-to-Energy Solar Park

If we choose Option 2 through this LTP Amendment consultation, a further decision will be needed about how to use the site. If you like Option 2, we're also seeking your feedback on preferences for alternative use to inform that next step – if that is the direction chosen. If it is, we'll gather all the information you'll need to make an informed decision and consult you about specific proposals for alternative use. This work would align with our review of our Waste Management Minimisation Plan.

\$ Cost: Less than \$1.6 million per annum

\$ Rates impact: This option would probably see a drop in rates but not immediately. We don't know the exact figures right now as it depends on what the site is used for, if this option is selected. To give you an idea, if the chosen alternative use generates \$500,000, it will reduce rates by \$32.80 per household. If the alternative use generates revenue the rates needed to pay for the ongoing maintenance of the site will likely be less than Option 1. If Option 2 is chosen, we'll calculate by how much each alternative use will impact rates and share this with you for further feedback.



Advantages:

- The original business case for closing the landfill showed it would create significant wellbeing benefits. This remains relevant now.
- This option meets Council's consent obligations, reduces environmental harm and helps to restore the mana of Hōkio.
- We'll still repair and maintain the current landfill.
- If the alternative use option can deliver revenue, this will help pay for disposing waste elsewhere.
- This option is better aligned with our strategic objectives than Option 1.



Disadvantages:

- This option, along with the other options, will still mean Council has to pay to dispose of waste outside of the district.



What is resource recovery?

Resource recovery is separating materials (eg organic, or from construction and demolition) from waste that can be recycled into new products or used as an energy alternative to fossil fuels. The aim is to reduce as much waste from going to the landfill as possible.

Option 3

Reopen Levin Landfill until its consent expires in 2037

This option would see the Levin Landfill reopened, and used to dispose of our district's waste until the consent expires or until it reaches capacity.

This is Council's least preferred option – we know the ongoing negative effects the Levin Landfill is having on our community and our environment.



Advantages:

- If sufficient waste could be collected, this option could deliver the highest revenue back to the Council. We would have to receive 8,000 tons of waste from other councils or from private companies to break even.



Cost: \$1.1 million per annum

- The total cost of option 3 is \$500,000 per annum less than option 1. This is based on the assumption that the landfill will receive a total of 30,000 tons of waste per annum. This is the industry standard for landfill financial viability. Note this is 25,500 tons per annum more than Council currently collects and sends to Bonny Glen.
- The cost difference may be bridged with alternative site uses, such as the ones presented in Option 2, but it is unlikely alternative use would fully bridge the gap (based on experience in NZ).



Rates impact: \$500,000 would represent a rates saving of \$32.80 per household.



Disadvantages:

- Option 3 is the least aligned with our strategic objectives.
- It does not support restoration of the mana of Hōkio.
- Resource recovery options as alternative uses for the site are not included in option 3
- While we're not able to remediate all impacts immediately, Council would continue to reduce environmental impacts with the implementation of new infrastructure and waste management techniques.
- Council will continue to work through and manage its consent conditions.
- The landfill will need to receive 25,500 tonnes per annum (tpa) of commercial waste to cover costs, and there is a significant risk this cannot be sourced. Noting this was the assumption set out in the 2021-41 LTP.
- Reopening the landfill will mean we'll need to pay for ongoing consent reviews. This would be an ongoing cost.
- The Levin Landfill is not as efficient as nearby landfills at capturing gas emissions. This means we will need to pay more per tonne to dispose of waste under the Emissions Trading Scheme.

Key differences between the options

	Option 1: out of district disposal	Option 2: out of district alternative use (Council's preferred option)	Option 3: in district, 30,000 tpa
Advantages	<ul style="list-style-type: none"> • Consistent Landfill Agreement and Resource Consents, reducing risk of legal action and supported by interested community members • Does not require source of commercial tonnes to make option viable 	<p>Same as Option 1 plus...</p> <ul style="list-style-type: none"> • Generates revenue to offset cost difference • Using site for resource recovery supports Council's waste minimisation goals • Local facilities will reduce GHG emissions from resource recovery 	Lowest cost to Council
Disadvantages	<ul style="list-style-type: none"> • Highest cost option • Requires transportation to out of district landfill, with risk of cost increases and GHG emissions 	<p>Same as Option 1 plus...</p> <ul style="list-style-type: none"> • Potential environment risks, consent requirements and impacts on Hōkio community from alternative use (risks depend on use) • Revenue unlikely to fully offset cost difference 	<ul style="list-style-type: none"> • Breaches Landfill Agreement and Resource Consents, high risk of legal action and loss of community support, particularly in Hōkio • Significant risk commercial tonnes cannot be sourced • Ongoing environmental impacts from Landfill operation
Cost	\$1.6m per annum	Less than \$1.6m	\$1.1m



ISSUE THREE

Our Key Water Infrastructure

Ngā Aronga Matua o te Anga Wai

One of Council's biggest responsibilities is making sure our district has access to clean drinking water and robust wastewater and stormwater systems. Delivering on this was a key priority in the LTP 2021-2041, so why do we need to change the plan?

In our last LTP, Council agreed to invest \$121m into drinking water, \$171m into wastewater and \$29m into stormwater. We spread this work over the next 20 years to align with how much we think the district will grow, when different pipes need renewing, and how soon we'd reach the limits for the water and wastewater treatment plants. This also helped make things more affordable for our community.

Two key things have changed.

Costs have skyrocketed. Since 2021, construction costs have increased significantly, driven by the cost of materials and the price of fuel. This means our 2021 budget won't pay for the work we planned.

We can't spread out the work as we thought. We now know that key parts of our water infrastructure will reach capacity sooner than we expected and some are coming to end of their life. If we let our system reach capacity or fail, it will impact the health and wellbeing of our people and our economy. We need to change the current budget so we can pay for work that needs to be done sooner.



Won't this all be fixed by the Government's 3 Waters Reform?

No, nothing is certain. There are no guarantees that the 3 waters reform will fix all of this when we need it. At this time we cannot be sure that what our community needs will be addressed in the same or expected timeframes, therefore we need to act sooner.



We want to ensure our community has a resilient and sustainable water supply that provides for one of Aotearoa's fastest growing districts, and is guided by the principle of Kaitiakitanga - to protect and nurture our environment.

Councillor Justin Tamihana



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Last year was uncharacteristically wet. With a water table the highest it's been in years and consecutive rain events, parts of our district experienced significant flooding. It is evident that further investment is required to upgrade our stormwater network, but this may require some trade-offs. What would you decide?

**Councillor
Ross Brannigan**



We need to ensure Levin has enough drinking water

In the 2021 LTP, we agreed with community feedback that we needed to upgrade capacity and storage at the water treatment plant in Levin – we just didn't know exactly when we would need it. After more investigation, we've found that planning a staged upgrade, including treated water storage, needs to begin now, but funding for this isn't in the LTP.

We need to make the extra budget available from 2024 so we can continue delivering the service you expect.

