

Notice is hereby given that an ordinary meeting of the Finance, Audit & Risk Committee will be held on:

Date: Wednesday 27 November 2019
Time: 4.00 pm
Meeting Room: Council Chambers
Venue: Horowhenua District Council
Levin

Finance, Audit & Risk Committee

OPEN AGENDA

MEMBERSHIP

Chairperson	Mr Philip Jones	
Deputy Chairperson	Mrs Christine Mitchell	
Members	Mr David Allan	
	Mr Wayne Bishop	
	Mr Ross Brannigan	
	Mr Todd Isaacs	
	Mr Sam Jennings	
	Mrs Victoria Kaye-Simmons	
	Mr Robert Ketu	
	Mrs Jo Mason	
	Ms Piri-Hira Tukapua	
	HWTM Bernie Wanden	
Reporting Officer	Mr Doug Law	(Chief Financial Officer)
Meeting Secretary	Mrs Karen Corkill	

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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
Te Awahou Nieuwe Stroom, Foxton,
Shannon Service Centre/Library, Plimmer Terrace, Shannon
and Te Takeretanga o Kura-hau-pō, Bath Street, Levin

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1 Apologies

2 Public Participation

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.

See over the page for further information on Public Participation.

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 Declarations 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

Public Participation (further information):

The ability to speak at Council and Community Board meetings provides the opportunity for members of the public to express their opinions/views to Elected Members as they relate to the agenda item to be considered by the meeting.

Speakers may (within the time allotted and through the Chairperson) ask Elected Members questions as they relate to the agenda item to be considered by the meeting, however that right does not naturally extend to question Council Officers or to take the opportunity to address the public audience be that in the gallery itself or via the livestreaming. Council Officers are available to offer advice too and answer questions from Elected Members when the meeting is formally considering the agenda item i.e. on completion of Public Participation.

Meeting protocols

1. All speakers shall address the Chair and Elected Members, not other members of the public be that in the gallery itself or via livestreaming.
2. A meeting is not a forum for complaints about Council staff or Council contractors. Those issues should be addressed direct to the CEO and not at a Council, Community Board or Committee meeting.
3. Elected members may address the speaker with questions or for clarification on an item, but when the topic is discussed Members shall address the Chair.
4. All persons present must show respect and courtesy to those who are speaking and not interrupt nor speak out of turn.
5. Any person asked more than once to be quiet will be asked to leave the meeting

Health & Safety - Quarterly Report

File No.: 19/489

1. Purpose

To provide an update to the Finance Audit and Risk (FAR) Committee on health and safety matters at Horowhenua District Council for the three-month period to 30 September 2019.

2. Recommendation

- 2.1 That Report 19/489 Health & Safety - Quarterly Report 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. Issues for Consideration

As included in the H&S report for the July to September 2019 quarter.

Attachments


No.	Title	Page
A	Quarterly HS Report 1 July - 30 September 2019 1st Quarter.docx	8

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)	Tanya Glavas Health & Safety Advisor	
Approved by	Lisa Slade Acting Senior Manager People & Culture & Project Coordination Manager	

Horowhenua District Council
Health & Safety Quarterly Report 1 July 2019 – 30 September 2019
1st Quarter

Executive Summary

The first quarter of the 2019/2020 year has seen Health and Safety engagement and participation supported by the Health and Safety Committee, Senior Management Team and employees of Horowhenua District Council.

This report has been completed by the new Health and Safety Advisor who was not in the position for the quarter being reported on. As such, the statistics are complete and give a good indication of how HDC is tracking on Health and Safety matters.

Key Updates for this quarter:

- Pre-qualification of Contractors being shared with Manawatu District Council
- Council wide security procedures and non-civil defence emergency procedures presented to staff.

LEAD INDICATORS

1. Health & Safety training

	Attendees Quarter 1
Workplace Bullying	3
Hazardous Substances Workshop	1
Lifeguard First Aid Training	10
Lifeguard Training	5
PLSA & PLPC	5
Basic First Aid Training	13
Level 1 Site Traffic Management Supervisor	5
Basic traffic Controller Level 1	5

2. Risk Management Emergency Evacuation Drills

Levin Aquatic Centre	September	2019	Completed
Te Awahou	July	2019	Completed
Foxton Aquatics	September	2019	Completed
Te Takere	November	2019	
HDC Civic Building	July	2019	Completed

3. Employee H&S Inductions

Quarter data & financial year end comparisons	Q1	2019/20
Lifeguards/Aquatics	9	9
Civic Building	6	6

4. Wellness Initiatives

Quarter data & financial year end comparisons	Q1	2020	2019
Ergonomic Workstation Assessments	14	14	27
EAP Services (attendees)	4	4	23

5. Risk Management

Quarter data & financial year end comparisons	Q1	2020
D&A Testing -		
○ Pre- employment Tests	17	17
○ Reasonable Grounds	0	0
○ Post Critical Incident Testing	0	0
Audits H&S Committee		
○ Aquatics	1	1
○ Roding	1	1
○ Animal Control	1	1
○ Customer Experience	1	1
○ Information Technology	1	1

- H&S Audit roll out across Council has begun with the sites listed in the table above.
- Audits are not occurring monthly as planned. HSA to review why.

6. H&S Contractor Register Process

- Pre-qualification of Contractors are being shared between Manawatu District Council and HDC
- This will be expanded to all the MWLASS Councils over the coming months
- Work continues to progress in this area expanding to the Infrastructure and Parks & Property.

7. Emergency Procedures – Procedures completed and have been delivered to staff via group inductions. These are the base level processes for non-civil defense emergencies and will require

6 monthly reviews to ensure they remain appropriate. Presentations are available on the H&S Intranet.

8. Health & Safety Committee (HSC)

- Monthly Meetings x 2 this quarter
- A Sharps procedure has been developed for P&P for collecting and disposing of sharps (needles etc) found in the public domains. Sharps containers and protective gloves are in P&P vehicles for this purpose. Disposal is at the Horowhenua Health Centre on Liverpool Street.
- Electrical office set up procedures – An Office electrical event occurred in the Civic Building July 2019. This event highlighted that there were some procedural errors in how we monitor electrical and technology cabling in the set-up of workstation desks. Test and tag procedures have been applied inconsistently and these are to be reviewed by the IT Team and the Property Team. Property have implemented a test and tag review of cabling from all power mains beginning in the next few weeks and IT will conduct an audit of technology cords as well as implement a process whereby all cabling is changed out at the 3-5-year equipment replacement procedure.
- H&S Annual Plans include wellbeing and the Safe Plus recommendations –underway
- Strategic plan – draft underway
- Elected member's induction and governance training post-election – underway
- Training for HSR's stage 2 – planned for 2020
- Test and Tag procedures are underway with Property
- Security camera review – underway
- Front foyer door review for all council sites is underway with Main Security
- Door signage as per the security review is underway so that people are clear on what doors can be used.
- ID cards are being printed by HR who will manage distribution - underway

9. Risk Management

- Current Critical Risks are:
 - Third Party Threatening abuse/violence/robbery in the workplace
 - Working Alone – Animal Control
 - Animal Control – Stock moving all roads
 - Deep Water Management – Aquatics
 - Working Alone – all sites
 - Vehicles and Driving – all areas
 - Attending Private Property and remote sites

10. H&S Policy Document Progress

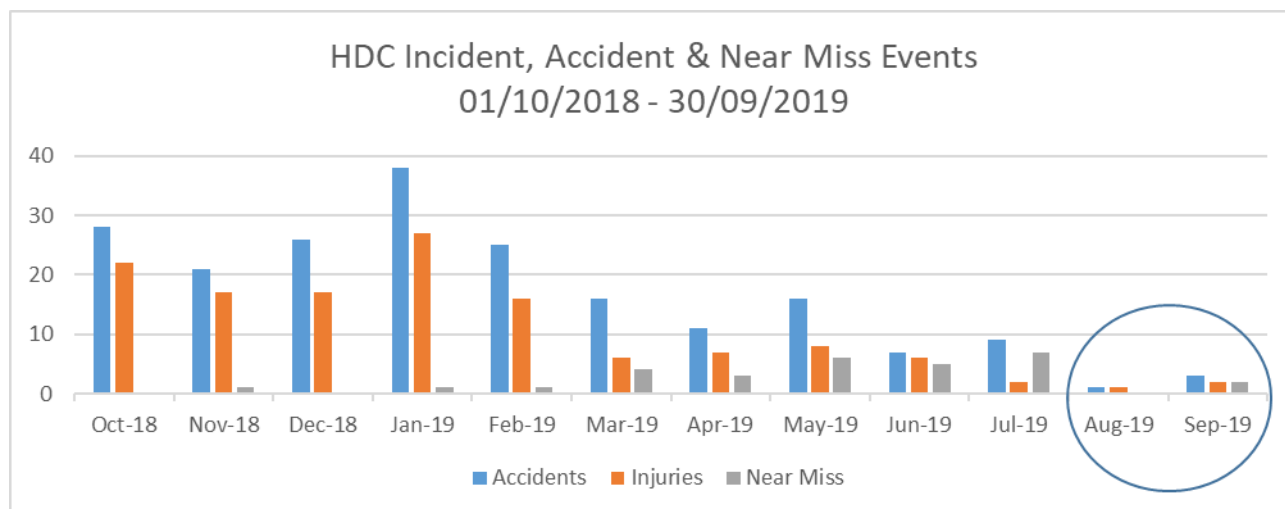
- Smoke Free Policy – updating to include Vaping and TANS - underway
- Working Alone Draft Policy – underway
- Contractor Management Draft Policy – underway

11. Peoplesafe - Incident Reporting Data base

- Reconfiguration from three sites to two – HDC and Aquatics
- Escalation notification of incidents to all Managers when relative to their sites on a priority rating schedule
- Training portfolio will be broadened to encompass all HDC staff training data base for individuals and managed by the Learning and Development P&C person
- Reporting framework will be widened to allow for deep dive analysis

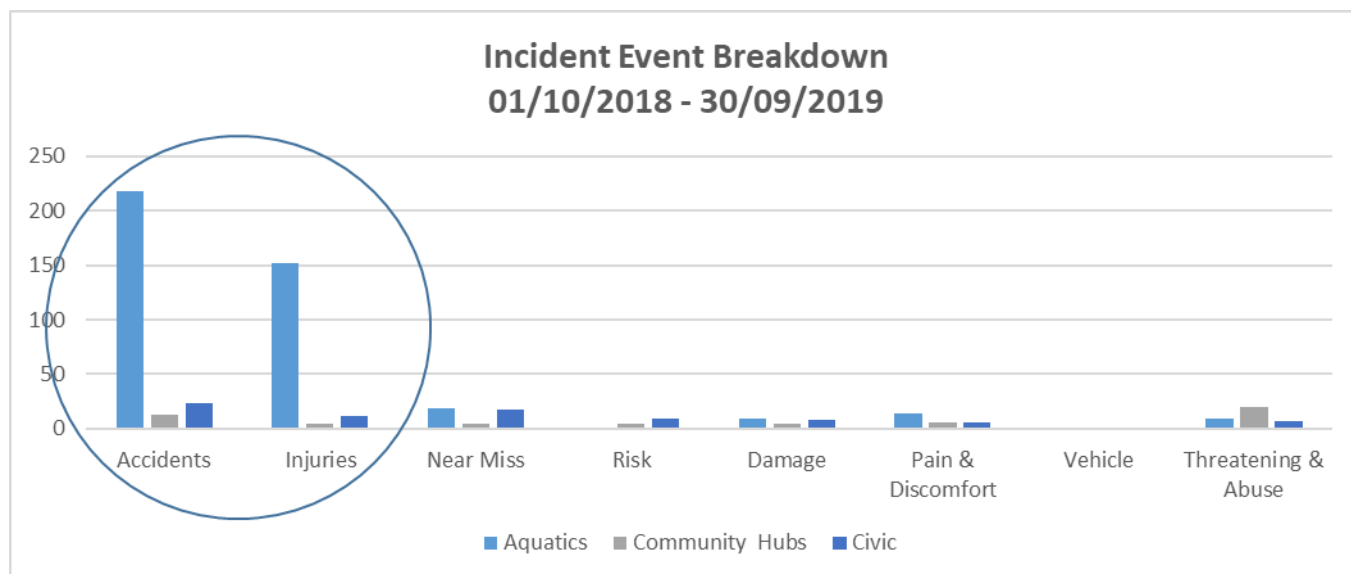
LAG INDICATORS

Table 1



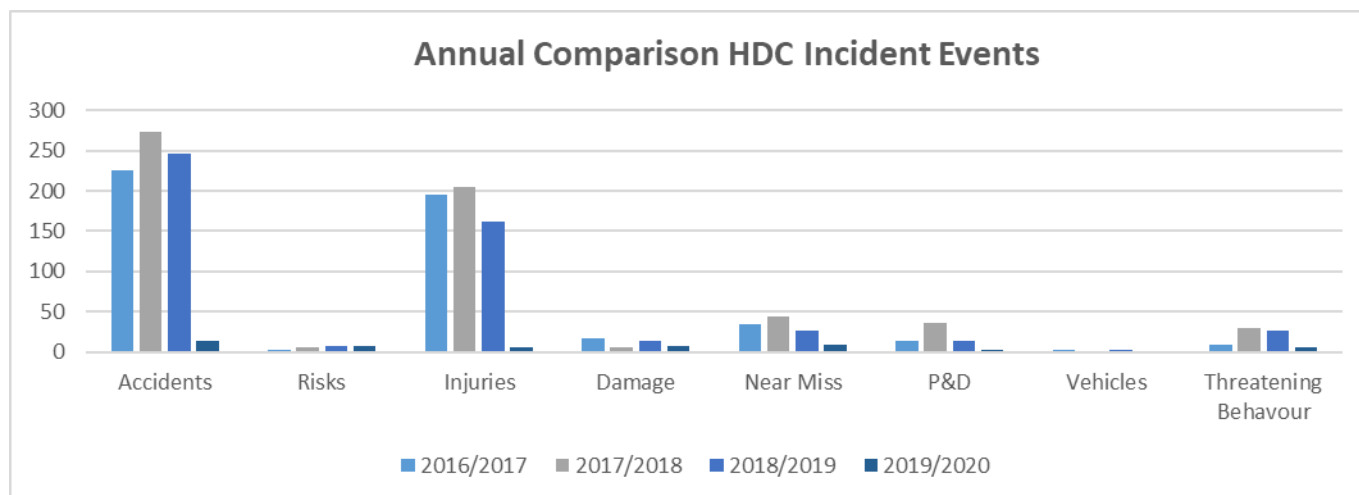
- Incident reporting has dropped with this quarter showing the lowest levels of reporting within the 12 month period.
- Council continues to work through a process to better understand reasons for this poor reporting and has enlisted the help of the health and safety committee to promote reporting, to support education on incident reporting and educate on the purpose of near miss reporting along with the overall benefits of what reporting events can do.

Table 2



- Injuries sustained related to third party events primarily in the aquatics area.
- All were low level requiring first aid treatment at most.
- No notifiable events recorded this quarter.

Table 3



- Whilst the above data indicates incident reporting over the last three years has remained reasonably consistent the numbers are thought to be an under representation of incident events overall.
- Council understand that effective and accurate incident reporting is a sign of health and safety maturity and plans to continue to instigate improvement in this area.
- Ongoing initiatives to improve confidence in reporting near-miss events will continue through training, education and staff peer support from the H&SC

Projects Update

File No.: 19/419

1. Purpose

To provide the Finance, Audit and Risk (FAR) Committee with an update of the projects being undertaken by the Infrastructure Projects Team.

2. Recommendation

- 2.1 That Report 19/419 Projects Update 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. Issues for Consideration

As provided in the **attached** reports.

Attachments



No.	Title	Page
A	Project Report - Tokomaru Wastewater Supply Overview	14
B	Project Report - Foxton Beach Stormwater	17
C	Project Report - North East Levin Stormwater (Discharge to Koputaroa Stream Tributary)	20
D	Project Report - Shannon Water Supply	24
E	Project Report - Levin Stormwater Consent	28
F	Project Report - Tokomaru Water Supply	31

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	

Tokomaru Wastewater Supply - Overview

Project Overview Summary

Project objective:

The project's aim is to:

- (a) agree on a renewed five (5) year discharge consent to water with Horizons Regional Council and key stakeholders;
- (b) with the community and key stakeholders, agree on a long term land-based discharge before 2022.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"> Council commitment to land based, long term disposal. Short term consent sought for discharge to water to provide time to investigate, design, and consent land based option. MfE Funding assisted with purchase of land. Work on the long term land disposal project has been initiated. 	<ul style="list-style-type: none"> Resolve short term consent with Horizons and submitters. Establish Wastewater Working Group (iwi, community and interested parties) to work with Council towards long term land option. Cultural Impact Assessment being undertaken by Ngati Whakatere. 	<ul style="list-style-type: none"> Council hopes to have short term consent resolved late 2019 / early 2020. Wastewater Working Group to be established late 2019 / early 2020. Collaborative working on land option 2020 - 2021 (see indicative timeline over page) CIA to be completed late 2019.