If we continue to grow as forecast, the current treatment plant may reach capacity on peak days sometime this decade. Levin can store less than a day's worth of treated water at peak use (approx. 12,000m³), well below the recommended three days. We need to store water for use during a storm, a burst pipe, fire or earthquake. This is separate and in addition to the Poads Road water supply reservoir.

Greater capacity needed for filtering water for drinking

The Levin Water Treatment Plant currently takes water directly from the Ōhau River, and it has no raw water storage (untreated water). During storms, intake problems and dirtier water mean the process of cleaning the water has to slow down. That leads to a reduced supply of clean water during these events, which is why you'll get notices asking you to conserve water.

Wastewater upgrades need to go ahead urgently

Wastewater upgrades are needed in Levin soon. The wastewater treatment plant is quickly nearing capacity and we can't keep pushing this project out. No one wants to see what happens when the plant that treats our toilet water receives more water than it can cope with! We pushed out these upgrades to start in 2029 to help keep rates lower, but with more information, we now know we can't wait to deal with the capacity issue. In the meantime, we'd also be paying increasing costs of temporary repairs.

We need to do more to weather the storms

This last winter we experienced more frequent and more extreme weather events, and widespread flooding. You have told us that you want us to address this and we know it's needed to keep homes safe, businesses operating and roads open. Reducing our budget in the past often meant funding for stormwater improvements was reduced. We need to fund the necessary works, rather than defer them, and accept that this has a cost.



How can we fix these issues?

The Poads Road Water Reservoir

This project is to build a large reservoir to store raw water from the Ōhau River. With raw water storage of 700,000 m³ (or at least 30 days storage), this will make the drinking water supply more resilient and reliable for the growing populations in Levin and Ōhau.

We budgeted for this new reservoir in our current LTP, but with the funding spread out over many years to keep rates down. To make sure we don't run out of water as we grow, we need to begin this project now, and increase its funding by \$2.5 million.



The Levin Water Treatment Plant upgrades

A strategic upgrade of the Levin Water Treatment Plant is proposed, to increase capacity of the clarifiers, filters and chemical dosing plant, increase treated water storage capacity and improve the backwash water process and re-use, estimated to cost \$21.5 million between 2024-2030. We didn't have the detail needed to determine the cost for the LTP in 2021, so there is not currently funding included for this. We note that in addition to increasing storage capacity, we do need to reduce the amount of water lost from our network through leaks.

The Levin Wastewater Treatment Plant

The Levin Wastewater Treatment Plant is at capacity for the organic loading it was designed to process. We have a consent from Horizons to discharge treated wastewater to the land known as 'The Pot'. To comply with this, we need to increase the water quality of the treated water it produces and increase the amount of wastewater it can treat. We need to increase organic and hydraulic capacity and the removal of biological nutrients (bugs). In other words, to complete this project, we need to fund an additional \$14.5 million than agreed in the current LTP. This project is set to be completed by 2028 and cost \$33.1 million.



Levin Water Reticulation Renewals

We need to keep maintaining the water supply network in Levin. This means replacing the water mains as they reach the end of their life and begin to break and leak. We have set aside a total of \$27 million in this LTP Amendment to achieve this.

Foxton Beach Wastewater Treatment Plant upgrades

The Foxton Beach Wastewater Treatment Plant needs to be upgraded over the next 10 years. These upgrades will improve the treatment process of wastewater, increase how much the plant can store and discharge, and help make it more resilient to climate change. We also have some costs associated with renewing the consent for this plant in 2028. All up, we need to spend \$3 million on the Foxton Beach Wastewater Treatment Plant.

Shannon Water Reticulation Renewals

Some of the water mains in the Shannon water supply network are aging and need to be replaced. This will be done through a \$4.5 million renewal programme between 2024-2026.

Districtwide Stormwater improvements

District wide, we need significant investment in our stormwater network, including above and underground infrastructure. This will improve performance, reduce the chance of flooding and make us better able to deal with the effects of climate change. We have indicated that an additional \$7.5 million should be spent on this between 2024-2040, bringing the total to \$36.8 million.

What options do we have?

Could we just wait and make these changes in the 2024 LTP?

Making amendments to an LTP isn't usual. However during the Annual Plan process in 2022/23 we could see that budgets set in the LTP for water, wastewater and stormwater wouldn't be enough to cover the work planned.

That's because rising construction and labour costs already pushed costs beyond what we budgeted, and many projects should not be held off for as long as previously thought.

In response, there are options from 'don't spend any more' through to 'do everything needed'. A 'do everything needed' option would mean a significant increase to the budget, push Council past our allowed debt limit and push rates unacceptably high, which wouldn't be sensible.

In the following graph this is shown by the blue 'towers'. That's what is needed to do all the work needed, including all necessary upgrades and to future-proof our water assets.

The Local Government Act (LGA) requires us to put forward all 'reasonably practicable' options to our community. We've assessed the current LTP – it simply doesn't fit our circumstances, so forging ahead with no amendments is not 'reasonably practicable'. It wouldn't be responsible to our community to wait until next year.

The two options we are putting forward are variations of the 'status quo'. Option one includes largely the same work, plus the Levin Water Treatment Plant This is the green line in the graph. Option 2 keeps the same budget but reduces the projects in order to fit that budget – this is the black line in the graph.

We'd like your feedback on these options.

Our proposed approach

Our proposed approach is to take the projects in the LTP 2021-2041 and update the costs so we can deliver them in the time frames needed and add funding for the Water Treatment Plant and increase Stormwater funding.