Overview of project:



Work to date:

Short-Term Consent

- The existing wastewater discharge is a combination of discharges to ground via the base of a wetland and also discharges direct to Centre Drain at times of high flow.
- A short term (5 year) consent has been sought to allow the status quo operation while the long term land disposal option was progressed.
- The short term consent was publicly notified and a pre-hearing meeting held. The application was on hold while draft conditions were agreed between District and Regional Councils. This included engaging ecologists to develop a monitoring programme which is now being implemented.
- Ngati Whakatere has been engaged to undertake a Cultural Impact Assessment. Expected end 2019.

Conditions for the short-term consent have been agreed with Regional Council and are currently with submitters for feedback and confirmation as to whether or not the conditions satisfy their concerns. At present, nine of the fourteen submissions have been resolved. The remaining submitters were seeking a land based disposal solution. To obtain traction on this matter, the land based project has been commenced and the Wastewater Working Group will be convened late 2019 / early 2020. It is hoped that this will assist obtaining sign-off from the remaining submitters. A further pre-hearing is likely to be held immediately after the Working Group's initial meeting for that purpose. If not successful in resolving the remaining submissions, a hearing may be required.

Long Term Land Based Treatment Option

Council has made a commitment to working with iwi and the community to investigate and implement a long term land based treatment option.

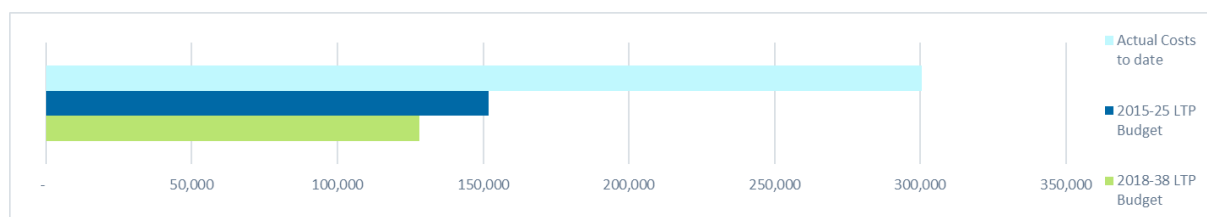
Central government funding has been secured and this has assisted Council to purchase land which is considered suitable for the purpose.

Work is underway to set up the project structure & timeline; and establish a Wastewater Working Group.

Financials:

The funding arrangements are loan funded.

The proposed cost of the project is \$128,190 over the expected lifespan of the project.



Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
Strategic	Potential for HRC to determine not to grant consent.	4C/1L	Low	Ensure that community is clear that this is a short-term consent to allow for investigation of land based option. Hearing may be required if submissions not resolved. Regional Council support proposed conditions.	4C/1L	

Risks for long term project to be identified as part of current project establishment phase and included in next FAR Committee report.

Risks Traffic Light Key

Likelihood	Consequence				
	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
4 - Very Likely	Low	Moderate	Significant	High	Extreme
3 - Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Extremely unlikely	Low	Low	Low	Low	Low

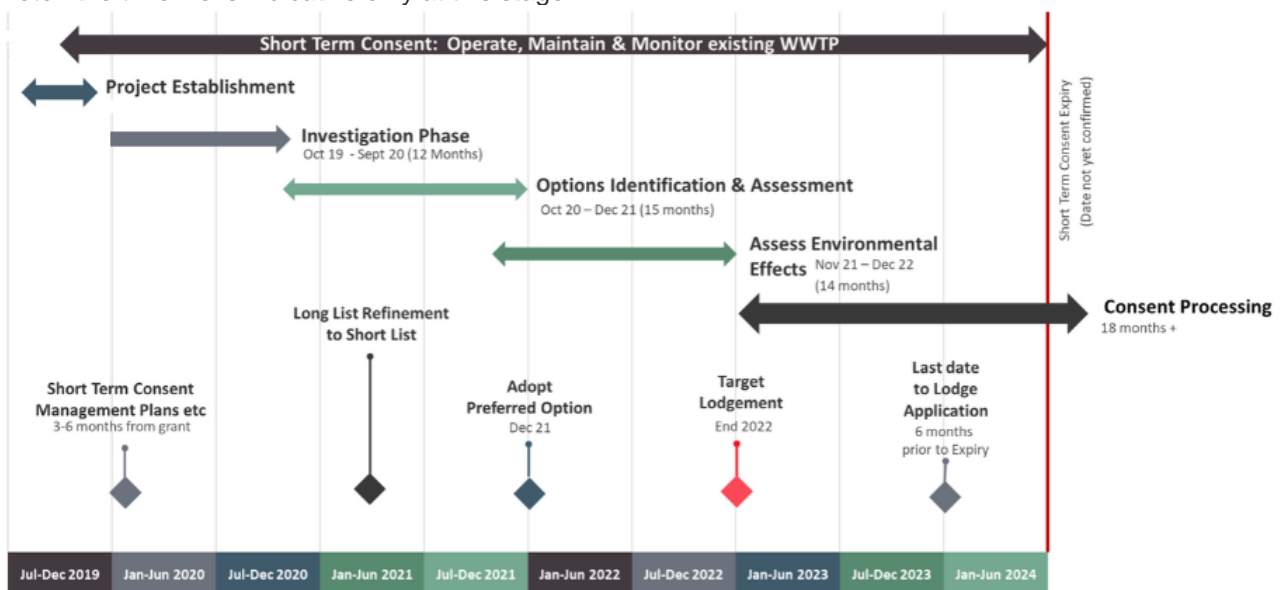
Communication and Key Stakeholders:

Council has been engaging with submitters on the short term discharge consent application as noted above. Council is continuing to engage with Ngati Whakatere re the CIA.

Once the short term consent is resolved, the Wastewater Working Group will be established and will be engaged throughout the process of working towards the long term land based option.

Timeline:

Note: the timeline is indicative only at this stage.



Foxton Beach Stormwater Consent

Project Overview Summary

Project objective:

To agree on stormwater discharge consent with Horizons Regional Council and key stakeholders.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none">• Consents are required for Council's stormwater discharges to the Manawatu Estuary• An application for consent is currently being prepared• Monitoring and engagement with mana whenua is ongoing	<ul style="list-style-type: none">• Ongoing engagement with mana whenua• Ongoing stormwater monitoring to confirm quality of discharges• Ecological effects assessment• Consultation with affected parties	<ul style="list-style-type: none">• A draft application has been prepared. Lodgement dates will depend on consultation timing and effects assessment timelines

Overview of project:

The project is to obtain stormwater discharge consents for the existing stormwater network.



The discharge points are shown in the diagram above. There are five discharges direct to the Estuary, some seepage to ground through the attenuation ponds, and some discharges direct to Whitebait Creek.

Council's policy is that properties are required to provide on-site stormwater management (generally through soak pits). The consent application is for Council's stormwater network only and doesn't include the on-site soakage pits on private property.

Some of the discharges are direct to the Estuary (eg those on Darwick, Robbie, and Hartley Streets). The Holben stormwater discharge is a pumped discharge and includes some attenuation and treatment via the plantings and detention areas in the reserve and recreational areas. There are also attenuation ponds in the subdivision to the north-east of the community.

Work to date:

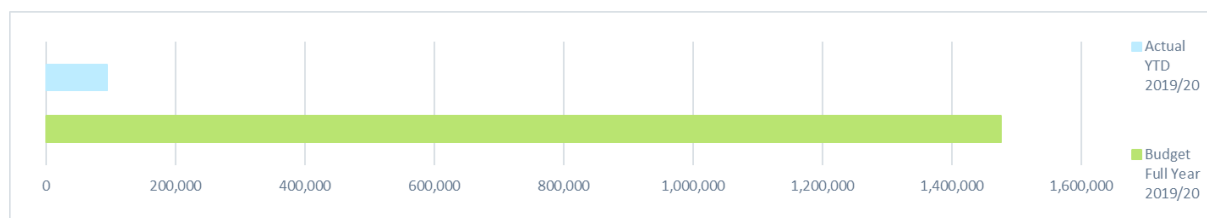
Modelling of the network has been undertaken to assess network capacity, flooding areas and estimated stormwater quantities.

A monitoring programme of the quality of the stormwater discharges and the effects on the Estuary has commenced (February 2019) and will be refined as information is gathered.

An ecological effects assessment has commenced in November 2018. The first stage has been to assess likely risks so that the monitoring programme can be refined, and a more detailed effects assessment can be undertaken. The monitoring programme is now being implemented. Consultation is ongoing with iwi groups to develop a framework for cultural health monitoring and undertaking cultural impact assessments.

Financials:

Budget for Foxton Beach Stormwater Consent is part of a wider Stormwater District Wide budget. So far this year \$9,713 has been spent on the consent.



Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Risk Assessment	Residual Risk Assessment
Strategic	Potential for HRC to determine that consent should not be granted.	4C/2 L	Moderate	Detailed documentation in the consent application to show that the discharge is controlled effectively. Provide for time and cost for hearing process if needed.	3C/2 L	Moderate

Financial	Cost of hearing and potential appeal process	3C/4 L	Significant	Pre-lodgement consultation. Manage process and pre-hearing discussions to focus on RMA matters as far as possible.	3C/3 L	Significant
	Mitigation costs to address potential effects / consent conditions	3 C/ 3L	Significant	Ensure clear messaging re low risk stormwater system. Effects evidence-based assessment of need for mitigation.	2 C/ 3L	Moderate

Risks Traffic Light Key

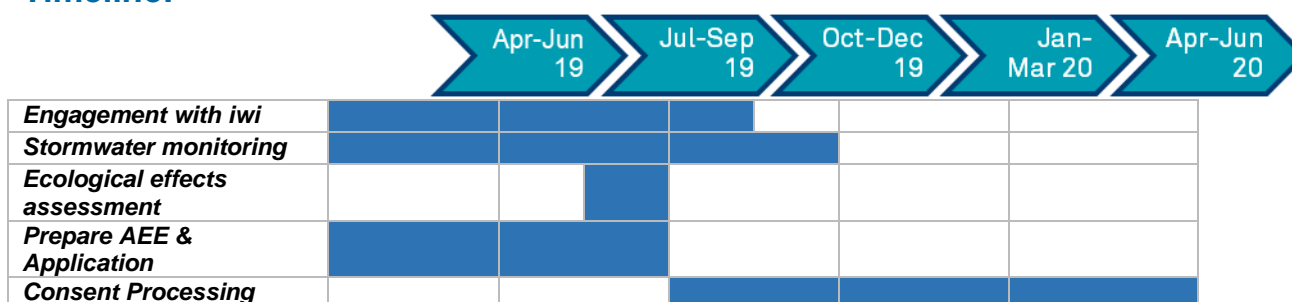
Likelihood	Consequence				
	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
4 - Very Likely	Low	Moderate	Significant	High	Extreme
3 -Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Extremely unlikely	Low	Low	Low	Low	Low

Communication and Key Stakeholders:

Consultation is ongoing with iwi groups. Discussions have been held with Te Runanga o Raukawa and Rangitaane and feedback received on the monitoring programme. Further feedback is sought on cultural health monitoring and processes to undertake cultural impact assessment(s). Monitoring sessions will be carried out with Raukawa hapu for sharing of information (cultural values, monitoring procedures) and upskilling.

Consultation with the community, Department of Conservation and Fish and Game will also be required.

Timeline:



North East Levin Stormwater (Discharge to Koputaroa Stream Tributary)

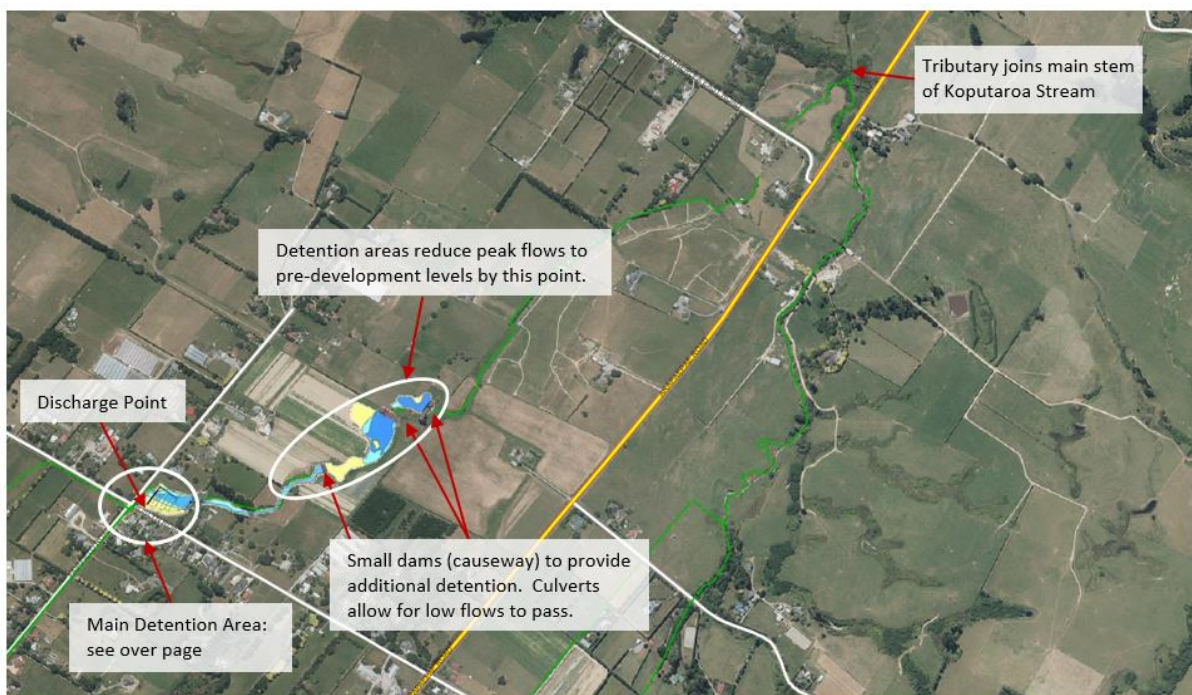
Project Overview Summary

Project objective:

To obtain resource consents for additional stormwater discharge to the Koputaroa Stream tributary by December 2019.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"> Consent required due to increase and change in stormwater that will occur from land use change (residential development). Application lodged. Revised AEE submitted 28 June and now being processed by Horizons. Regional Council draft notification report assessed effects less than minor except for cultural effects which are not yet resolved. Submissions closed 23 October. 	<ul style="list-style-type: none"> Work with Regional Council (Rivers) to identify/confirm appropriate mitigation. Engage with submitters on proposed mitigation. Pre-hearing meeting. 	<ul style="list-style-type: none"> Pre-hearing may be held December 2019. Hearing early 2020 if unable to resolve via pre-hearing.

Overview of project:



Reason for Consent
Increase in stormwater flows and change in composition due to rezoning and future residential development in North East Levin; redirection of some stormwater away from Lake Horowhenua.

Proposed Mitigation
Council has purchased land at discharge point and will create a treatment and detention area (see over page). Additional detention areas proposed on tributary stream.
Embankments & culverts to be designed

Effects Assessment
Detention areas designed so that there is no increase in flow in the Koputaroa Stream.
Ecological assessment considered effects of discharge to be less than minor. No concerns regarding the

Consent is also required for construction of mitigation measures (detention areas).

for fish passage. Erosion & Sediment Control Plans for construction of detention areas.

construction of the detention areas. Recommend fish recovery during construction. Planting & maintenance plan to be developed.

Detention Area Proposal in more detail:



In low flows, stormwater travels through the first stage of the detention area in a zig-zag manner to maximise travel time; this area will be planted with wetland type species to treat stormwater. Planting plan is to be confirmed with iwi and Horizons. The embankment includes a low-level culvert to ensure low flows can continue to flow downstream.

In high flows, detention is provided to capture and treat peak runoff. Peak discharge in 100 year event will be less than existing.

Work to date:

- Lodgement of consent application and responses to s92 requests.
- Development of mitigation proposals and design of attenuation area to increased stormwater flows and provide treatment at the discharge point.
- Engagement with mana whenua and landowners on tributary.
- Water quality monitoring & ecological assessment.

A notification decision provided by Regional Council summarised the Regional Council’s technical assessment of the information submitted by Regional Council. That assessment identified the effects (after construction of the proposed attenuation areas) were considered less than minor with the exception of cultural effects as cultural impact assessments had not yet been made available from Raukawa or Rangitaane. A CIA has been commissioned from Raukawa but has not yet been received. Rangitaane has since provided a letter of support.

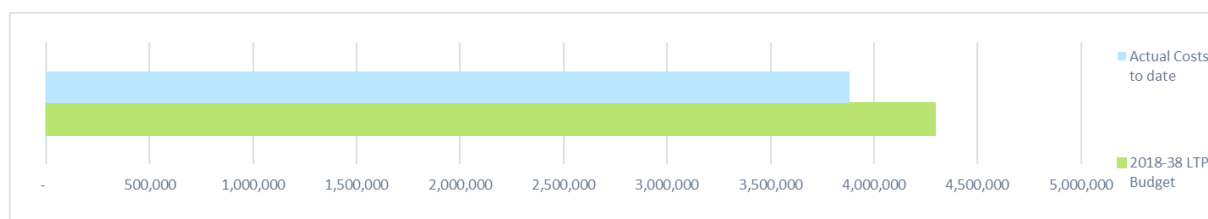
District Council met with representatives of downstream landowners and has agreed to work with Regional Council to identify any mitigation options which could address issues associated with capacity and performance of the Koputaroa Drainage Scheme including from receiving stormwater

from the existing urban area. This work has been discussed with Regional Council (Rivers) and is in progress.