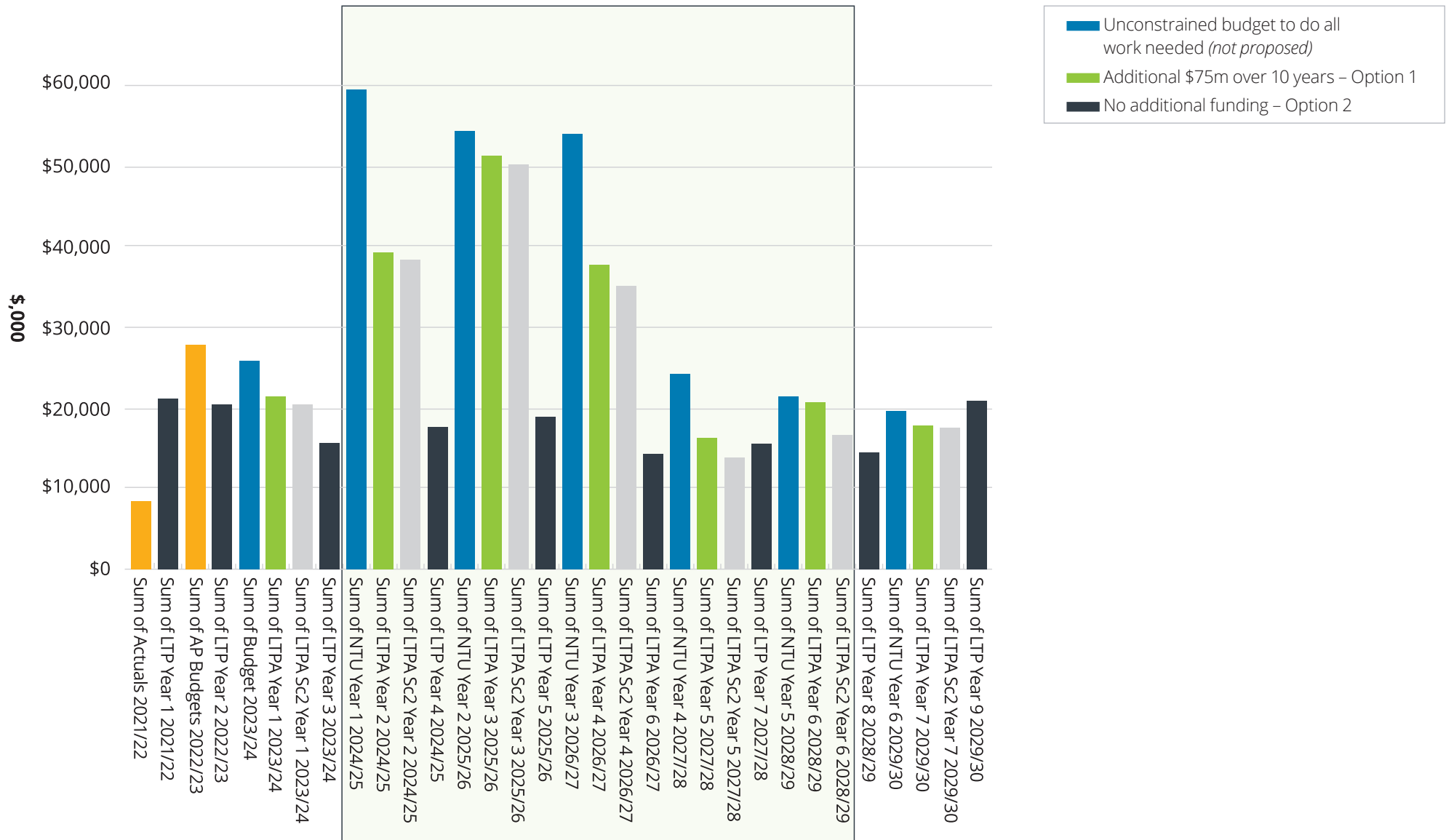
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We are not alone in having aging infrastructure, with most of New Zealand's sewers and water infrastructure built 60+ years ago.

**Councillor
Mike Barker**



Funding options:



Option 1

Increase budget to deliver the projects we need *(Council's preferred option)*

This is Council's preferred option because it balances what is affordable against what we need to set our district up for the future.

This option takes the projects in the LTP 2021-2041, but updates the costs, so we can deliver them in the timeframes we need them. We would also add funding for the Water Treatment Plant and increasing stormwater funding. This table shows the difference between what is in the current LTP and what is proposed. The column on the right shows the total proposed amount and is made up of the current allocation plus the middle column. Where they are the same it means the funding wasn't included in the LTP and is new.



Advantages:

- Ensures we have a resilient water supply and wastewater system we need, when we need it .
- Allows work to start on the Levin Water and Wastewater Treatment Plant sooner.
- Increases stormwater improvement funding across the district.
- Reduces the quantity of water lost in our network.
- Balances getting the infrastructure we need against affordability.
- Reduces costs longer term for upgrading infrastructure, and reducing the cost to treat water.

How much will it cost?

Project	Original budget	New budget	Cost difference
Levin Wastewater Treatment Plant – Strategic Upgrade	\$18.6m	\$33.1m	14.5m
Foxton Beach Wastewater Treatment Plant – Treatment upgrade, additional discharge & consent renewal	\$0m	\$3.0m	\$3.0m
Levin Water Treatment Plant – Master Plan & Strategic Upgrade	\$0	\$21.5m	\$21.5
Districtwide Water Demand Management – Universal water metering	\$0	\$6.1m	\$6.1m
Levin Water Reticulation – Renewals	\$22.2m	\$27.0m	\$4.8m
Shannon Water Reticulation – Renewals	\$1.5m	\$4.5m	\$3.5m
Poads Rd Source Water Reservoir	\$31.2m	\$33.7m*	\$2.5m
Districtwide Stormwater improvement works	\$6.2m	\$18.0m	\$11.8m

**Previously part funded under property with revenue assumptions – Quarry and property sales*

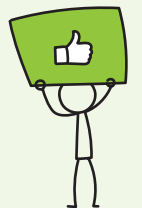


Disadvantages:

- This option won't fix all water issues in our district.
- The level of debt we take on will increase, putting us close to our debt limit.
- As projects progress, costs may increase as the extent of each project is better understood.
- If inflation remains high, costs will continue to escalate.

\$ Cost: additional \$75 million over 10 years

\$ Rates impact: The average impact is approximately \$88 introduced over 3 years for each property with a water connection.



Option 2

Reduce programme of work to meet current budget

With inflation and shortages, Council simply can't do all our planned work within our current budget. This option reduces the scope of work so that the water programme sticks to the current LTP's budget.

This option is a short-term solution that keeps spending lower, but it has a trade-off – we'll be continuing to underinvest in that critical water infrastructure. This is not Council's preferred option because it means we can't make the improvements to our key water assets that our district urgently needs.

What does this option mean?

- No additional investment in our water infrastructure.
- Slowed investment in new water infrastructure to increase capacity.
- Deferred renewals and replacements of old pipes where possible.
- No new stormwater improvements above the current \$6.2 million over the next five years.
- District-wide water metering required to identify leaks.
- Possibility of pushing out the Waitārere and Ōhau Water and Wastewater projects which already sit in year five and beyond in the current LTP – next year is year three.

\$ Cost: No additional increases

\$ Rates impact: No change to LTP.

⚙️ Level of Service: Means we can't deliver the level of service agreed on in our current LTP, and will make it more likely that we won't be able to deliver as expected in the future if the infrastructure fails or exceeds capacity.



Advantages:

- Rates stay at the levels agreed on in the current LTP.
- Debt levels stay as was agreed in the current LTP.
- Reduces costs longer term for upgrading infrastructure, and reducing the cost to treat water.



Disadvantages:

- Delays building new infrastructure.
- Further strain on treatment of waste and supply of drinking water.
- Increases maintenance and repair costs as infrastructure continues to age.
- Means projects may cost more later if inflation continues to rise.
- Doesn't fund continued improvements to safeguard against extreme weather events.

Option 3

Increase budget to deliver the projects we need excluding universal water metering for leak detection

You'll see both option 1 and 2 include water meters. We are proposing these for the purpose of detecting leaks and further reducing water losses. Our district is short on water, and we currently lose between 300 to 500 litres per connection per day which is putting unnecessary pressure on our water infrastructure.

Option 3 presents the same program of work as Option 1 excluding water meters.

\$ Cost: The cost for installing water meters district wide is \$6.1 million. Not installing water meters will result in a saving of \$6.1 million.

\$ Rates impact: Not installing water meters as leak detectors will have no impact on rates for the 2023/2024 financial year as it will be paid for through borrowing. This option will reduce rates by 1.01% for the 2024/2025 financial year.



Advantages:

- Rates will not increase as much as Option 1 due to the costs associated with installing water meters.



Disadvantages:

- Council will not be able to find all leaks in our water network which means we will continue to lose on average 270 litres of water per connection, district wide per day.
- A significant portion of our water infrastructure is old, so new leaks will continue to appear which we will be unable to track.
- Due to our infrastructure nearing capacity, the program of work in this option will not be able to keep up with demand.
- Does not raise awareness on the amount of water is used per household.
- Does not recognise water as the precious, limited resource it is.

“

Even with a robust leak detection programme in place, across the district we lose the equivalent of 10 Levin Aquatic Centre swimming pools of treated drinking water per day. While it's critical Council ensures a more resilient supply there is no question that more needs to be done to conserve water. We'd like to hear your views.

Deputy Mayor David Allan



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The decisions we make today could make a real difference in people's lives, and that responsibility is not lost on all of us.

Councillor Nina Hori Te Pa



Option 4

Reduce programme, of work to meet current budget excluding universal water metering for leak detection

Option 4 is the same as Option 2 but excluding water meters.

As said above we are proposing these for the purpose of detecting leaks and further reducing water losses. Our district is short on water, and we currently lose approximately 300 to 500 litres per connection per day which is putting unnecessary pressure on our water infrastructure.



Advantages:

- Rates will not increase as much as Option 2 due to the costs associated with installing water meters.



Cost: The cost for installing water meters district wide is \$1.0-\$6.1 million over 3 years.



Rates impact: Not installing water meters as leak detectors will have no impact on rates for the 2023/2024 financial year as it will be paid for through borrowing. This option will reduce rates by 1.01% for the 2024/2025 financial year.



Disadvantages:

- Council will not be able to find all leaks in our water network which means we will continue to lose on average 270 litres of water per connection district wide per day.
- A significant portion of our water infrastructure is old, so new leaks will continue to appear which we will be unable to track.
- Due to our infrastructure nearing capacity Council, the program of work in this option will not be able to keep up with demand.
- Does not raise awareness on the amount of water is consumed per household.
- Does not recognise water as the precious, limited resource it is.



Leak Detectors-Water Meters

You'll see both options include water meters. We are proposing these for the purpose of detecting leaks and further reduce water losses. Our district is short on water, and **we currently lose approximately 300 to 500 litres per connection per day.**

Forty percent of the district currently has water meters. **If agreed, the aim of universal water metering is not to increase revenue but to reduce water loss, improve leak repair time and raise customer awareness of their consumption.**

It is important that **Council and our community share the responsibility of using water sustainably.** Council has already made significant investment in the installation of state-of-the-art network flow monitoring and pressure optimisation systems which show us how much water goes into each supply zone. The last piece of the puzzle needed to complete the picture is to know exactly how much water reaches our customers. This would enable us to direct leak detection and pipeline renewal efforts to the most critical areas. Introducing water meters is about Council and the Community each doing our part to give our precious resource the value it deserves and using it in a more mindful way.

A significant portion of our water infrastructure has been in place for over 40 years. As our pipes age they are more likely to begin leaking. Our water is a finite resource - we only have so much we can use before we run out. This is why it is important to ensure we do not lose water through leaks in our old pipes, both on council's side and private supply pipes. Meters show the volume of water being used and any unusually large increase in consumption would indicate the possibility of a leak, which would otherwise have gone unnoticed. It is vital that we know as soon as possible when we are losing water through leaks as our infrastructure is reaching capacity quickly. Repairing leaks will mean we use less water, adding more capacity to our water stores. Without district wide use of water meters as leak detectors, we would need to accelerate investment into our water infrastructure above what is proposed for both option 1 and 2, which is something we simply cannot afford.

The universal water metering programme would include a review of the current water billing system, rating and fee structure. Lessons learned from Kāpiti Coast District Council's implementation of universal water metering would be used to implement changes that are fair, equitable and fit for purpose. As an example, community members can refer to the current system in place for Foxton Beach, of which details are available on Council's website (horowhenua.govt.nz/WaterMeters).

Council would consider the timing and type of water meters through a proposed business case if this option is chosen.

Council is aware of concern about the potential costs to ratepayers when a leak is found on their property. Council will look at different ways to can help to manage the costs through the next LTP. Options may include a targeted rate to pay the cost back over a number of years.



What are the differences between the options 1 and 2?

Both Options 1 and 2 include:

- An affordable programme of work
- Budget needed for the Levin Wastewater Treatment Plant upgrade to improve water quality and quantity
- Budget for building the Poads Road Reservoir to improve Levin drinking water resilience
- Leak detection using water meters to defer upgrades of our water treatment plants.

Key differences between the two options, and things to think about are:

- Increase funding to deliver much of the needed work (Option 1) or to keep the funding level the same and decrease what we deliver to the community (Option 2).
- Put \$12.5 million towards improving stormwater, on top of the \$5.5 million already allowed for in the current LTP (Option 1), or not (Option 2).
- To hold off the Waitārere and Ōhau Water/Wastewater projects (Option 2) or do them now (Option 1).

	Option 1 (Council's preferred option)	Option 2
Poads Road Water Reservoir	\$34m over 4 years	\$34m over 4 years
Levin Wastewater Treatment Upgrade	\$33.1m over 10 years	\$33.1m over 10 years
Levin Water Treatment Plant	\$21.5m over 10 years	Nil
Foxtton Beach Wastewater Treatment Plant	\$3m	Nil
District Wide Leak Detectors – water meters	\$1.0-\$6.1m over 3 years	\$1.0- \$6.1m over 3 years
Levin Water Reticulation renewals	\$27m	\$22.2m
Shannon Water Reticulation Renewals	\$4.5m	\$1m
Districtwide Stormwater works	\$18m	\$5.5m
Total 10 year Cost	\$ 271m	\$197m
Total from 2023 until 2041	\$390m	\$355m