The application was notified and submissions closed 23 October 2019. Sixteen submissions were received of which two are in support and the remainder in opposition. The majority of submitters in opposition are seeking pumping at downstream end of Koputaroa Stream with some also seeking raising of Tavistock Road. These options are being considered at present.

Financials:

The budget for the consent for additional stormwater discharge to the Koputaroa Stream tributary is part of the wider Improvements to NE Levin project.



Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
Strategic	Potential for consent not to be granted. Impact on development in NE sector.	3C/2 L	Moderate	Effects assessment. Clear messaging to the community on the benefits. Costs to be incurred for notification and hearing process if necessary.	3C/2 L	Moderate
Financial	Potential for notification & hearing costs / delays.	3C/4 L	Significant	Manage process and pre-hearing discussions to focus on RMA matters as far as possible.	3C/3 L	Significant

Risks Traffic Light Key

Likelihood	Consequence				
	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
4 - Very Likely	Low	Moderate	Significant	High	Extreme
3 -Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Extremely unlikely	Low	Low	Low	Low	Low

Communication and Key Stakeholders:

A draft Cultural Impact Assessment has been completed by Muaūpoko Tribal Authority; concerns raised were potential damage of significant sites, leakage to streams and springs, accidental discovery of taonga, and stream's capacity for additional flow and velocity. MTA recommended that consent be granted with conditions that address these concerns. HDC has accepted the conditions recommended by MTA and incorporated these into the application.

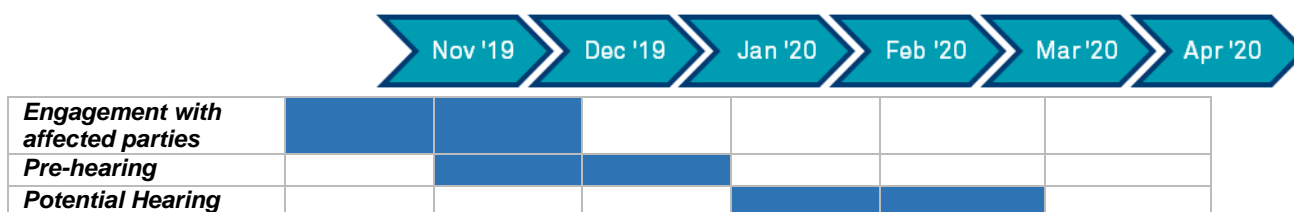
Engagement and high-level discussion with Raukawa. Kereru marae have been engaged to prepare a CIA (2017) but this has not been progressed. Project team representatives have been invited to a marae meeting on this matter in December 2019.

Regional Council advised they require consultation with Rangitaane o Manawatu as the Koputaroa Stream feeds into the Manawatu River which is within Rangitaane's Statutory Acknowledgement Area. Consultation with Rangitaane has been undertaken and Rangitaane have provided a written letter of support.

Landowners where works are proposed have previously been consulted with and are generally supportive of the proposals. Further engagement with these landowners as well as downstream parties is currently being carried out. Landowners on Koputaroa Stream have expressed significant concerns with potential downstream flooding effects.

NZTA has advised they have no concerns with the proposal and did not submit.

Timeline:



Shannon Water Supply Project Overview Summary

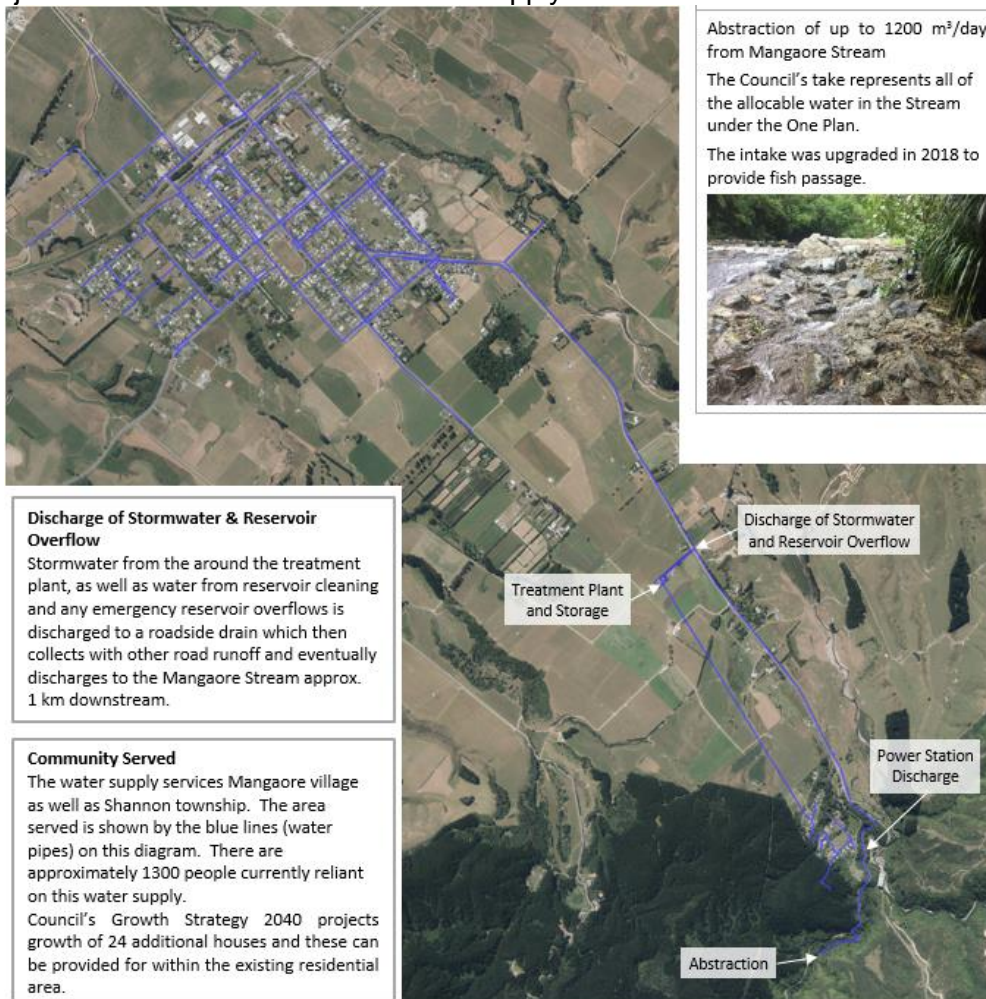
Project objective:

To renew water take consent(s) for Shannon water by 30 September 2019, within budget.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"> • CHI report has been completed by Ngati Whakatere. HDC has agreed to recommendations. • Application lodged ahead of required date to allow for discharge and take to be considered together. • Application is on Hold for investigation of water losses. • HDC has undertaken leak detection and repair. 	<ul style="list-style-type: none"> • Reassessment of water use to confirm if reasonable and justifiable. • Confirm measures to mitigate effects during low flow. • Update and resubmit AEE. 	<ul style="list-style-type: none"> • Existing consent expires December 2019 (Application has been lodged and s124 rights are secured). • AEE to be updated and resubmitted late 2019.

Overview of project:

This project seeks to renew Shannon water supply resource consents.



Abstraction of up to 1200 m³/day from Mangaore Stream
The Council's take represents all of the allocable water in the Stream under the One Plan.
The intake was upgraded in 2018 to provide fish passage.

Discharge of Stormwater & Reservoir Overflow
Stormwater from the around the treatment plant, as well as water from reservoir cleaning and any emergency reservoir overflows is discharged to a roadside drain which then collects with other road runoff and eventually discharges to the Mangaore Stream approx. 1 km downstream.

Community Served
The water supply services Mangaore village as well as Shannon township. The area served is shown by the blue lines (water pipes) on this diagram. There are approximately 1300 people currently reliant on this water supply.
Council's Growth Strategy 2040 projects growth of 24 additional houses and these can be provided for within the existing residential area.

Work to date:

An application and Assessment of Environmental Effects has been lodged and accepted by Horizons for processing. This has secured Council's rights under s124 of the RMA to continue to exercise its existing resource consent beyond its expiry date while the new consent is being processed.

Culture Health Indicator Report:

Te Roopu Taiao o Ngati Whakatere Trust completed a Cultural Health Indicator report on the Mangaore Stream with a focus on the Shannon drinking water supply and Shannon wastewater discharge. The report included 5 recommendations relating to the Shannon drinking water supply. These were:

1. Ensure HDC provide fish passage to the upper Mangaore Stream as conditions of resource consent for the Shannon water supply intake weir and ensure operation of the fish pass is effective at all flows and for all species.
2. Provide information on the hydrology and water allocation limits for the Mangaore Stream to better understand the impact of the Shannon water supply take.
3. Include water conservation measures for Shannon on the water take consent, including alert monitoring of low flow levels and notification of water restrictions to essential needs only.
4. Ngati Whakatere to build a relationship with King Country Energy and Trustpower to better understand the impacts and operation of the Mangahao power station discharge.
5. HDC to enable regular stream health and mātauranga Māori monitoring with Shannon school in the upper Mangaore catchment.

Items 1 and 4 will be included in proposed consent conditions. Item 2 has been completed. HDC will support implementation of Item 5. It has been agreed with Ngati Whakatere that Item 4 is not for HDC to implement and is outside of the consent process.

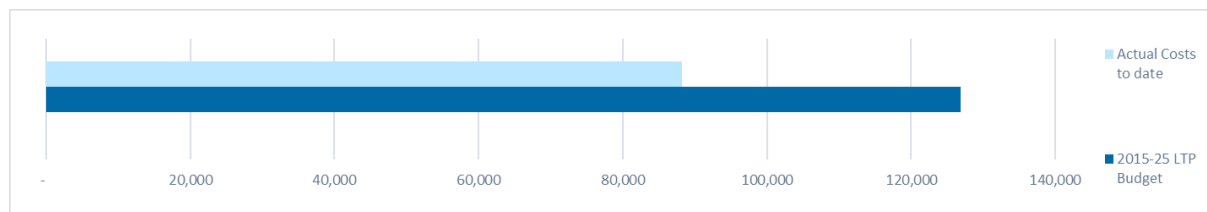
Water Loss Investigations:

In 2018, Council invested in water meters on the bulk supply lines to enable better measurement of how much water is being used and where water is being lost. Two large leaks were found during this investigation which reduced the daily consumption by just under 200 m³/day. Some unauthorised connections were also identified and are being addressed. Work is ongoing to identify leaks and fix these as quickly as possible.

By the end of 2018, Council had the necessary meters and data loggers in place to be able to get an accurate measure of the amount of water used over the summer period, now that the major leaks have been repaired. Data from the summer period has been analysed and application documents are now being updated to reflect latest assessment period.

Effects are likely to occur at times of low flow and Council will need to confirm how the system is to be managed to minimise any low flow effects. Options include water restrictions and network management, storage and/or relocating the abstraction to closer to the power station (to minimise stretch of stream affected).

Financials:



Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
Strategic	Delays in meeting project objective due to s92 notification and hearing process.	2C/4 L	Moderate	Drive process and timeframe via close communications / coordination. Note, no service delivery risk as s124 rights are secured.	2C/3 L	Moderate
Financial	Significant cost of consent process via hearing and possible appeal.	3C/3 L	Moderate	Stakeholder engagement; use pre-hearing to focus issues on RMA matters.	2C/3 L	Moderate
	Significant cost imposed by consent conditions (eg for storage if no / reduced abstraction at minimum flows).	4C / 3 L	Significant	Effects based assessment that supports abstraction at low flow; network management and water conservation to minimise abstraction at low flow.	4C / 2L	Moderate
Service Delivery	Consent may have low flow restrictions on abstraction.	4C / 2L	Moderate	Network management and water conservation. Proceed application through hearing process.	3C / 2L	Moderate

Risks Traffic Light Key

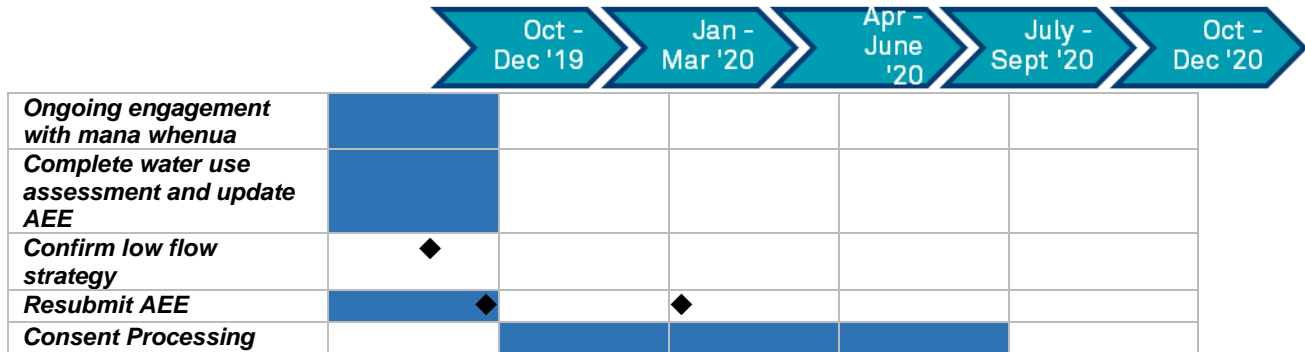
Likelihood	Consequence				
	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
4 - Very Likely	Low	Moderate	Significant	High	Extreme
3 -Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Extremely unlikely	Low	Low	Low	Low	Low

Communication and Key Stakeholders:

Council has been engaging, and will continue to engage, with Ngati Whakatere as noted above.

Consultation has been carried out with Department of Conservation. Feedback was that there were no concerns with the amount of water taken above low flows. The Department supported water conservation measures at times of low flow, improvements to water efficiency and improvements to provide fish passage.

Timeline:



Levin Stormwater Consent

Project Overview Summary

Project objective:

To obtain resource consents for stormwater discharges by December 2019.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none">• Consents are required for Council's stormwater discharges to Lake Horowhenua.• An application for consent has been lodged and is on hold while HDC works on consultation, monitoring and mitigation options.	<ul style="list-style-type: none">• Engagement with mana whenua (in progress).• Stormwater monitoring to confirm quality of discharges (in progress).• Ecological effects assessment (in progress).• Industrial site stormwater audits (in progress).• Mitigation assessment (in progress).	<ul style="list-style-type: none">• The application has been lodged with the Regional Council.• The application is on hold while consultation and further investigations are completed - originally due October 2019.• Additional time has been requested to enable further monitoring, consultation and Council briefing and confirmation of mitigation.

Overview of project:

This project is to seek resource consents for existing stormwater discharges to Lake Horowhenua from Council's stormwater network. These are existing discharges which are currently unconsented.



The discharge points are shown in the diagram above. Some discharges are direct to Lake Horowhenua and others are via Patiki and Arawhata Streams.

Council's policy is that properties are required to provide on-site stormwater management (generally through soak pits). The consent application is for Council's stormwater network only and doesn't include the on-site soakage pits on private property.

Council acknowledges that the Lake and the tributaries feeding into the Lake are significantly degraded and that improvements are required. Previously, we have had monitoring data on the quality of discharge via the Queen Street drain, but other stormwater inputs to the Lake have not been monitored. A monitoring programme is in progress to get better information about the quality of the discharges and to understand the effects of the stormwater discharges, in particular, on the Lake.

Work to date:

Modelling of the network has been undertaken to assess network capacity, flooding areas and estimated stormwater quantities.

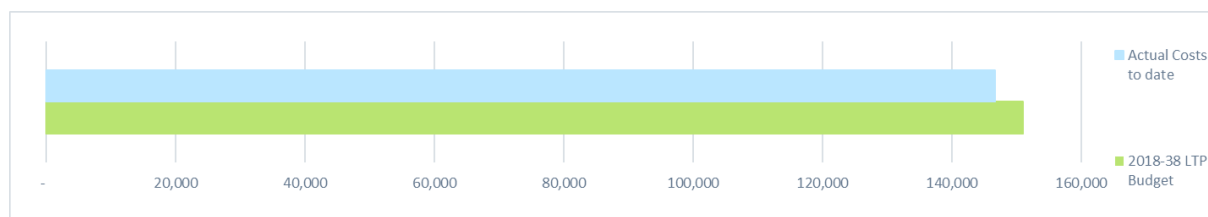
While we have some historic data on the Queen Street drain discharges, not all parameters of interest have been analysed. The other stormwater inputs in to the Lake have also not been monitored and better information is required regarding the quality of the lake discharges. The information we do have suggests that the urban stormwater is of similar or better quality than typical urban stormwater runoff, however, several parameters are still present at levels that are above the receiving water quality targets.

A monitoring programme commenced in December 2018 and will be refined as information is gathered.

An ecological effects assessment was undertaken as part of the application. The assessment identified a number of gaps in our understanding of the discharges and effects on the Lake. A monitoring and investigations programme is being implemented to address these gaps.

The Consent has been lodged. The application has gone on hold while consultation is carried out and the ecological effects assessment is completed. This work also includes consideration of mitigation measures where appropriate.