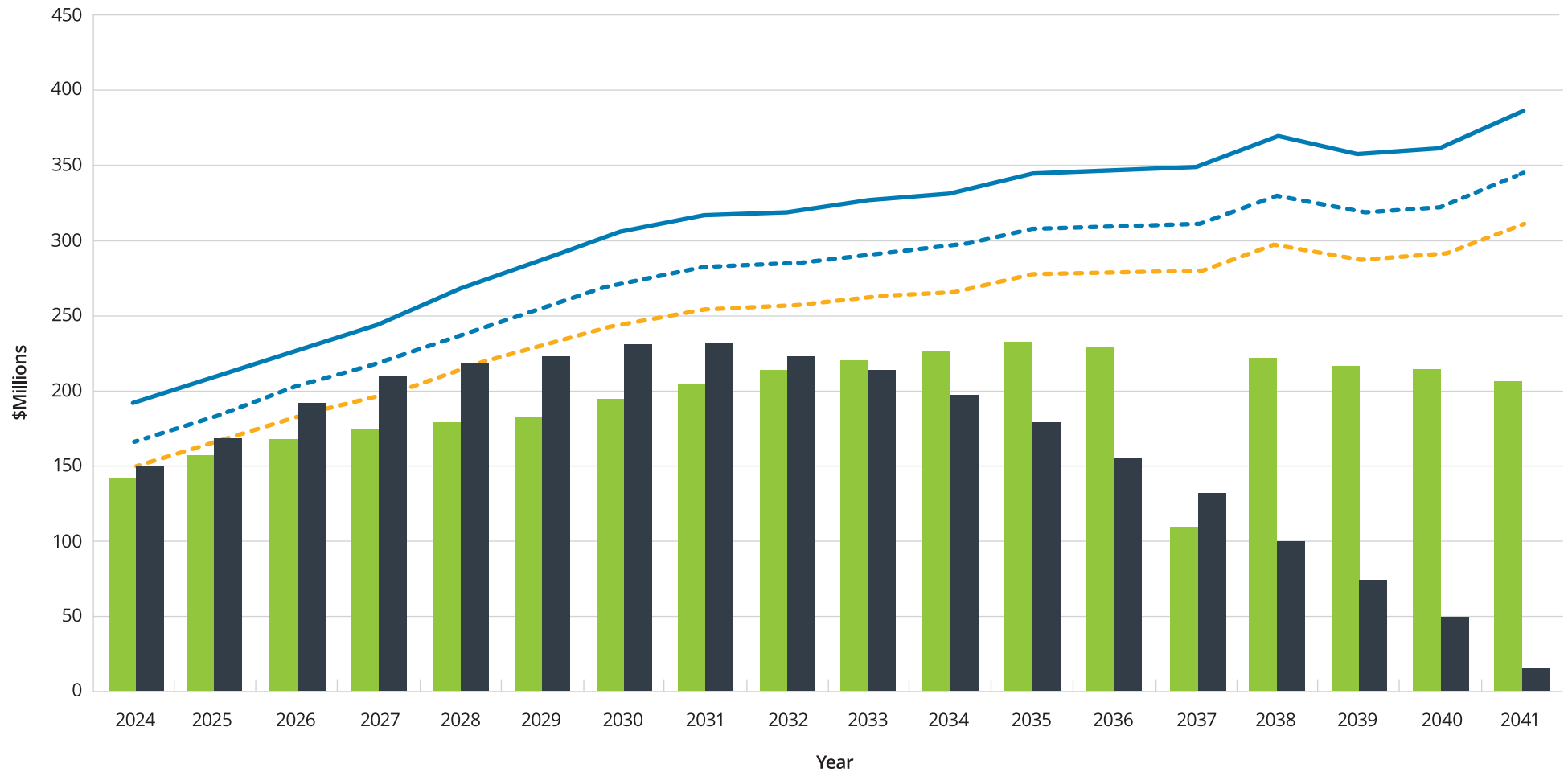
How will this be funded?

Both options will be funded by borrowing. These projects have long life spans and so should be paid for by generations of residents to come, not just today's ratepayers. Borrowing to pay for these projects means we can spread the costs over decades.

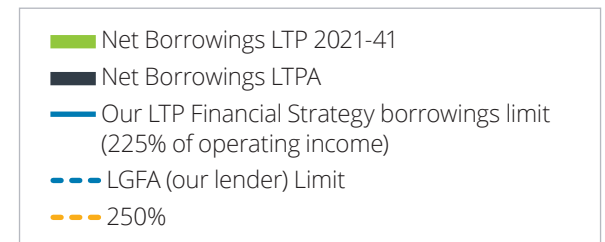
The graph below shows our forecast borrowings up to 2041 (vertical lines) compared to the last LTP. It also includes our borrowing limits. The red line is set by the Local Government Funding Authority – we cannot borrow more than that. We have set our

limit lower to allow room for unforeseen situations or to help our community recover in the case of an emergency such as a natural disaster. The limit in the LTP 2021-2041 was 225% (yellow line) and we are proposing to increase our limit to 250% in the short term. This will enable us to borrow for the additional work we need now. Once the water assets and liabilities transition to the new water entity, the Council will be able to reduce its borrowing limit back to 225%.

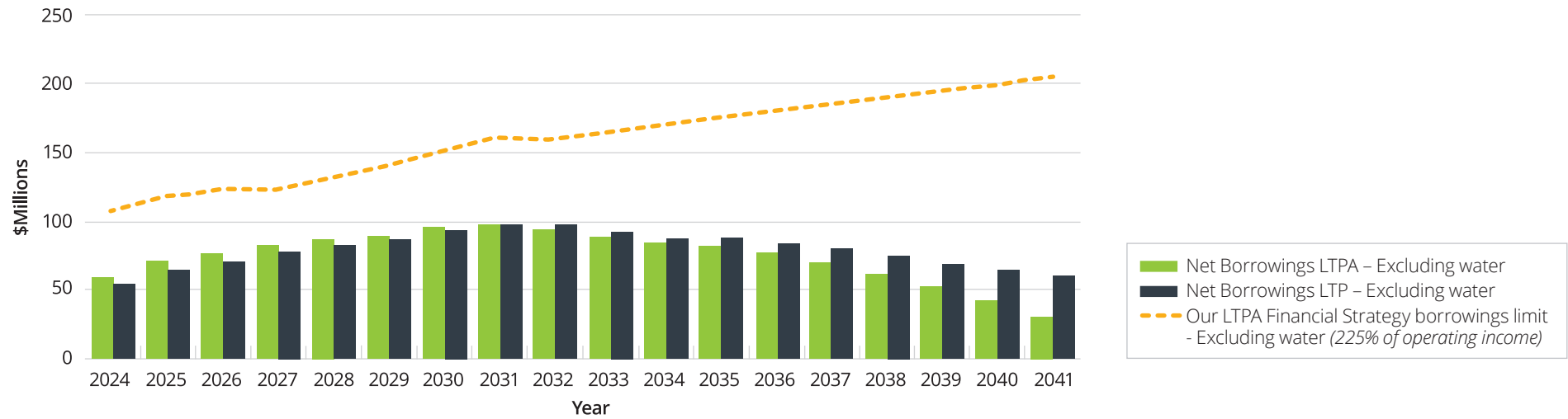
Council's borrowings and borrowings limits