Financials:



Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
Strategic	Consent is challenged on ecological and cultural impacts.	3C/4L	Significant	Clear evidence of likely effects and remediation plans available. Consultation and engagement with mana whenua.	3C/3L	Significant

	Significant delays and costs of consent process.	3C/ 4L	Significant	Term of consent sought; engagement and consultation prior to formal notification process; legal advice and drive RMA consent process.	3C/ 3L	Significant
	Regional Council proceed with notification of application before sufficient information has been provided and consultation completed.	4C/ 3L	Significant	Reasonable request for additional time; legal or other challenge to notification decision.	4C/ 2L	Moderate
Legal	Abatement notice as discharges currently unconsented.	4C/2L	Moderate	Consent application lodged and in formal process.	3C/2L	Moderate

Risks Traffic Light Key

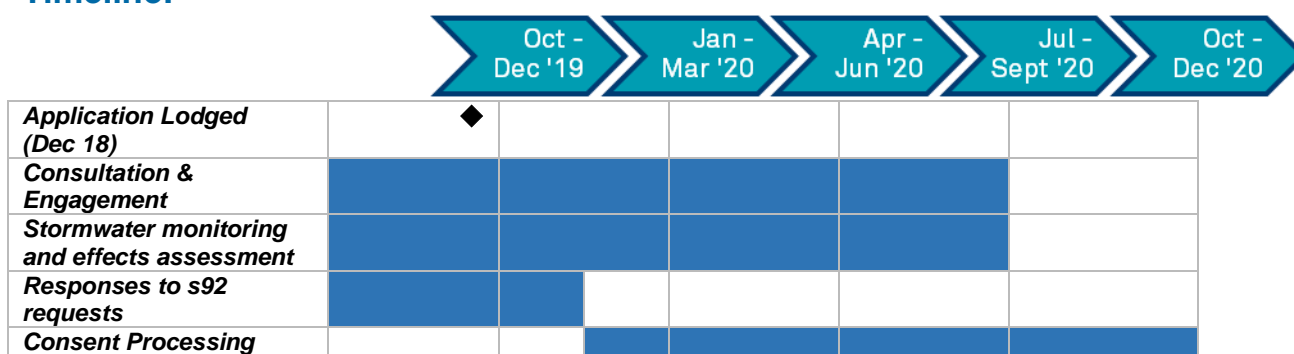
Likelihood	Consequence				
	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
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3 -Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Extremely unlikely	Low	Low	Low	Low	Low

Communication and Key Stakeholders:

Consultation is underway with Muaūpoko Tribal Authority, Muaūpoko Cooperative Society, Te Runanga o Raukawa and Lake Horowhenua Trust. Consultation with specific hapu will be as guided by the relevant iwi groups.

Consultation with the community, Hokio Trust, Horizons, the Horowhenua Lake Domain Board, Department of Conservation will also be required, and is to be carried out.

Timeline:



Tokomaru Water Supply - Overview

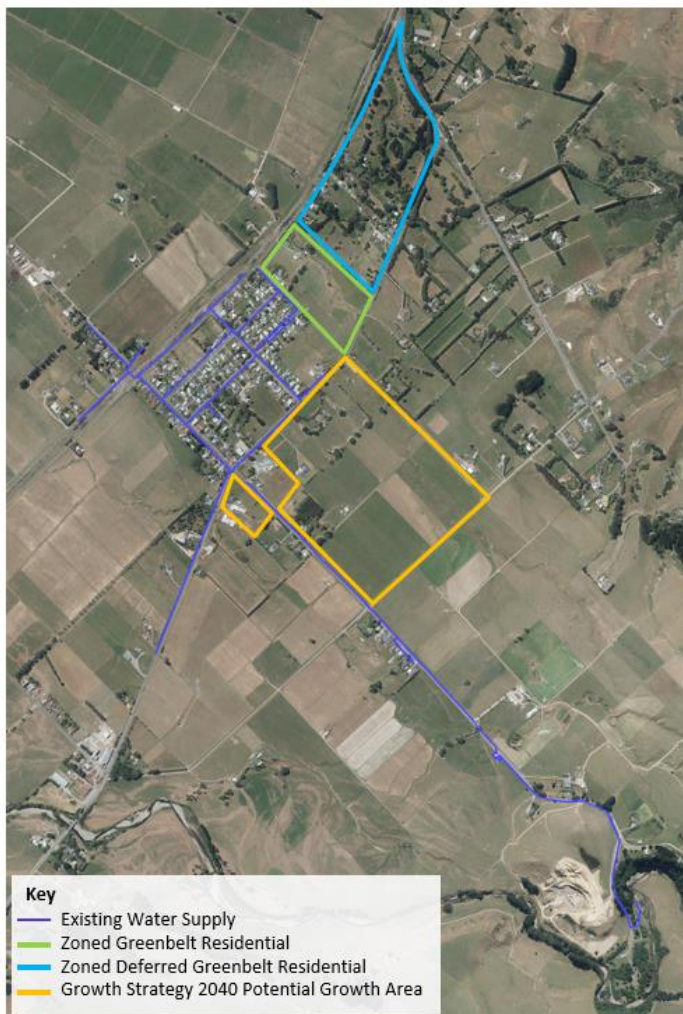
Project Overview Summary

Project objective:

Renew water take consent(s) for Tokomaru Water by 30 March 2020, within budget.

Current Status	What's Needed?	Key Dates
<ul style="list-style-type: none"> • Application has been lodged and was notified. Submissions closed October 2019. Two submissions received, both in support. • CIA by Ngati Whakatere expected end August (not yet received). • Approvals obtained from Department of Conservation, Drinking Water Assessor, TMI Rangitaane and Fish & Game. 	<ul style="list-style-type: none"> • Agree draft conditions with Regional Council and submitters. 	<ul style="list-style-type: none"> • Existing consent will continue to be active until new consent is resolved. • Waiting draft conditions from Regional Council (expected November 2019).

Overview of project:



Abstraction from Tokomaru River

Infiltration gallery below bed of the river, Horseshoe Bend. There are no structures in the flowing water.



Treatment & Storage

Membrane filtration treatment plant located on Tokomaru East Road. Approx. 500 m³ (2 days) of storage.



Community Served

Tokomaru Village & some rural residential properties. Properties outside of the village and any non-residential uses are metered.

- 222 connections of which 34 are metered

Growth is projected. There is residential and greenbelt residential land zoned to the north of the village. Council's Growth Strategy 2040 also identified potential additional growth areas.

Existing Consent

- Abstract up to 864 m³/day, at maximum rate of 36 m³/hr
- No conditions for metering of abstraction
- No conditions requiring water conservation measures

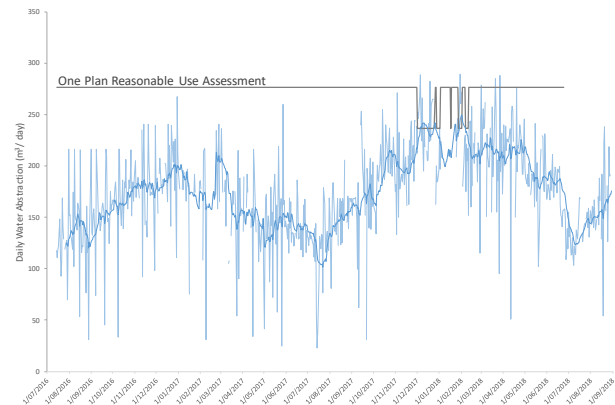
Consent sought

- Reduced consent limits to better match demand, but retain higher abstraction rate when needed to fill up storage
- Abstraction metering & telemetry
- Water conservation measures at times of low flow
- Optimise use of storage to reduce abstraction as much as possible during times of minimum flow

How much water does the community use?

This graph shows the community’s use over the last two years.

The graph shows the water abstracted compared to what would be considered “reasonable and justifiable” under the One Plan policies (grey line). Where the grey line drops down, this is when the River flow was below minimum flow and water conservation measures would be expected to be implemented under the One Plan.

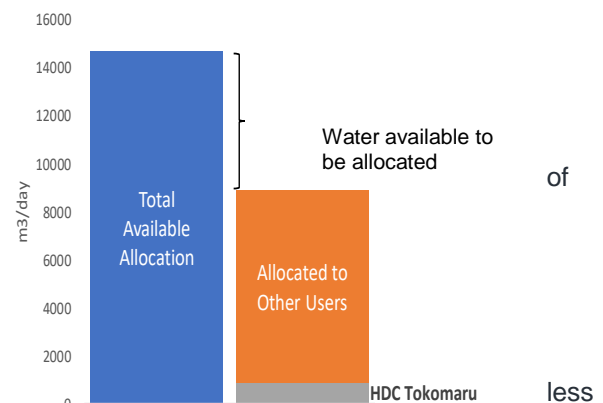


Water Allocation & Ecological Effects

Under the One Plan’s allocation regime, 61% of the cumulative core allocation for the zone is allocated.

HDC’s current allocation for Tokomaru represents 6% the cumulative core allocation.

The One Plan provides for community takes to continue (with water conservation measures in place) when the River is below minimum flow (240 L/s). An ecological assessment found that the effects of the abstraction when the River is below minimum flow are than minor.



Work to date:

Consent application has been lodged and a s92 request for further information has been responded to. Consultation has been undertaken with key stakeholders as noted below.

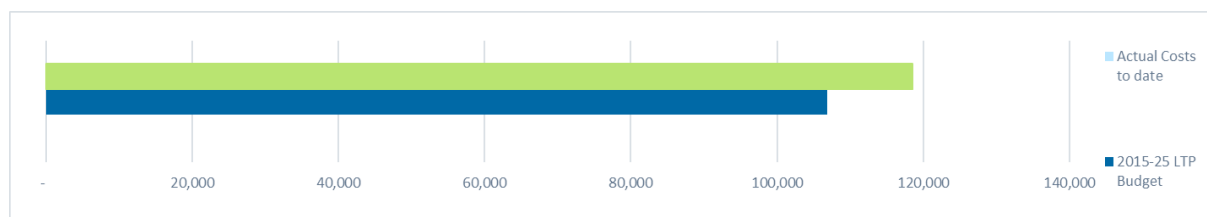
The application is currently being processed by Regional Council. The application was publicly notified by Regional Council on 6 September 2019. Submissions closed 4 October 2019.

Two submissions were received, both of which support granting of consent.

Financials:

The funding arrangements are reserve funded.

The proposed cost of the project is \$106,910 over the expected lifespan of the project.



Risk Management:

Risk Area	Risk Description	Initial (GAR)	Initial Risk Assessment without application of a control	Control applied	Residual Risk Assessment (GAR)	Residual Risk Assessment
Strategic	Potential for Quantity of Water allocated to be insufficient for growth.	4C/3L	Significant	Application proposed consent conditions to be structured to allow for further approval at time of growth in the community. Ensuring water sensitive design.	3C/3L	Significant
Financial	Notification leading to hearing and appeal costs.	4C/4L	High	Continue with consultation and engagement with key stakeholders during submission period. Proceed quickly to pre-hearing to focus on RMA issues. Submissions closed with two in support.	4C/1L	Low
Service Delivery	Consent decision may include significant constraints on take at minimum flow.	4C/4L	High	Interrupted service delivery and extended water restrictions. Significant cost associated with storage to mitigate.	4C/3L	Significant

Risks Traffic Light Key

Likelihood	Consequence				
	1 - Very minor	2 - Minor	3 - Moderate	4 - Major	5 - Catastrophic
5 - Almost certain	Low	Moderate	Significant	Extreme	Extreme
4 - Very Likely	Low	Moderate	Significant	High	Extreme
3 -Likely	Low	Moderate	Significant	Significant	Extreme
2 - Unlikely	Low	Low	Moderate	Moderate	Moderate
1 - Extremely unlikely	Low	Low	Low	Low	Low

Communication and Key Stakeholders:

Engagement is ongoing with Ngati Whakatere and a Cultural Impact Assessment has been commissioned. This was expected to be completed end of August, but has not yet been received.

TMI Rangitaane have been consulted and have provided a letter of support.

Written approval has been obtained from Department of Conservation, Fish and Game Council and a letter of support has been received from the District Health Board.

Submissions received were in support of grant of consent.

Timeline:



Three Month Report 1 July - 30 September 2019

File No.: 19/492

1. Purpose

To present to the Finance, Audit & Risk (FAR) Committee the financial report for the three months ending 30 September 2019.

2. Recommendation

- 2.1 That Report 19/492 Three Month Report 1 July - 30 September 2019 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. Issues for Consideration

As included in the **attached** report.

Attachments

No.	Title	Page
A	3 Month Financial report - 30 September 2019	36

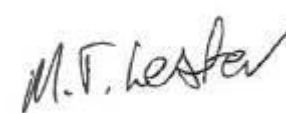
Confirmation of statutory compliance

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 Chief Financial Officer	
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Approved by	Mark Lester Group Manager - Corporate Services	
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Horowhenua 
DISTRICT COUNCIL

Three Month Report

1 July 2019 - 30 September 2019



Executive Summary

A. Trends and Activity of Interest

1. Resource Consenting

- 95 consents have been lodged as at 30 September 2019 compared to 68 at the same time last year.
- 43 subdivision consents approved as at 30 September 2019, compared to 26 at the same time last year.
- As at 30 September 2019 a total of 17 new allotments have been created as a result of s223 (approval of title plan) & 0 new allotments have been created as a result of s224 (completion of physical works) certificates being issued for subdivisions.

2. Building Consents

- Value of consents issued as at 30 September 2019 is \$30,655,640 compared to \$28,351,523 for the same period last year
- 199 consents issued as at 30 September 2019, compared to 201 for the same period last year.
- 51 new dwelling consents at 30 September 2019 against 65 for the same period in the 2018/19 year.
- 205 building consents were lodged as at 30 September 2019 compared to 184 for the same period in the 2018/19 year.
- Consents have been issued for 65 New Residential Dwelling Units as at 30 September 2019.

YTD the level of Resource Consenting activity is higher level of activity than was experienced over a similar period in 2018/19.

The number of Building Consents lodged YTD is similar to the same period in 2018/19.

B. Financial Performance – Operational Expenditure

Council shows a \$1.57m deficit against a budgeted deficit of \$1.63m. It is 25% through the year and Council has spent 25.79% of the full year's budgeted expenditure and received 24.14% of the full year's budgeted income.

C. Financial Performance – Financial Position

Council has borrowed a net \$14m in the first half of the financial year. \$9m prefunding loans maturing this financial year and \$5m short-term in July to fund immediate expenditure needs in that month.

Doug Law
Chief Financial Officer

12 November 2019

Operational Summary

Total revenue	Total expenditure	Total surplus/(deficit)
\$13.50m is 2% more than the total budget of \$13.21m	\$15.07m is 2% more than the total budget of \$14.84m	(\$1.57m) is -4% more than the total budget of -1.63m
S U S T A I N A B I L I T Y		

Balance budget ratio **94%**

Operating revenue	\$13.50m
Operating expenditure	\$14.33m

Operating revenue should be equal or more than operating expenditure. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives. Operating expenditure includes depreciation and excludes loss on derivatives, landfill liability and loss on asset revaluations. Year to date revenue is 94% of operating expenditure.

Net Debt to total projected revenue **157%**

Total net borrowing	\$87.75m
Total operating revenue for year	\$55.93m

With net borrowing of \$87.75m we are still under the set limit of 195% of operating revenue. Total net borrowing is external borrowing less cash at bank.

Interest to rates revenue (LGFA Cov.) **6%**

Net Interest	\$0.60m
Rates revenue	\$9.87m

6% of rates revenue is paid in interest. Our set limit is 25% of rates revenue. Net interest is interest paid less interest received. Rates revenue excludes penalties, water supply by meter and gross of remissions.