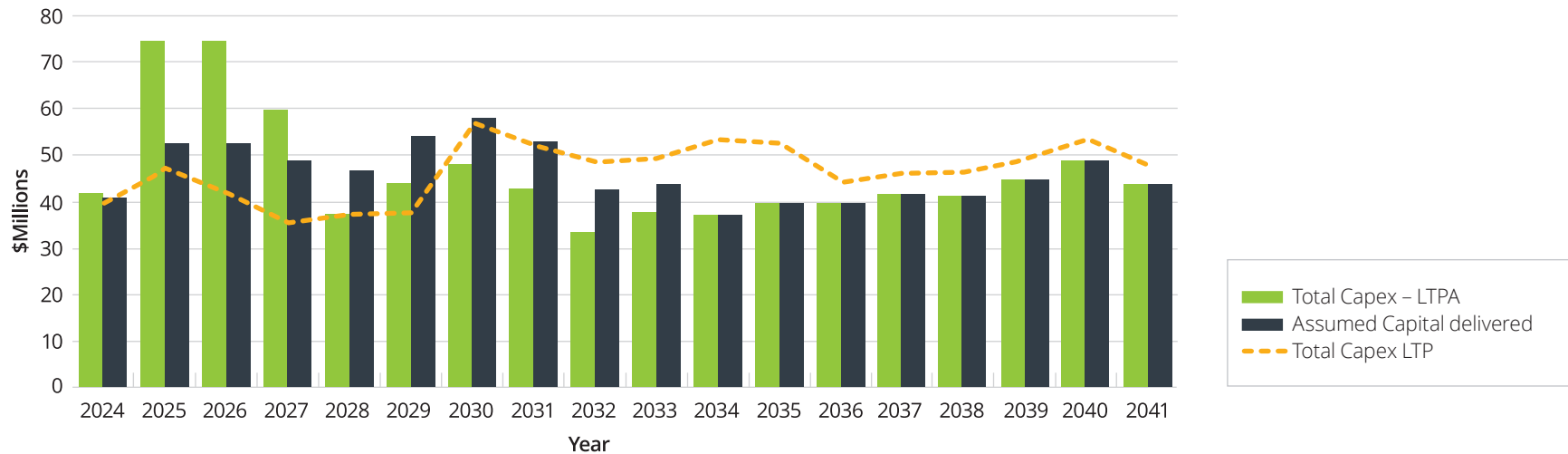
These water projects are the cause of the increased borrowing and the next three graphs show what our borrowings will look like excluding three waters and also what our capital programme will look like including and when 3 Waters is no longer managed by Council.



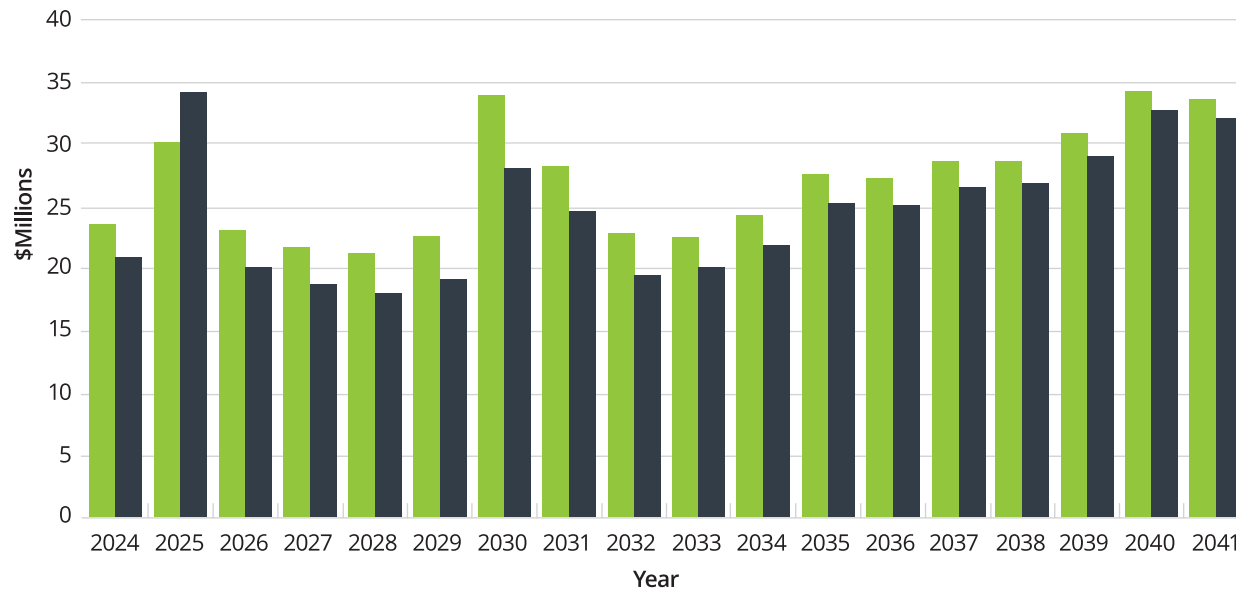
Our borrowings excluding 3 Waters



Capital Programme including 3 Waters



Capital programme excluding 3 Waters



Capex- 2021-2041 LTP - Excluding 3 Waters
Capex - LTP Amendment - Excluding 3 Waters

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Population growth and the impact of severe weather events are putting a huge amount of pressure on our treatment plants. It's important we invest now to build our resiliency.

Councillor Clint Grimstone



Something else to think about...

Updating development contributions to help pay for key water infrastructure programme

In the last LTP, Council reintroduced development contributions. They had been removed for a period of six years, when population growth was slow. Now growth has ramped up, bringing many new opportunities and challenges for our district.

As more people move into our district, more demand is put on our infrastructure. More people now rely on our water pipes, reservoirs, wastewater treatment plants, local roads and community facilities.

Much of our infrastructure wasn't designed to cope with the population growth we expect to see in the coming years. Whether or not we decide to amend the LTP, we'll need to look at what we're charging as development contributions – these plans impact the type, location and timing of new infrastructure.

The level of development contributions depends on the location of new subdivisions, dwellings or commercial/industrial buildings – some areas need more capacity or services than already exist. For example, in Tara-Ika growth areas, the new residential development needs new pipes and roads and also to connect with Council's existing network. It wouldn't be fair to charge the rest of Levin for this.

Why are Development Contributions needed?

The LGA lets Councils collect funds from the developer or landowner when they subdivide, connect services or apply for consents. We can use these funds to cover the costs that come with population growth – it means that those who are increasing the demand on our infrastructure will pay to increase its capacity.

We only charge when the development increases – the contributions can't be put towards improving the quality of our existing infrastructure. New property owners will pay for the cost of future improvements through rates just like the rest of our district.

Council started charging development contributions in 2006 and removed them in 2015 because the district wasn't experiencing much growth. In 2021, we consulted with our community and decided to reintroduce development contributions, factoring in our district's growth and infrastructure that was nearing capacity.

As part of our 2024 LTP, we'll do a full review of our Development Contributions Policy, which will partly be driven by the Government's Three Waters Reform. Under these reforms, from 1 July 2024, we'll no longer be collecting development contributions for stormwater, water supply or wastewater treatment.

For now we'll be considering two options – increase development contributions or keep them the same.