Interest to operating revenue (LGFA Cov.) **4%**

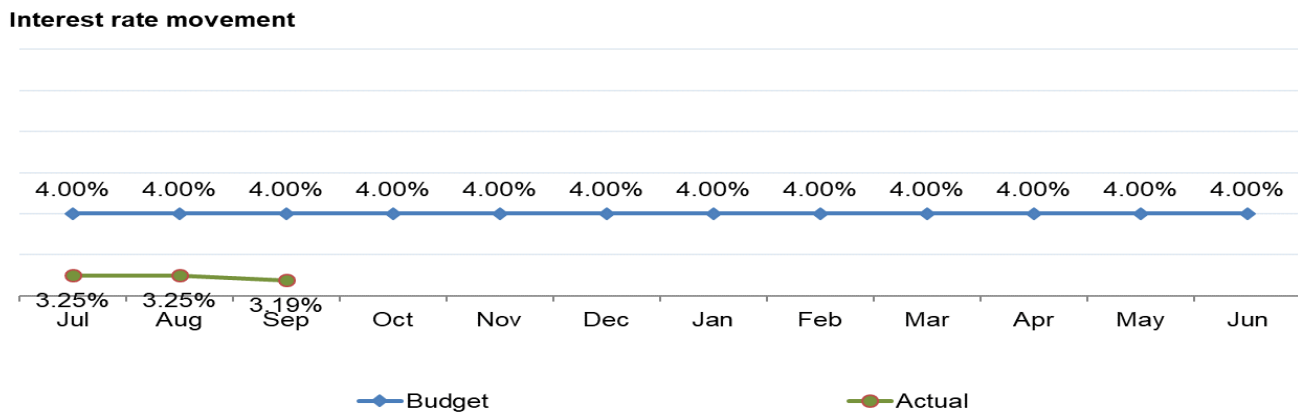
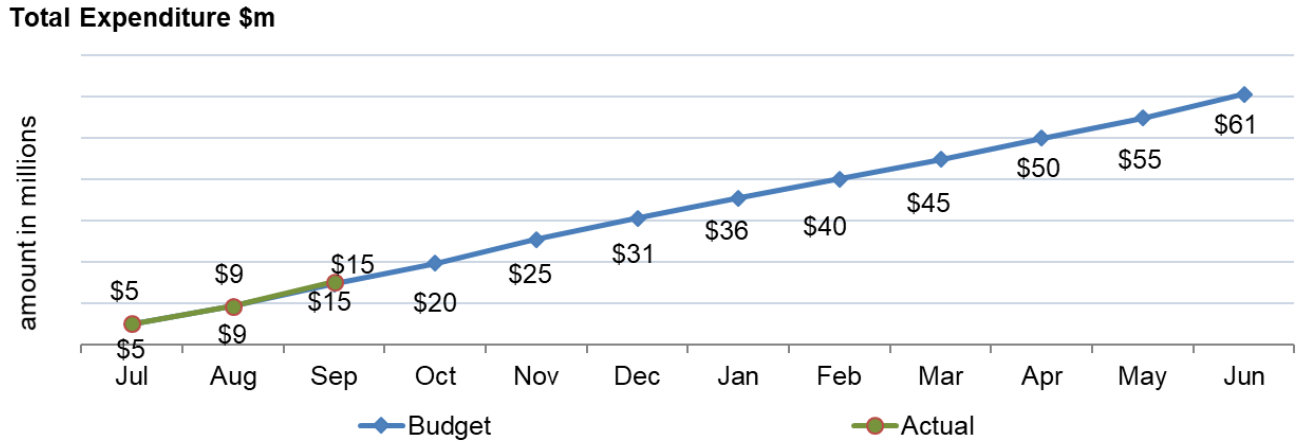
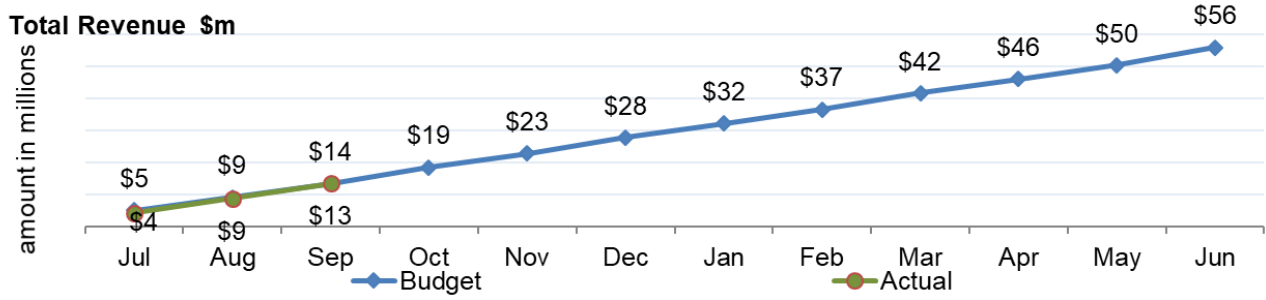
Net Interest	\$0.60m
Operating revenue	\$13.50m

4% of operating revenue is paid in interest. Our set limit is 20% of operating revenue. Net interest is interest paid less interest received.

Available financial accommodation to external indebtedness (LGFA Cov.) **111%**

Net debt	\$87.75m
Undrawn committed facilities	\$10.00m

The committed bank facility enables us to borrow up to 111% of our current external debt immediately. The LGFA covenant minimum is 110%.



Statement of Comprehensive Revenue and Expense by Activity

As at 30 September 2019									
25.0%	A	C	D	E	F	G	H	I	J
REVENUE	Annual Plan 2019/2020 \$000	Year to date (YTD)		C/A % Actual to Budget		D-C YTD Variance \$000	G/D % Var/Bud	% of Total Bud	Notes to Accounts
		This Year \$000	Budget \$000						
Significant Activities									
Regulatory Services	(4,657)	(1,519)	(1,514)	32.6%	☺	5	0.3%	0.0%	
Community Facilities and Ser	(13,557)	(3,251)	(3,320)	24.0%	☹	(69)	-2.1%	-0.3%	
Road Transport	(10,638)	(1,773)	(1,753)	16.7%	☺	20	1.1%	0.1%	
Water Supply	(6,971)	(1,785)	(1,741)	25.6%	☺	44	2.5%	0.2%	
Wastewater Disposal	(8,548)	(2,103)	(2,121)	24.6%	☹	(18)	-0.8%	-0.1%	
Solid Waste	(2,330)	(536)	(576)	23.0%	☹	(40)	-6.9%	-0.2%	
Stormwater	(1,324)	(314)	(314)	23.7%	☺	0			
Treasury	(3,412)	(654)	(582)	19.2%	☺	72	12.4%	0.4%	
Property	(1,495)	(645)	(385)	43.1%	☺	260	67.5%	1.3%	1
Community Support	(3,106)	(766)	(757)	24.7%	☺	9	1.2%	0.0%	
Representation & Com. Leade	(3,958)	(940)	(951)	23.7%	☹	(11)	-1.2%	-0.1%	
Total Activity Revenue	(59,996)	(14,286)	(14,014)	23.8%	☺	272	1.9%	1.4%	
Business Units	(23,030)	(5,351)	(5,879)	23.2%	☹	(528)	-9.0%	-2.7%	
Total Operating Revenue	(83,026)	(19,637)	(19,893)	23.7%	☹	(256)	-1.3%	-0.3%	
25.0%	A	C	D	E	F	G	H	I	J
EXPENDITURE	Annual Plan 2019/2020 \$000	Year to date		C/A % Actual to Budget		D-C YTD Variance \$000	G/D % Var/Bud	% of Total Bud	Notes to Accounts
		This Year \$000	Budget \$000						
Significant Activities									
Regulatory Services	4,657	1,250	1,194	26.8%	☹	(56)	-4.7%	-0.3%	
Community Facilities and Ser	13,473	3,109	3,340	23.1%	☺	231	6.9%	1.1%	
Road Transport	13,171	2,415	2,651	18.3%	☺	236	8.9%	1.1%	
Water Supply	6,910	1,694	1,740	24.5%	☺	46	2.6%	0.2%	
Wastewater Disposal	7,422	2,049	1,858	27.6%	☹	(191)	-10.3%	-0.9%	2
Solid Waste	3,938	897	1,173	22.8%	☺	276	23.5%	1.3%	3
Stormwater	1,519	465	385	30.6%	☹	(80)	-20.8%	-0.4%	
Treasury	4,476	1,432	655	32.0%	☹	(777)	-118.6%	-3.6%	4
Property	1,548	385	512	24.9%	☺	127	24.8%	0.6%	5
Community Support	3,106	740	724	23.8%	☹	(16)	-2.2%	-0.1%	
Representation & Com. Leade	5,495	1,401	1,401	25.5%	☺	0			
Total Activity Expenditure	65,715	15,837	15,633	24.1%	☹	(204)	-1.3%	-0.9%	
Business Units	23,193	5,366	5,892	23.1%	☺	526	8.9%	2.4%	
Total Operating Expenditure	88,908	21,203	21,525	23.8%	☺	322	1.5%	1.5%	
Operating (Surplus)/Deficit	5,882	1,566	1,632		☺	66	-4.0%	0.31%	

Note 1

Property activity – favourable variance \$260k

- Gain on sale of assets \$208k; unbudgeted will continue for the year
- Increase rentals \$44k due to delays in Planned disposals.

Note 2

Wastewater disposal – Unfavourable variance \$191k;

- Due primarily to maintenance costs over YTD on the Alliance contract \$210K

Note 3. Solid Waste – Favourable variance \$276k

The contract expenditure budget is overstated for the year based on the recasting of the budget for the next (2020/21) Annual Plan so the trend of under expenditure is likely to continue for the year.

- Contract expenditure - \$248k
- Consultants' costs on strategy etc. \$ 55k
- Consent fees related to the landfill over -\$ 18k

Note 4. Treasury – Unfavourable variance \$777k

- \$742k unbudgeted unrealised loss on Derivative Financial Instruments (swap contracts). This will increase if the underlying interest rates go even lower but will reduce if interest rates increase. As a non cash recognition of future costs this was not reflected in rates, nor will it in future as the actual costs are factored into each year interest costs.
- Recognition of the imputation credits (tax paid) \$36k on the Civic financial services special dividend.
-

Note 5. Property Activity expenditure - Favourable Variance \$127k

- Due to the budgeted rates expense for Foxton Beach endowment properties in the Forbes Road subdivision being based on the previous year's figure, therefore not taking into account the sales of the sections during the year - \$118k.
- A similar issue occurred for general property - \$19k.

Statement of Rates Debtors

Rate Zone	Assessment Count	Assessments With Arrears	% With Arrears	Total Rates Due (Ahead)	Year to Date Rates Due (Ahead)	Instalment 1 Due (Ahead)	Penalties Arrears	Prior Year Arrears
Cancelled Assessment	418		0%					
Foxton	1,274	201	16%	\$252,713	\$90,996	\$76,921	\$14,055	\$161,717
Foxton Beach	1,597	195	12%	\$175,457	\$96,260	\$81,761	\$14,522	\$79,197
Hokio Beach	199	41	21%	\$528,746	\$9,978	\$8,765	\$1,208	\$518,768
Levin	7,461	856	11%	\$628,662	\$377,579	\$331,208	\$44,296	\$251,083
Manakau	86	7	8%	\$3,131	\$3,009	\$2,701	\$308	\$121
No Charges	517		0%					
Non Rateable	127	6	5%	\$7,162	\$2,174	\$1,538	\$641	\$4,987
Ohau	150	15	10%	\$16,580	\$7,942	\$6,540	\$1,408	\$8,638
Rural	2,221	160	7%	\$395,428	\$69,004	\$56,037	\$13,882	\$326,423
Rural Lifestyle	2,720	286	11%	\$238,070	\$118,274	\$102,302	\$15,958	\$119,796
Shannon	676	128	19%	\$228,640	\$63,051	\$44,604	\$18,947	\$165,589
Tokomaru	165	26	16%	\$17,457	\$12,267	\$10,745	\$1,520	\$5,190
Utilities	17	2	12%	\$370	\$370	\$351	\$17	\$0
Waikawa Beach	231	16	7%	\$12,755	\$7,974	\$6,841	\$1,134	\$4,781
Waitarere Beach	979	91	9%	\$63,153	\$38,636	\$34,383	\$4,252	\$24,517
As at 30 September 2019 Totals	18,838	2,030	11%	\$2,568,322	\$897,514	\$764,698	\$132,147	\$1,670,808
As at 30 September 2018 Totals	17,789	1,716	10%	\$2,514,368	\$785,201	\$664,336	\$121,864	\$1,729,167

- This report excludes assessments with total arrears under \$99 and assessment with credit balances.
- The total arrears of \$2,568,322 are for total arrears over \$99 as at 30 September 2019. Assessments with total arrears under \$99 total \$74,055.

Statement of Sundry Debtors

Category	Total Outstanding	Current Outstanding	31 - 60 days Outstanding	61 - 90 days Outstanding	Over 90 days Outstanding	Notes
Current debtors						
Aquatic Centre	6,501	6,048	138	0	315	
Building - Exempt Work	3,110	850	1,660	0	600	
Building Consents	123,617	70,041	35,671	0	17,905	1
Building Fee - BWOF	2,030	560	400	320	750	
Cemeteries	20,033	15,125	4,673	0	235	
Dogs - Debt Collection	943	0	0	0	943	
Dogs Arrange to pay	2,342	2,324	18	0	0	
Dogs Pre Payments	143	143	0	0	0	
Fines	1,811	0	0	0	1,811	
General	204,690	203,343	53	0	1,295	
Health Accreditation Renewals	11,532	3,225	900	3,710	3,697	2
Hire	12,397	3,489	5,412	0	3,497	
Liquor - Renewals incl Annual	633	0	0	633	0	
On Charges	59,406	47,901	11,505	0	0	3
Resource Consent Fees	35,096	13,842	9,306	0	11,948	4
Rubbish Bags	63,460	15,960	5,700	0	41,800	
Staff Account	2,908	829	281	0	1,799	
Swimming Pools	1,375	0	775	0	600	
Te Awahou	3,990	3,296	134	81	480	
Te Takere	6,812	3,619	2,651	230	311	
Trade Waste	486,254	0	46	241,468	244,740	
Waste Transfer Station	327	0	0	0	327	
Water Septage - Septic Tank	1,268	1,268	0	0	0	
Total current debtors	1,050,676	391,862	79,322	246,441	333,050	
Non current debtors						
Dev Cont New Policy	19,991	0	0	0	19,991	5
Develop Cont Old Policy	9,748	0	0	0	9,748	5
Rental Income Monthly	44,445	20,663	1,372	1,074	21,335	
Total non-current	74,184	20,663	1,372	1,074	51,075	
Total as at 30 September 2019	1,124,860	412,525	80,694	247,515	384,125	
Total as at 30 September 2018	626,352	314,289	48,507	10,476	253,080	

Notes and Comments

1. 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.
2. In this category there are charges for grazing leases, new connections, CAR access way and HR charges. This also includes the Alliance Contract recharge which has increased current period debtors.
3. In the On Charges category, the majority of the 90+ Days debtors have been provided for as Doubtful Debts.
4. Amongst the 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.
5. These Development Contribution debtors are being actively pursued. The batch of debt letters sent 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.

Statement of Loans by Parcel

Loan parcels	Maturity Date	Interest Rate	Opening balance	Raised	Repaid	Closing balance
Due within a year						
LGFA CP	19 Sep 19	1.6800%	11,000,000		11,000,000	0
LGFA CP	19 Sep 19	1.6100%		5,000,000	5,000,000	0
LGFA CP	19 Dec 19	1.2500%		16,000,000		16,000,000
LGFA Bond	15 Apr 20	2.6324%	5,000,000			5,000,000
LGFA FRN	15 Apr 20	1.9200%	4,000,000	0		4,000,000
Total due within a year			20,000,000	21,000,000	16,000,000	25,000,000
Due within 2 - 5 years						
LGFA FRN	17 May 21	2.0475%	4,000,000			4,000,000
LGFA Bond	17 May 21	4.5650%	5,000,000			5,000,000
LGFA Bond	17 May 21	5.9852%	5,000,000			5,000,000
LGFA Bond	17 May 21	5.8516%	5,000,000			5,000,000
LGFA FRN	14 Apr 22	2.0800%	9,000,000			9,000,000
LGFA FRN	18 May 22	1.6250%	3,000,000			3,000,000
LGFA Bond	15 Apr 23	5.1336%	4,000,000			4,000,000
LGFA FRN	15 Apr 23	2.1550%	6,000,000			6,000,000
LGFA Bond	15 Apr 23	1.4800%	0	4,000,000		4,000,000
LGFA Bond	15 Mar 24	3.7200%	4,000,000			4,000,000
LGFA Bond	15 Mar 24	3.7600%	4,000,000			4,000,000
LGFA Bond	15 Apr 24	2.5200%	3,000,000			3,000,000
LGFA Bond	15 Apr 25	4.2046%	3,000,000			3,000,000
LGFA FRN	19 May 25	1.6900%	7,000,000			7,000,000
Total due within 2 - 5 years			62,000,000	4,000,000	0	66,000,000
Due after 5 years						
LGFA Bond	20 Mar 26	3.3800%	9,000,000			9,000,000
LGFA Bond	15 Jul 26	3.3700%	5,000,000			5,000,000
LGFA FRN	15 Apr 27	1.9240%		5,000,000		5,000,000
Total due after 5 years			14,000,000	5,000,000	0	19,000,000
Total			96,000,000	30,000,000	16,000,000	110,000,000

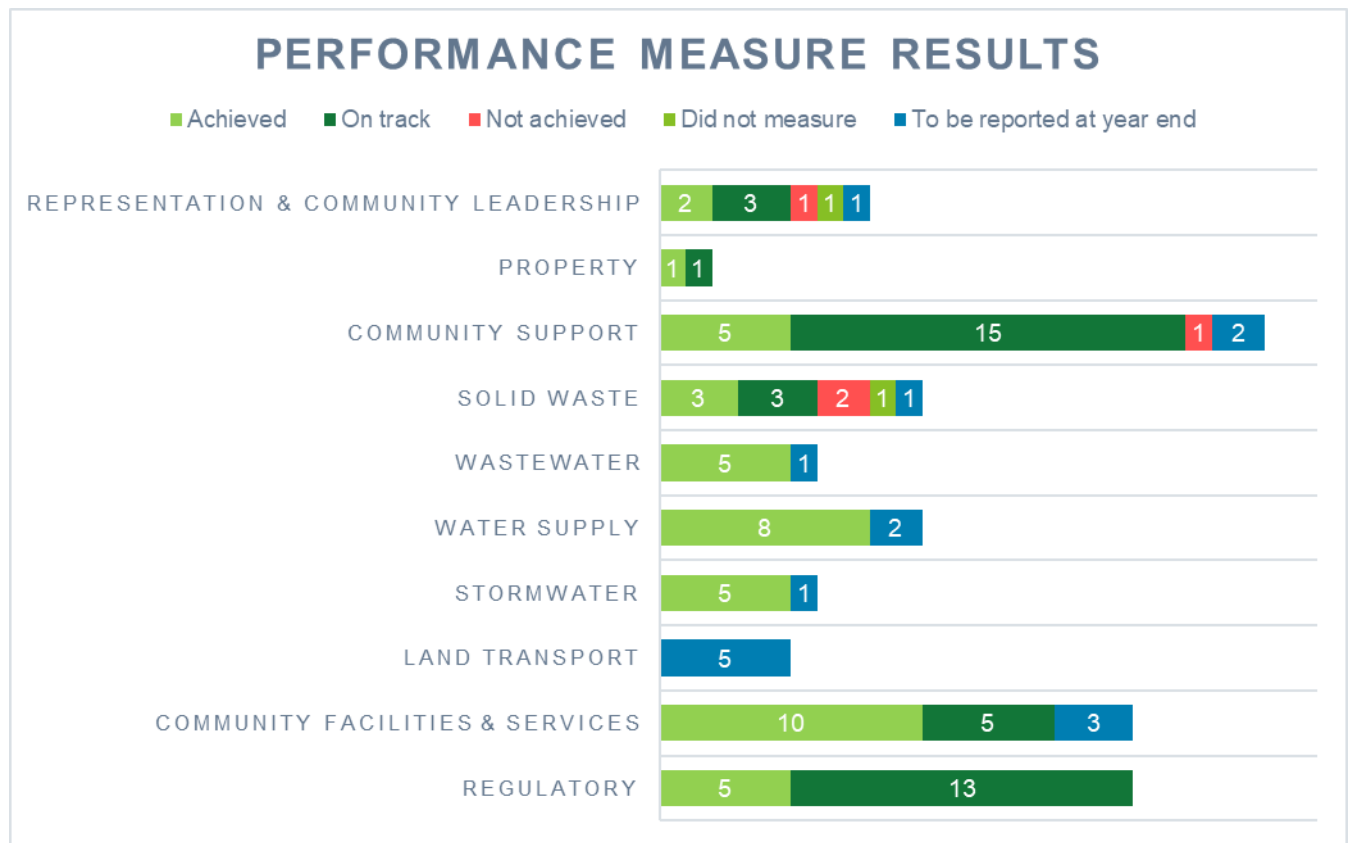
Notes and Comments

Our weighted average interest rate has decreased to 3.19% at 30 September 2019. This is a predicted saving of \$891K in interest payable compared to the Long Term Plan interest rate assumption of 4.00% for 2019/20.