With increased costs to deliver new infrastructure needed for our growing population, we need to consider how much we charge for a new property.

Our proposed approach

We propose to increase development contributions to reflect the increased costs from the revised waters programme.

Option 1

Increase Development Contributions *(Council's preferred option)*

Option 1 is to increase the amount charged to developers, to ensure they pay their fair share towards the cost of growth. This is Council's preferred option.

This option does not change the wording of the current policy except for the amount we collect per additional unit of demand created. We are not proposing to change how or when we collect development contributions.

The table provided sets out the proposed increase in development contributions and new totals for each area, which reflect the increased spend to meet the growth demands.

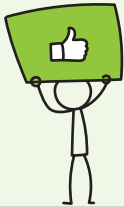


Table 1: Schedule of Development Contributions

	Land Transport		Community Infrastructure		Stormwater			Water Supply			Wastewater Treatment			TOTAL <i>(excluding currently unavailable services)</i>	TOTAL PRIOR LTP DC	Change	
	Tara-Ika	District	Tara-Ika	District	Tara-Ika	Scheme	District	Tara-Ika	Scheme	District	Tara-Ika	Scheme	District				
Levin		\$662		\$2,603		\$450	\$579		\$4,278	\$94		\$6,919	-		\$15,586	\$13,961	\$1,624
Tara-Ika	\$3,858	\$662		\$2,603	\$2,530	\$450	\$579	\$624	\$4,278	\$94	\$1,007	\$6,919	-		\$23,604	\$19,601	\$4,003
Foxton		\$662		\$2,603		-	\$579		\$2,668	\$94		\$3,237	-		\$9,843	\$4,030	\$5,813
Foxton Beach		\$662		\$2,603		\$18	\$579		\$771	\$94		\$1,590	-		\$6,318	\$4,904	\$1,413
Shannon/ Mangaore		\$662		\$2,603			\$579		\$2,220	\$94		\$1,523	-		\$7,681	\$2,251	\$5,430
Tokomaru		\$662		\$2,603			\$579		\$2,255	\$94		\$14,914	-		\$21,107	\$2,251	\$18,856
Waitāreere Beach		\$662		\$2,603			\$579		\$3,312	\$94		\$2,981	-	\$6,920	\$10,232	\$8,982	\$1,250
Ōhau		\$662		\$2,603			\$579		\$12,634	\$94		\$13,469	-	\$3,938	\$30,042	\$7,766	\$22,275
Rural - no 3 waters services		\$662		\$2,603											\$3,265	\$1,865	\$1,400

Note 1: These contribution amounts do not include GST

Note 2: Wastewater contribution for Ōhau will only apply when the service becomes available and new and some existing properties connect

Note 3: Water supply contribution for Ōhau and Waitāreere Beach will only apply when the service becomes available and new and some existing properties connect.

Option 2

No Change to Development Contributions

This option would see no change to the current Development Contributions Policy.

This is not Council's preferred option as it would mean other ratepayers in the district would pay for the increase in costs to deliver infrastructure that doesn't directly benefit them.



Did you know?

The wastewater contribution for Ōhau and the water supply contribution for Ōhau and Waitārere Beach will only apply from when that service becomes available.

Table 2: Schedule of Development Contributions

	Roading		Community		Stormwater			Water Supply			Wastewater Treatment			TOTAL
	Tara-Ika GA	District	Tara-Ika GA	District	Tara-Ika GA	Scheme	District	Tara-Ika GA	Scheme	District	Tara-Ika GA	Scheme	District	
Levin		\$618		\$1,247		\$152	\$386		\$3,363			\$8,195	-	\$13,961
Tara-Ika	\$2,254	\$618		\$1,247	\$1,671	\$152	\$386		\$3,363		\$1,715	\$8,195	-	\$19,601
Foxton		\$618		\$1,247			\$386		\$899			\$881	-	\$4,031
Foxton Beach		\$618		\$1,247		\$92	\$386		\$1,596			\$965	-	\$4,904
Shannon/Mangaore		\$618		\$1,247			\$386						-	\$2,251
Tokomaru		\$618		\$1,247			\$386						-	\$2,251
Waitārere Beach		\$618		\$1,247			\$386		\$4,678			\$2,053	-	\$8,982
Ōhau		\$618		\$1,247			\$386		\$2,726			\$2,789	-	\$7,766
Rural		\$618		\$1,247										\$1,865

Note 1: These contribution amounts do not include GST.

Note 2: Wastewater contribution for Ōhau will only apply when the service becomes available and new and some existing properties connect.

Note 3: Water supply contribution for Ōhau and Waitārere Beach will only apply when the service becomes available and new and some existing properties connect.

Annual Plan 2023/24

Te Mahere ā-Tau 2023/24



Adjusting user fees and charges

We use fees and charges when Council believes it's fair to ask individual users to pay a bit extra. For example, we charge for the use of a public pool to help pay for some of the costs of running it. We call this the public/private split and it's guided by our Revenue and Financing Policy.

When completing last year's Annual Plan, we found some user fees and charges weren't consistent with the policy, so we propose a few changes.

These changes will be to the Dog and Animal Control, Health Licencing and the Building and Resource Consenting activities. For our Dog Control services, we are proposing to increase the level of fees that we receive so that they will pay for 80-90% of the cost of providing this service. This is because most of the benefit is 'private' and this makes it consistent with our policy.

For further information on the changes to fees and charges, please refer to our Revenue and Financing Policy and [letskorero.horowhenua.govt.nz/AP](https://www.horowhenua.govt.nz/AP) for the full table of proposed fees.

We'd like your feedback about whether you support the proposed changes to the way fees and charges are shared.

Dog Registration	2022/2023	Proposed 2023/24
Disability Assist Dog (Class 12)	Free	Free
Selected Owner Status (Class 15)	\$68.00	\$80.00
NZKC Registered Status (Class 8)	\$68.00	\$80.00
Racing Greyhound Registered Status (Class 6)	\$68.00	\$80.00
De-sexed Pet Urban Class 3)	\$81.50	\$96.00
Entire Pet Urban (Class 11)	\$136.00	\$160.50
Working Dog (Class 2)	\$60.00	\$70.80
Stock (Farm) Dog Exempt Microchipping (Class 16)	\$60.00	\$70.80
Puppy (Class 13)	\$57.00	\$67.00
Superannuitant Owner (Class 1)	\$68.00	\$80.00
Dangerous Dog De-sexed (Class 5)	\$122.25	\$144.00
Dangerous Dog Entire (Class 4)	\$204.00	\$240.75
Late Fee if Paid after 31 July 2020	Plus 50%	Plus 50%

Foxton Beach Freeholding Account

The Foxton Beach Freeholding Account (the Freeholding Account) was set up when councils amalgamated in 1989. Then, all assets and money specific to Foxton Freehold interests were pooled to spend for the benefit of the district, but this unique account was kept separate by the Local Government Commissioner specifically for the Foxton Beach community. The account is to manage money made from leasing and selling off endowment land. How this account is managed is set out in the Foxton Beach Freeholding Account Policy. This policy requires Council to have a minimum balance of \$5 million cash in the account at all times. If all current planned projects for the year go ahead, the account will drop to \$4.7 million. This is a breach of Council's own policy. A breach of policy is not ideal, but this breach would not have any legislative consequences.