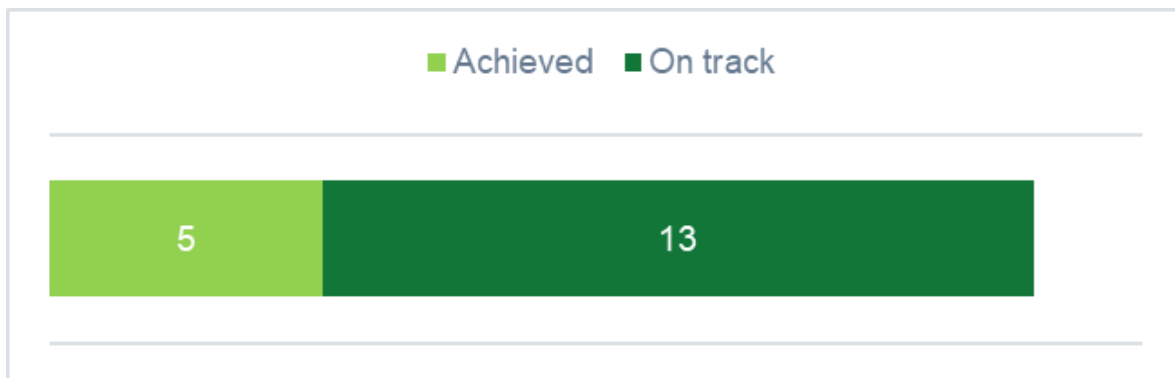
Statement of Loans and Interest by Activity

Activity	External Loans as at 30/6/2019 \$000	Internal Loans as at 30/6/2019 \$000	Total Loans as at 30/6/2019 \$000	Interest Allocated YTD \$000
Land Transport	1,600	84	1,684	15
Shared Pathways	700	9	709	7
Stormwater	7,400	66	7,466	69
Water supply				
Water Levin	11,200	87	11,287	103
Water Shannon	1,200	43	1,243	11
Water Foxton	1,200	70	1,270	12
Water Foxton Beach	300	24	324	3
Water Tokomaru	300	92	392	4
Total for water supply	14,200	316	14,516	133
Wastewater Disposal				
Wastewater Levin	9,400	38	9,438	87
Wastewater Shannon	8,000	86	8,086	74
Wastewater Foxton	4,800	1	4,801	44
Wastewater Foxton Beach	0	159	159	1
Wastewater Tokomaru	800	19	819	8
Wastewater Waitarere	200	13	213	2
Total for wastewater disposal	23,200	316	23,516	216
Solid Waste				
Landfill	4,600	16	4,616	42
Recycling	700	68	768	7
Total Solid Waste	5,300	84	5,384	49
Community Facilities & Services				
Pools	4,400	38	4,438	41
Reserves	2,000	3	2,003	18
Sports grounds	1,300	47	1,347	12
Cemeteries	500	63	563	5
Beautification	0	48	48	0
Libraries/ Community Centres	10,600	66	10,666	98
Halls	200	37	237	2
Toilets	400	71	471	4
Total for Community Facilities & Services	19,400	373	19,773	180
Properties				
Commercial properties	1,000	23	1,023	9
General properties	2,900	82	2,982	27
Council building	5,500	41	5,541	51
Total for Properties	9,400	146	9,546	87
Other activities				
Information Technology	1,600	24	1,624	15
District/strategic planning	2,700	90	2,790	25
Animal control	0	26	26	0
Treasury	10,500	0	10,500	84
Total for other	14,800	140	14,940	124
Total Gross Debt	96,000	1,534	97,534	880
Less Cash and Cash equivalents	8,481			
Net Debt	87,519			

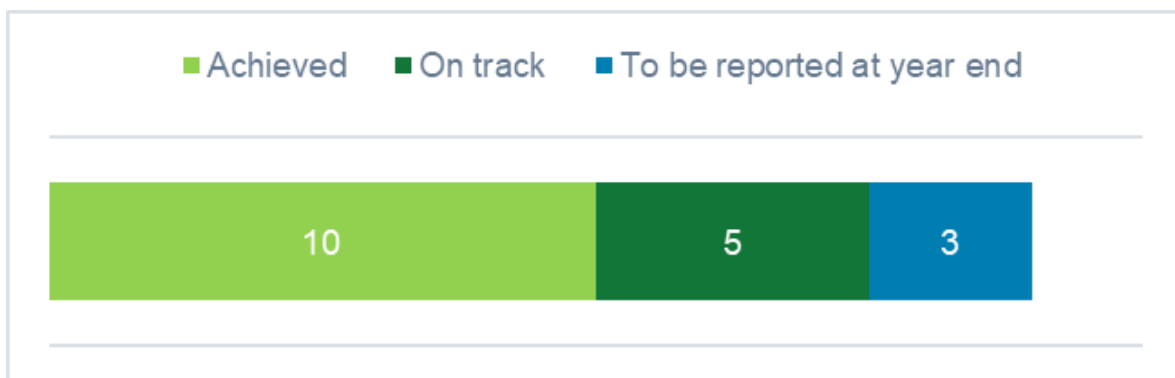
Performance Measure Results



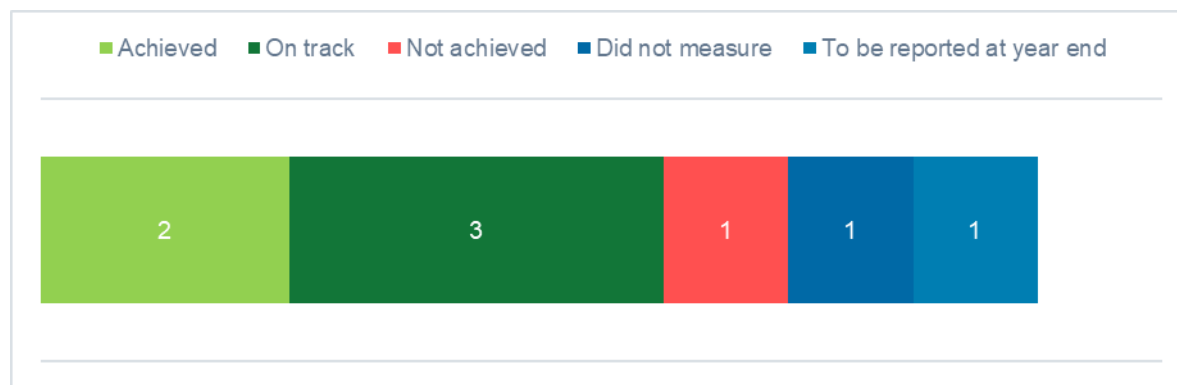
PLANNING AND REGULATORY Performance Measures – LTP/Annual Plan Summary



COMMUNITY FACILITIES AND SERVICES Performance Measures – LTP/Annual Plan Summary



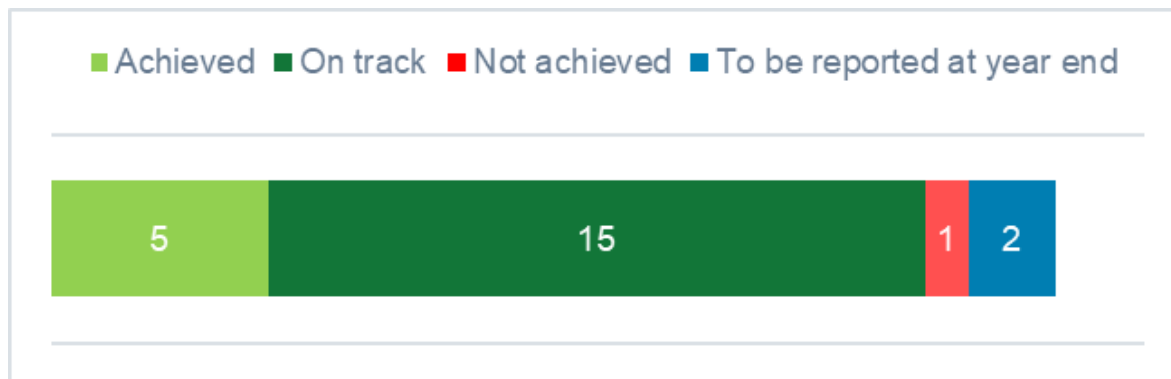
REPRESENTATION AND COMMUNITY LEADERSHIP Performance Measures – LTP/Annual Plan Summary



REPRESENTATION AND COMMUNITY LEADERSHIP– Performance Measures Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref
RCL2	Council provides open, accessible processes to local government.	LGOIMA requests responded to within 20 working days.	Achieve	Not Achieved As at 30 September 2019, 67 LGOIMA requests were received. Fifty (50) were sent on time, 8 were sent late, 9 remain open (current)	

COMMUNITY SUPPORT Performance Measures – LTP/Annual Plan Summary



COMMUNITY SUPPORT – Performance Measures – LTP/Annual Plan (Emergency Management) – Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref
CS2	Council maintains a functional EOC and trained staff.	Civil defence and emergency management assessment of readiness and capability.	100% of Council staff with EOC roles	Not Achieved As at 30 September 2019, due to cyclic training schedules and new staff appointments.	

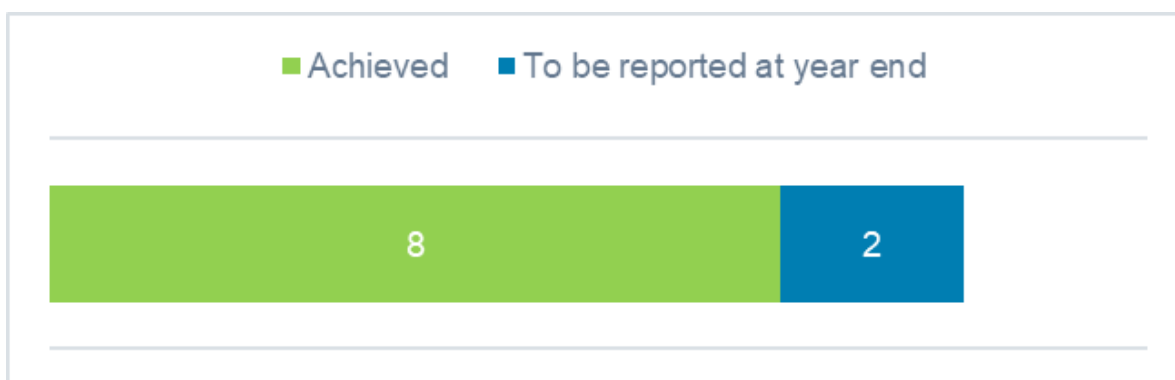
LAND TRANSPORT Performance Measures – LTP/Annual Plan Summary



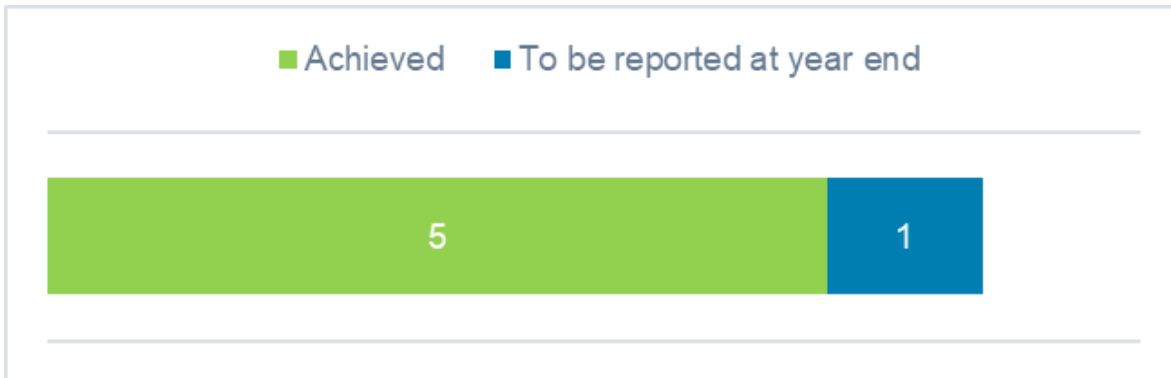
STORMWATER Performance Measures – LTP/Annual Plan Summary



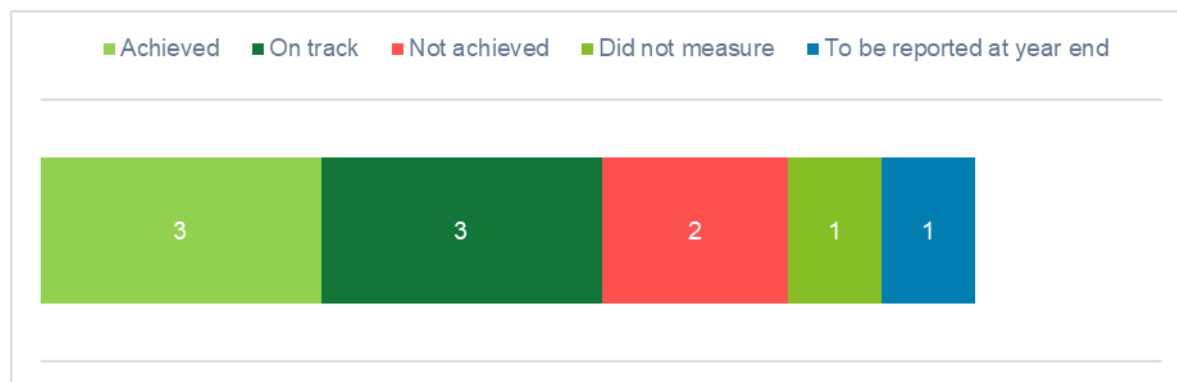
WATER SUPPLY Performance Measures – LTP/Annual Plan Summary



WASTEWATER MANAGEMENT Performance Measures – LTP/Annual Plan Summary



SOLID WASTE MANAGEMENT Performance Measures – LTP/Annual Plan Summary



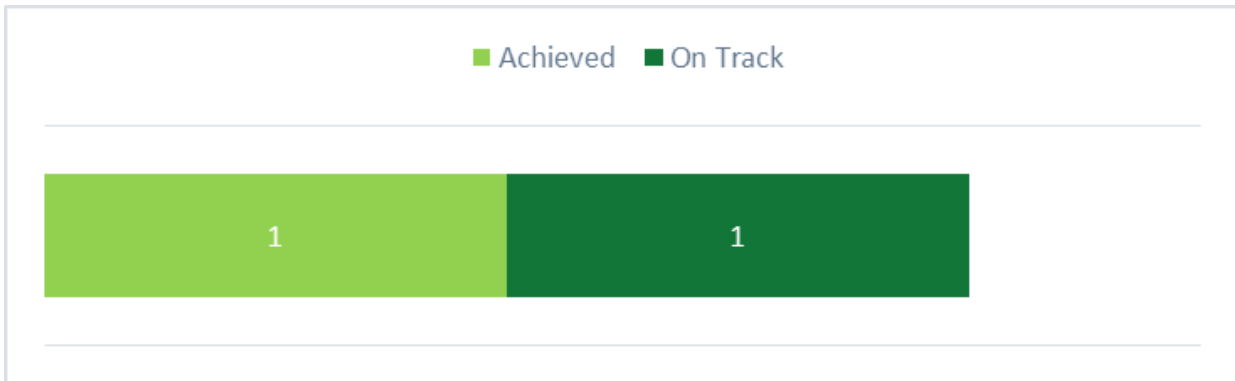
SOLID WASTE – Performance Measures – LTP/Annual Plan Not Achieved Measures Only

Ref	Service	How will we measure our performance	Target (2019/20)	Actual Performance	RM8 Ref						
SW4	Response to service requests regarding Council's Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days	<p>Not Achieved</p> <p>As at 30 September 2019:</p> <table border="1"> <thead> <tr> <th>For the Month</th> <th>Year to Date</th> <th>Still Open</th> </tr> </thead> <tbody> <tr> <td>78/156</td> <td>318/1201</td> <td>17/1201</td> </tr> </tbody> </table> <p>Requests for new recycling wheelie bins or 80 L wheelie bin replacements can take up to a week to be completed due to the availability of the contractor.</p>	For the Month	Year to Date	Still Open	78/156	318/1201	17/1201	
For the Month	Year to Date	Still Open									
78/156	318/1201	17/1201									

SW5	Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per-month about non collection of: Kerbside recycling Kerbside refuse	< 6 per month < 6 per month	Not Achieved		
				As at 30 September 2019:		
					For the Month	Year to Date
				Kerbside recycling	23	123
				Kerbside refuse	5	20

PROPERTY

Performance Measures – LTP/Annual Plan Summary



APPENDIX

Asset maintenance contract	General contract works, repairs, planned and unplanned maintenance, materials and consumables, cleaning and hygiene, inspections and reporting.
Finance cost	Interest on borrowings and interest on swaps.
Gains	Fair value revaluation gain and gain on sale.
General grants	Grants given to various organisations and individuals like Creative NZ, neighbourhood support, beach wardens, community development and youth scholarships.
Grants and subsidies	Grants and subsidies received from government and other organisations for roading, library, community hubs, cemeteries and aquatic centres.
Infringements and fines	Parking tickets, Prosecutions on WOFs and unregistered vehicles.
Employee benefits	Salaries and wages, training costs, FBT and ACC levies, superannuation, and staff recognition.
Other expenses	Printing, publication, postage, stationery, advertising, food and catering, photocopying, internet and communication and any other office expenses.
Professional services	Consultants, contractors, membership fees, legal fees, lab services, audit fees or any other professional services charges.
Regulatory revenue	Planning fees, building fees, animal fees, liquor fees and health fees.
Rendering of services	Commissions, car income, and any other income received for rendering services.
Rental income	Rent from Halls, residential and commercial properties, grazing land, reserves and other lease income.
Targeted rates	Rates for roading, waste management, representation and governance, stormwater, wastewater, water by meter and water supply.
User charges	Revenue received from admission, shop sale, Cemetery fees, trade waste, utility connection, events and exhibitions.
Utilities	Water use, electricity and gas charges

Four Month Report 1 July - 31 October 2019

File No.: 19/420

1. Purpose

To present to the Finance, Audit & Risk (FAR) Committee the financial report for the four months ended 31 October 2019.

2. Recommendation

- 2.1 That Report 19/420 Four Month Report 1 July - 31 October 2019 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. Issues for Consideration

As included in the **attached** report.

It is understood that the FAR Committee would like to see a renewed reporting focus for the new triennium with a focus on Financials every quarter, a one page or similar financial report and an increased focus on project reporting and risk on a monthly basis. The traditional monthly financial report has been developed for the four months ended October 2019 and officers will work with the Independent and Deputy Chairpersons to determine what a summary monthly financial report might look like going forward.

Attachments


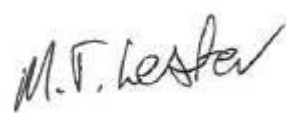
No.	Title	Page
A	Four Month Financial Report - October 2019	58

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 Chief Financial Officer	
Approved by	Mark Lester Group Manager - Corporate Services	

Horowhenua
DISTRICT COUNCIL

Four Month Report

1 July 2019 - 31 October 2019



Executive Summary

A. Trends and Activity of Interest

1. Resource Consenting

- 125 consents have been lodged as at 31 October 2019 compared to 88 at the same time last year.
- 57 subdivision consents approved as at 31 October 2019, compared to 39 at the same time last year.
- As at 31 October 2019 a total of 20 new allotments have been created as a result of s223 (approval of title plan). No new allotments have been created as a result of s224 (completion of physical works) certificates being issued for subdivisions.

2. Building Consents

- Value of consents issued as at 31 October 2019 is \$47,053,522 compared to \$42,341,108 for the same period last year
- 270 consents issued as at 31 October 2019, compared to 265 for the same period last year.
- 75 new dwelling consents at 31 October 2019 against 94 for the same period in the 2018/19 year.
- Consents have been issued for 97 New Residential Dwelling Units as at 31 October 2019.

YTD the level of Resource Consenting activity is significantly higher level of activity that was experienced over a similar period in 2018/19.

The number of Building Consents lodged YTD is similar to the same period in 2018/19, although there have been less consents for new dwellings issued YTD compared to the same period last year.

B. Financial Performance – Operational Expenditure

Council shows a \$1.897m deficit against a budgeted deficit of \$2.355m. It is 33% through the year and Council has spent 34.21% of the full year's budgeted expenditure and received 32.34% of the full year's budgeted income. Refer to commentary below for the major variances against year-to-date (YTD) budget.

C. Financial Performance – Financial Position

Council has borrowed a net \$14m in the first quarter of the financial year. \$9m of this was prefunding the \$9m of loans due for repayment this year. This \$9m has been invested at a higher interest rate than the borrowing interest rate so increases Council's interest revenue while taking advantage of historically low borrowing interest rates (\$5m FRN maturing 2027 at 1.8%, \$4m bond maturing 2023 at 1.48%). Refer to the Treasury report for more commentary on this. A further \$5m short-term loan (CP) now maturing December at 1.25% was borrowed in July to fund expenditure early in the year.

Doug Law
Chief Financial Officer

15 November 2019

Operational Summary

Total revenue	Total expenditure	Total surplus/(deficit)
\$18.09m is 3% more than the total budget of \$17.54m	\$19.98m is 0% more than the total budget of \$19.90m	(\$1.89m) is -20% more than the total budget of -2.36m
S U S T A I N A B I L I T Y		

Balance budget ratio **93%**

Operating revenue	\$18.09m
Operating expenditure	\$19.52m

Operating revenue should be equal or more than operating expenditure. Operating revenue excludes vested assets, development contributions, asset revaluation gains and gains on derivatives. Operating expenditure includes depreciation and excludes loss on derivatives, landfill liability and loss on asset revaluations. Year to date revenue is 93% of operating expenditure.

Net Debt to total projected revenue (LGFA Cov.) **152%**

Total net borrowing	\$85.21m
Total operating revenue	\$55.93m

With net borrowing of \$85.21m we are still under the set limit of 195% of operating revenue. Total net borrowing is external borrowing less cash at bank.

Interest to rates revenue (LGFA Cov.) **8%**

Net Interest	\$1.00m
Rates revenue	\$13.13m

8% of rates revenue is paid in interest. Our set limit is 25% of rates revenue. Net interest is interest paid less interest received. Rates revenue excludes penalties, water supply by meter and gross of remissions.

Interest to operating revenue (LGFA Cov.) **6%**

Net Interest	\$1.00m
Operating revenue	\$18.09m

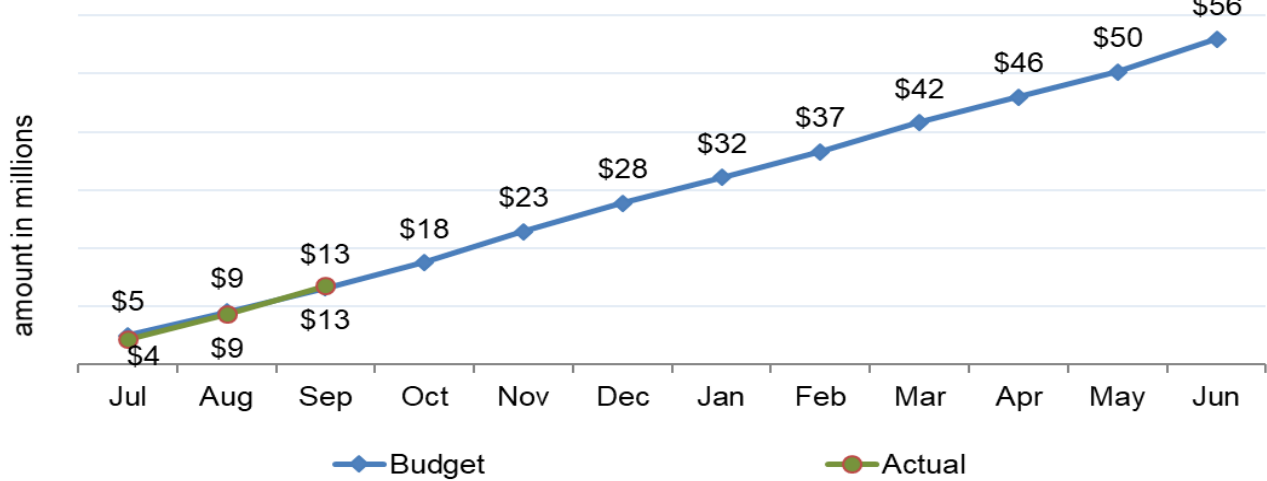
6% of operating revenue is paid in interest. Our set limit is 20% of operating revenue. Net interest is interest paid less interest received.

Available financial accommodation to external indebtedness (LGFA Cov.) **112%**

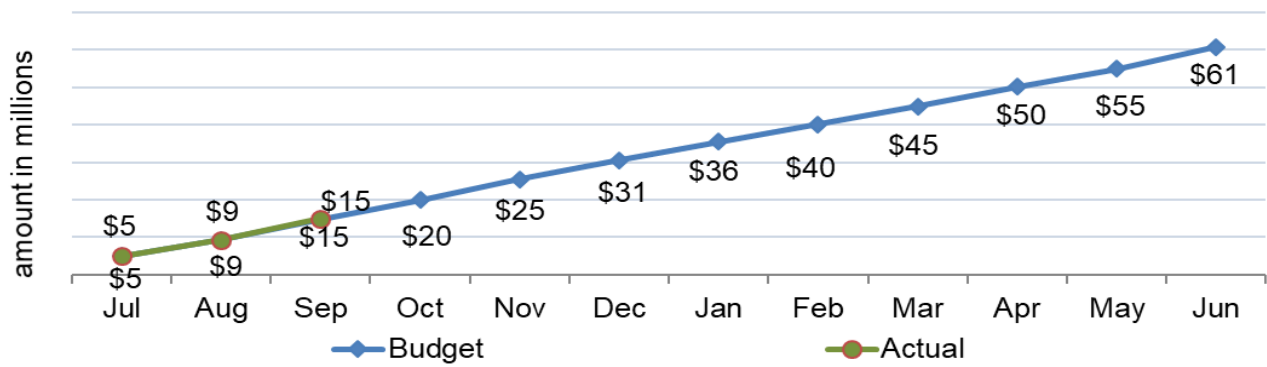
Net debt	\$85.21m
Undrawn committed facilities	\$10.00m

The committed bank facility enables us to borrow up to 112% of our current external debt immediately. The LGFA covenant minimum is 110%.

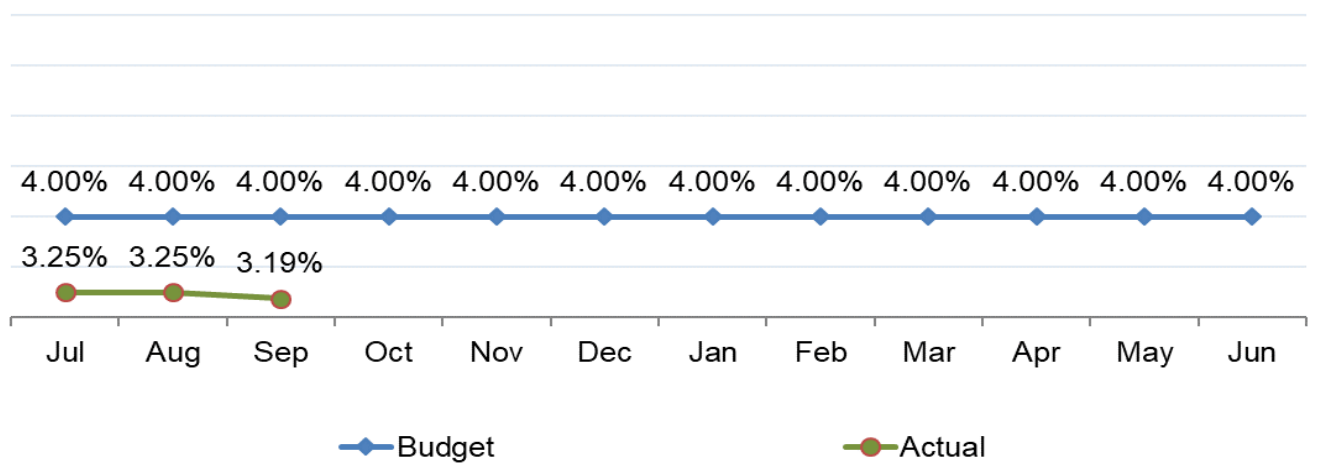
Total Revenue \$m



Total Expenditure \$m



Interest rate movement



Statement of Comprehensive Revenue and Expense by Activity

As at 31 October 2019									
33.3%	A	C	D	E	F	G	H	I	J
REVENUE	Annual Plan 2019/2020 \$000	Year to date (YTD) This Year \$000	Budget \$000	% Actual to Budget		D-C YTD Variance \$000	G/D % Var/Bud	% of Total Bud	Notes to Accounts
Significant Activities									
Regulatory Sevices	(4,657)	(2,019)	(1,869)	43.4%	☺	150	8.0%	0.6%	
Community Facilities and Ser	(13,557)	(4,379)	(4,459)	32.3%	☹	(80)	-1.8%	-0.3%	
Road Transport	(10,638)	(2,390)	(2,437)	22.5%	☹	(47)	-1.9%	-0.2%	
Water Supply	(6,971)	(2,282)	(2,216)	32.7%	☺	66	3.0%	0.2%	
Wastewater Disposal	(8,548)	(2,731)	(2,748)	31.9%	☹	(17)	-0.6%	-0.1%	
Solid Waste	(2,330)	(746)	(768)	32.0%	☹	(22)	-2.9%	-0.1%	
Stormwater	(1,324)	(419)	(418)	31.6%	☺	1	0.2%	0.0%	
Treasury	(3,412)	(841)	(910)	24.6%	☹	(69)	-7.6%	-0.3%	
Property	(1,495)	(981)	(484)	65.6%	☺	497	102.7%	1.9%	1
Community Support	(3,106)	(1,015)	(1,005)	32.7%	☺	10	1.0%	0.0%	
Representation & Com. Leads	(3,958)	(1,290)	(1,344)	32.6%	☹	(54)	-4.0%	-0.2%	
Total Activity Revenue	(59,996)	(19,093)	(18,658)	31.8%	☺	435	2.3%	1.6%	
Business Units									
	(23,200)	(7,393)	(7,801)	31.9%	☹	(408)	-5.2%	-1.5%	
Total Operating Revenue	(83,196)	(26,486)	(26,459)	31.8%	☺	27	0.1%	0.0%	
33.3%	A	C	D	E	F	G	H	I	J
EXPENDITURE	Annual Plan 2019/2020 \$000	Year to date This Year \$000	Budget \$000	% Actual to Budget		D-C YTD Variance \$000	G/D % Var/Bud	% of Total Bud	Notes to Accounts
Significant Activities									
Regulatory Sevices	4,657	1,628	1,577	35.0%	☹	(51)	-3.2%	-0.2%	
Community Facilities and Ser	13,473	4,217	4,385	31.3%	☺	168	3.8%	0.6%	
Road Transport	13,171	3,267	3,520	24.8%	☺	253	7.2%	0.9%	
Water Supply	6,910	2,339	2,310	33.8%	☹	(29)	-1.3%	-0.1%	
Wastewater Disposal	7,422	2,672	2,454	36.0%	☹	(218)	-8.9%	-0.8%	
Solid Waste	3,938	1,191	1,481	30.2%	☺	290	19.6%	1.0%	2
Stormwater	1,519	573	508	37.7%	☹	(65)	-12.8%	-0.2%	
Treasury	4,476	1,557	1,057	34.8%	☹	(500)	-47.3%	-1.7%	3
Property	1,548	534	610	34.5%	☺	76	12.5%	0.3%	
Community Support	3,106	1,307	1,335	42.1%	☺	28	2.1%	0.1%	
Representation & Com. Leads	5,495	1,810	1,871	32.9%	☺	61	3.3%	0.2%	
Total Activity Expenditure	65,715	21,095	21,108	32.1%	☺	13	0.1%	0.0%	
Business Units									
	23,193	7,449	7,706	32.1%	☺	257	3.3%	0.9%	
Total Operating Expenditure	88,908	28,544	28,814	32.1%	☺	270	0.9%	0.9%	
Operating (Surplus)/Deficit	5,712	2,058	2,355		☺	297	-12.6%	1.03%	

Note 1

Property activity – Favourable variance \$497k

- Gain on sale of assets \$351k; unbudgeted will continue for the year
- Increase rentals \$129k due to delays in planned for property disposals.