Council has committed to reviewing this policy in the near future.

Te Awahou Foxton Community Board manages the fund and would like to consult on the following proposal:

Funding \$500,000 from the Foxton Beach Freeholding Account for the Foxton Pool Redevelopment Project

Foxton Pools is getting an upgrade, and construction commenced in February 2023. The improvements will allow the community year-round use of the pools, and will include a new inbuilt spa pool, reception area, ventilation systems and future proofing for further development. The contract was awarded to pool specialist Apollo Projects Limited, and work will be completed in early 2024. The upgrade was consulted on as part of the LTP 2021-2041.

Costs have increased since then. Increasing material costs, volatile supply chains, and a shortage of skilled workers contributed to rapid cost escalation across the construction sector. Council approved an additional \$2,859,507 at the Council meeting on Wednesday 10 August 2022, bringing the total project budget to \$5,803,781.

If Council were to approve the use of the Freeholding Account the balance would reduce to \$4.2 million. This would be a further breach the policy. If the funding did not come from the Freeholding Account it would need to be loan funded.

Auditor Report

Te Pūrongo a te Kaiarotake

TO THE READERS OF HOROWHENUA DISTRICT COUNCIL'S CONSULTATION DOCUMENT INDEPENDENT AUDITOR'S REPORT ON THE PROPOSED AMENDMENT OF THE 2021-41 LONG-TERM PLAN

I am the Auditor-General's appointed auditor for the Horowhenua District Council (the Council). The Local Government Act 2002 (the Act) requires the Council to prepare a consultation document for an amendment of a long-term plan (LTP). Section 93D of the Act sets out the content requirements of such a consultation document and requires an audit report thereon. I have audited the information in the consultation document on pages 14 to 54 for the proposed amendment of the 2021-41 LTP, using the staff and resources of Audit New Zealand. We completed our audit on 22 March 2023.

Adverse opinion

In our opinion, because of the significance of the matters described in the 'Basis for adverse opinion' section of our report, the consultation document does not provide an effective basis for public participation in the Council's decisions about the proposed amendment to its 2021-41 LTP. This is because the assumptions underlying the information in the consultation document are not reasonable or supportable.

Basis for adverse opinion – Assumption related to three waters reform

Pages 36 to 54 of the consultation document outline the Council's proposed amendments to upgrade or renew three waters infrastructure assets and how the options it is consulting are expected to affect debt, rates and service delivery. The Council is assuming that it will retain ownership of three waters infrastructure assets and remain responsible for the service delivery of three waters services for the period covered by the LTP.

The Council has not amended its assumptions that underpin the information on three waters infrastructure assets in the consultation document, based on the best information that is currently available, as described below. The assumptions are therefore not reasonable or supportable, which affects the credibility of the proposed LTP amendment.

On 14 December 2022, the Water Services Entities Act 2022 (the WSEA) received royal assent. The WSEA established four water services entities to take over the responsibilities for three waters service delivery and infrastructure from local authorities from 1 July 2024, or earlier by Order in Council. Although the WSEA does not directly provide for ownership of infrastructure, it makes clear the Government's intention to transfer the ownership of three waters related infrastructure from councils to the four water services entities. During December 2022, the Government introduced two additional water services Bills, one of which will enable the transfer of three waters related assets and liabilities to the water services entities, once it becomes law.

The effect of not amending the assumptions is pervasive to the proposed LTP amendment, given the significance of the three waters reform. We did not determine the effect of the reform on the proposed amendment, because it was impracticable for us to do so.

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) Assurance Engagements Other Than Audits or Reviews of Historical Financial Information. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 The Examination of Prospective Financial Information that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the consultation document related to the proposed amendment of the LTP. To select appropriate audit procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the proposed amendment of the LTP.

We did not evaluate the security and controls over the publication of the consultation document related to the proposed amendment of the LTP.

Responsibilities of the Council and auditor

The Council is responsible, when it is proposing to amend its LTP, for:

- meeting all legal requirements relating to its procedures, decisions, consultation, disclosures, and other actions associated with preparing and publishing the consultation document, whether in printed or electronic form;
- having systems and processes in place to provide the supporting information and analysis the Council needs to be able to prepare a consultation document that meet the purposes set out in the Act; and
- ensuring that any forecast financial information being presented has been prepared in accordance with generally accepted accounting practice in New Zealand.

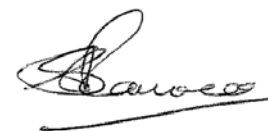
We are responsible for reporting on the consultation document related to the proposed amendment of the LTP, as required by section 93D of the Act. We do not express an opinion on the merits of any policy content of the consultation document.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board; and
- quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.



Clint Ramoo

Audit New Zealand
On behalf of the Auditor-General, Wellington,
New Zealand

How you can have your say


Me pēhea rā te tangata e whai wāhi ai ki te kōrero

It's easy to share your thoughts with us:

Online

 **Complete our online form**
at letskorero.horowhenua.govt.nz


 **Email** ltip@horowhenua.govt.nz

 **Post comments or suggestions**
on Council's Facebook page.
Please note comments and suggestions will be considered, discussed and will be presented to Council to inform the decision making. However, we cannot formally acknowledge these as submissions, and you will not be able to take part in the hearings process.

On paper


 **Fill out the submission form**
Forms can be picked up and dropped off at:


- **Horowhenua District**
Council Offices
126 Oxford Street, Levin
- **Te Takeretanga o Kura-hau-pō**
Bath Street, Levin
- **Te Awahou Nieuwe Stroom**
92 Main Street, Foxton
- **Shannon Library**
Plimmer Terrace, Shannon

 **Post to:**
Horowhenua District Council
Private Bag 4002
Levin 5540

Forms can also be printed from Let's Korero

In person

 **Speak to one of our Council officers**
on 06 366 0999 or Elected Members
(Elected Member contact details are on page 6 and 7 of this document).

 **Post to:**
Horowhenua District Council
Private Bag 4002
Levin 5540

Forms can also be printed from Let's Korero





Scan the QR code to visit
letskorero.horowhenua.govt.nz



Need help?

Don't know where to start with creating your submission
or have questions on the process?

Contact us:

 Drop in to the Civic Building, 126 Oxford St, Levin

 Itp@horowhenua.govt.nz

 Call 06 366 0999

Or see us at one of our events

Submissions Close 1 May 2023

“

Everyone's voice matters. The more of you we hear from, the better informed our decisions will be, so please have your say and make a submission today.”

Councillor Sam Jennings



**#Future
Horowhenua**

Thanks
for reading!



Horowhenua 
DISTRICT COUNCIL