Note 2

Road Transport - Favourable Variance of \$371k

- Internal Labour costs on operational expenditure is lower by \$271k This trend is likely to continue.
- Professional services YTD Budget not used due to delays in capital expenditure projects to which the expenditure relates \$167k

Note 3.

Solid Waste – Favourable variance \$289k

The contract expenditure budget is overstated for the year. This has been discovered after the recasting of the budget for the next (2020/21) Annual Plan. This trend of under expenditure is likely to continue for the year.

- Contract expenditure - \$282k
- Consultants costs on strategy etc. \$ 55k

Note 4. Treasury – Unfavourable variance \$500k

- \$458k unbudgeted unrealised loss on Derivative Financial Instruments (swap contracts). This will increase if the underlying interest rates go even lower but will reduce if interest rates increase. As a non cash recognition of future costs this was not reflected in rates, nor will it in future as the actual costs are factored into each year interest costs. Note this has decreased from September figure of \$742k due to an increase in the longer term interest rates over the month.

APPENDIX

Asset maintenance contract	General contract works, repairs, planned and unplanned maintenance, materials and consumables, cleaning and hygiene, inspections and reporting.
Finance cost	Interest on borrowings and interest on swaps.
Gains	Fair value revaluation gain and gain on sale.
General grants	Grants given to various organisations and individuals like Creative NZ, neighbourhood support, beach wardens, community development and youth scholarships.
Grants and subsidies	Grants and subsidies received from government and other organisations for roading, library, community hubs, cemeteries and aquatic centres.
Infringements and fines	Parking tickets, Prosecutions on WOFs and unregistered vehicles.
Employee benefits	Salaries and wages, training costs, FBT and ACC levies, superannuation, and staff recognition.
Other expenses	Printing, publication, postage, stationery, advertising, food and catering, photocopying, internet and communication and any other office expenses.
Professional services	Consultants, contractors, membership fees, legal fees, lab services, audit fees or any other professional services charges.
Regulatory revenue	Planning fees, building fees, animal fees, liquor fees and health fees.
Rendering of services	Commissions, car income, and any other income received for rendering services.
Rental income	Rent from Halls, residential and commercial properties, grazing land, reserves and other lease income.
Targeted rates	Rates for roading, waste management, representation and governance, stormwater, wastewater, water by meter and water supply.
User charges	Revenue received from admission, shop sale, Cemetery fees, trade waste, utility connection, events and exhibitions.
Utilities	Water use, electricity and gas charges

Treasury Report

File No.: 19/488

1. Purpose

To present to the Finance, Audit & Risk (FAR) Committee the Bancorp Treasury Report for the September 2019 quarter.

2. Recommendation

- 2.1 That Report 19/488 Treasury Report 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. Background/Previous Council Decisions

This Quarterly Treasury report is produced by our Treasury Advisors, Bancorp Treasury Services Limited, and is produced for the benefit of Senior Management and Council.

4. Issues for Consideration

The Trade war with China remains unresolved which has reduced economic growth targets for 2019. With the recent geopolitical tensions financial markets have adopted a risk-averse attitude which has increased volatility and lowered government bond yields.

Consequently, global bond yields have lowered and our Reserve Bank unexpectedly lowered the OCR by 50 basis points in August to an historic low of 1%. This represents the first 50 basis point drop since March 2011. Bond yields continued to fall dramatically over the quarter adversely affecting our unrealised losses on swap derivatives, even on our two recent swaps. New Zealand interest rates have reduced to new "record lows". We have seen this with a lower cost of funds and a noticeably lower interest rate on short-term borrowing from one year ago and even six months ago. Council's last reinvestment of \$16m short-term borrowings is now at 1.25% down from 1.68%.

Note that the graph on page 7 no longer shows any risk of Council breaking its hedging policy bands. This is because of the combined effect of taking out two new forward start swaps and also the recent changes to Council's Liability Management Policy passed at Council's meeting in June.

Swaps are not investments but contracts with our bank that will fix some of our Floating Rate Notes (FRNs) at these historic lows for considerable periods giving certainty for debt servicing budgeting.

Councillors' attention is drawn to the commentary on Council's debt portfolio on page 5. At the bottom of that page, note that Council has invested \$14m at rates between 81 basis points (0.81%) and 147 basis points (1.47%) higher than it has borrowed, which will produce a profit in excess of \$110k.

Council's cost of funds was at 3.19% at the 30 September, down from 3.54% at the end of June. With recent interest rate resets this has further decreased to 3.09%. Refer to the graph on page 8.

Attachments


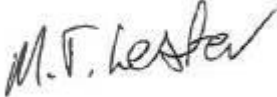
No.	Title	Page
A	Bancorp treasury Report September 2019	67

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 Chief Financial Officer	
Approved by	Mark Lester Group Manager - Corporate Services	

CONFIDENTIAL

TREASURY REPORT

FOR



AS AT

30 SEPTEMBER 2019



BANCORP

BANCORP TREASURY SERVICES LIMITED

AUCKLAND • WELLINGTON • CHRISTCHURCH

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This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.

1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (AS AT 30 SEPTEMBER 2019)

The September quarter saw financial markets and central banks respond to trade and geopolitical worries. The US-China trade dispute escalated into a trade war, the Brexit saga rolled on with still no certain outcome, tensions increased between India and Pakistan, in the Middle East and in Hong Kong and global manufacturing activity in the main industrialised economies slowed further. Markets are focused on the US-China trade war and how well the US economy is doing compared to the rest of the world. Consequently, markets have adopted a more risk averse attitude that resulted in increased volatility and sent government bond yields lower.

Central banks, led by the Federal Reserve ("Fed") and European Central Bank ("ECB"), reacted by further easing monetary conditions and also called on their respective government to unleash fiscal spending. Consequently, interest rate around the world fell significantly over the September quarter. The benchmark 10 year Treasury bond yield ended the quarter at 1.67%, down from 2.01% at the end of the June quarter. German, French and UK 10 year government bond yields also fell substantially, from minus 0.33%, minus 0.01% and 0.83% respectively at the end of the June quarter to minus 0.58%, minus 0.28% and 0.40% at the end of the September quarter.

The Fed's Open Market Committee ("FOMC") cut its target range for the Fed Funds rate by 25 basis points, to 1.75%-2.00% in September but failed to deliver the heavily dovish bias that the markets were after. The forward guidance in the form of consensus forecasts of FOMC members showed slightly higher paths for GDP and the unemployment rate, and an unchanged path for inflation but an unchanged Fed Funds rate versus another 60 or so basis points of cuts expected by the markets.

In response to slowing Eurozone manufacturing activity and economic growth, the ECB fired all its monetary policy weapons in September. It lowered its deposit rate by 10 basis points (to minus 0.50%), restarted its asset purchase programme, loosened lending conditions on banks, and will create a mechanism to shield banks' reserves from the full force of the ECB's negative deposit rates.

Elsewhere, Boris Johnson, elected UK Prime Minister in the September quarter, is so determined for the UK to leave the European Union on 31 October, with or without an agreed deal, that he threatened a general election in mid October and closed parliament for five weeks. The People's Bank of China eased monetary policy by reducing banks' Reserve Ratio Requirements and lowering its various benchmark interest rates. Also the Reserve Bank of Australia cut its cash rate from 1.25% to 1.00% in the September quarter to "support employment growth and provide greater confidence that inflation will be consistent with the medium-term target."

1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 30 SEPTEMBER 2019)

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
30-Jun-19	1.50%	1.64%	1.35%	1.36%	1.44%	1.58%	1.79%
30-Sep-19	1.00%	1.15%	0.94%	0.91%	0.94%	1.04%	1.21%
Change	-0.50%	-0.49%	-0.41%	-0.45%	-0.50%	-0.54%	-0.58%

The New Zealand CPI rose 0.6% over the June quarter, up from 0.1% in the March quarter and exactly in line market consensus and the Reserve Bank of New Zealand's ("RBNZ") forecast. Annual CPI rose from 1.5% in March to 1.7% in June. The June quarter's inflation rise came from higher petrol prices that drove tradable inflation up 0.9% for the quarter and 0.1% for the year. The non-tradable CPI rose 0.3% over the June quarter, pushed up by rising rents and insurance, which kept the annual non-tradable CPI rate at its five year high of 2.8%. The RBNZ's underlying inflation measure (the sectoral factor model) rose 1.7% for the year, unchanged from the previous three quarters and still well below its 2.0% target.

New Zealand's unemployment rate fell from 4.2% in March to 3.9% in June, contrary to consensus for a lift to 4.3%. The participation rate was unchanged at 70.4% and the underutilisation rate fell from 11.3% to 11.0% (its lowest since September 2008). The number of people employed rose 0.8% over the June quarter (1.7% over the June year) and overall wages rose 0.7% over the June quarter (2.1% over the year).

New Zealand GDP rose by 0.5% over the June quarter, down from the previous quarter's 0.6% but more than market consensus for 0.4%. GDP was up 2.1% over the June year, which was above expectations for a 2.0% rise but down from 2.5% in March. Reflecting a global trend, manufacturing was the only negative sector over the quarter (down 0.2%) with the services sector the only positive (up 0.7%). All the rest were flat.

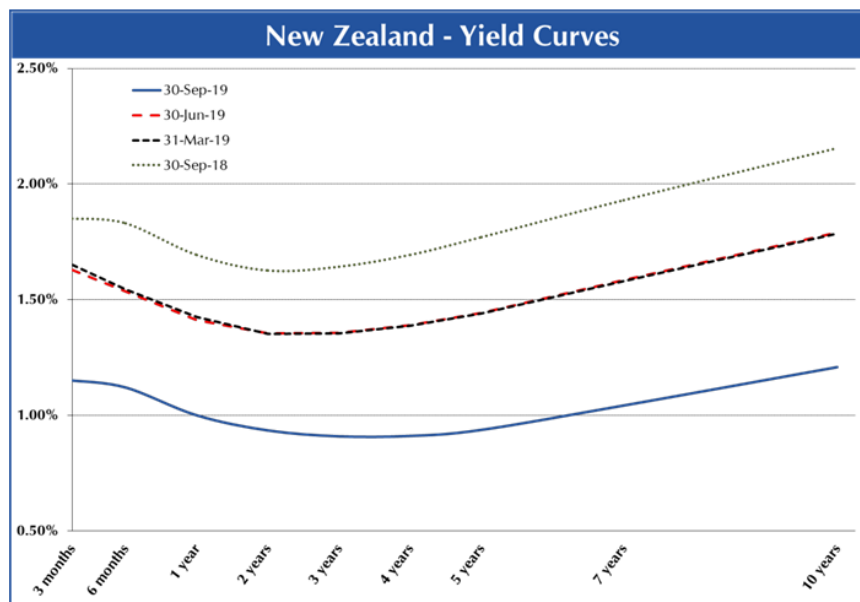
The RBNZ's Monetary Policy Committee ("MPC") unexpectedly cut the Official Cash Rate ("OCR") from 1.50% to 1.00% in August, the first time that the OCR has been cut by this much since March 2011 in the aftermath of the Christchurch earthquake and before that in 2009, during the depths of the Global Financial Crisis. The MPC "*debated the relative benefits of reducing the OCR by 25 basis points and communicating an easing bias, versus reducing the OCR by 50 basis points now*" and decided that a 50 bps cut "*reflected the economic projections and the balance of risks.*"

The MPC held the OCR at 1.00% at its meeting in late September and noted that everything has tracked along as expected since the pre-emptive 50 basis points OCR cut in August. It reiterated that its bias for domestic and global risks (and by implication, the OCR) remains to the downside. Notably, the MPC believes that "*New Zealand interest rates can be expected to*

be low for longer.” Translation – the MPC thinks that the OCR might go down, but it might not. Either way, the OCR will be “low for longer,” i.e. it will not go up for a while yet. Current market pricing is for another full 25 basis points cut by February next year, and a 40% chance of a second 25 basis point cut by the end of 2020.

As in the previous quarter, the MPC and financial markets will be closely analysing CPI and labour market data due for release in October ahead of the next MPC meeting and *Monetary Policy Statement* on 6 November.

Pushed down by falling global bond yields, interest rate cuts by other developed central banks, the RBNZ’s unexpected cut in August, and markets pricing in more OCR cuts, New Zealand swap rates fell dramatically over the September quarter, falling to new record lows. The 10 year interest rate swap fell a staggering 0.58% on an open to close basis during the quarter, finishing at 1.21%. The following graph shows the falls in rates over the past year.

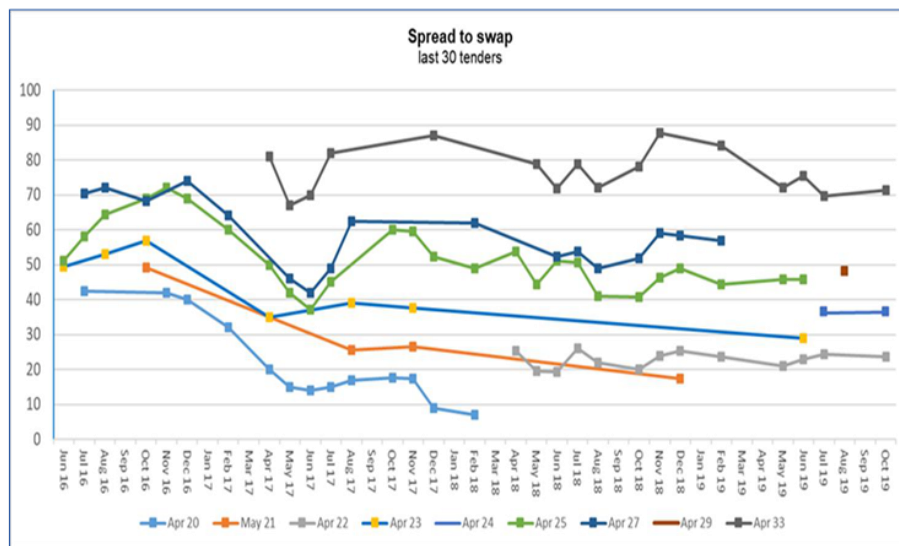


1.3 LOCAL AUTHORITY SECTOR

Listed on the following page are the credit spreads and applicable interest rates for Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Horowhenua District Council (“HDC”) could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Credit Spread	FRN Rate	FRB Yield
April 2020	0.31%	1.43%	1.35%
May 2021	0.44%	1.56%	1.35%
April 2022	0.50%	1.62%	1.38%
April 2023	0.59%	1.71%	1.43%
April 2024	0.63%	1.75%	1.53%
April 2025	0.68%	1.80%	1.61%
April 2027	0.82%	1.94%	1.80%
April 2029	0.84%	1.96%	2.01%
April 2033	1.04%	2.16%	2.29%

The chart below illustrates the credit spreads (measured over the applicable swap rate) for all current LGFA debt dating back to 2016.



2. FUNDING

As at 30 September 2019, HDC had \$110.0 million of external debt, comprising a combination of Commercial Paper ("CP"), FRBs and FRNs, all sourced from the LGFA. Details of HDC's debt at 30 September 2019 are as follows:

Instrument	Inception	Maturity	Rate	Margin	Amount
CP	Jun-19	Dec-19	1.25%	11 bps	\$16,000,000
FRB	Nov-17	Apr-20	2.6324%	38 bps	\$5,000,000
FRN	July 18	Apr-20	1.92%	34 bps	\$4,000,000
FRB	May-13	May-21	4.565%	79 bps	\$5,000,000
FRB	Sep-13	May-21	5.9852%	109 bps	\$5,000,000
FRB	Dec-13	May-21	5.8516%	87 bps	\$5,000,000
FRN	May-13	May-21	2.0475%	84 bps	\$4,000,000
FRN	July 18	Apr-22	2.08%	50 bps	\$9,000,000
FRN	May-15	May-22	1.625%	42.5 bps	\$3,000,000
FRB	Nov-14	Apr-23	5.1336%	81 bps	\$4,000,000
FRB	Aug-19	Apr-23	1.48%	55 bps	\$4,000,000
FRN	Feb-18	Apr-23	2.155%	57.5 bps	\$6,000,000
FRB	Apr-17	Mar-24	3.72%	63 bps	\$4,000,000
FRB	Mar-19	Apr-24	2.52%	54 bps	\$3,000,000
FRB	May-17	May-24	3.76%	58 bps	\$4,000,000
FRB	Mar-17	Apr-25	4.2046%	77 bps	\$3,000,000
FRN	May-15	May-25	1.69%	49 bps	\$7,000,000
FRB	Mar-19	Mar-26	3.38%	78 bps	\$9,000,000
FRB	Jul-16	Jul-26	3.37%	84 bps	\$5,000,000
FRN	Aug-19	Apr-27	1.924%	76 bps	\$5,000,000
				TOTAL	\$110,000,000

During the September quarter an additional \$14.0 million of debt was raised as follows:-

- \$5.0 million of CP (taking the total amount of CP to \$16.0 million) maturing 19 December 2019 at a rate of 1.25%.
- \$4.0 million FRB maturing 15 April 2023 at a rate of 1.48%.
- \$5.0 million FRN maturing 15 April 2027 at a rate of 1.92%

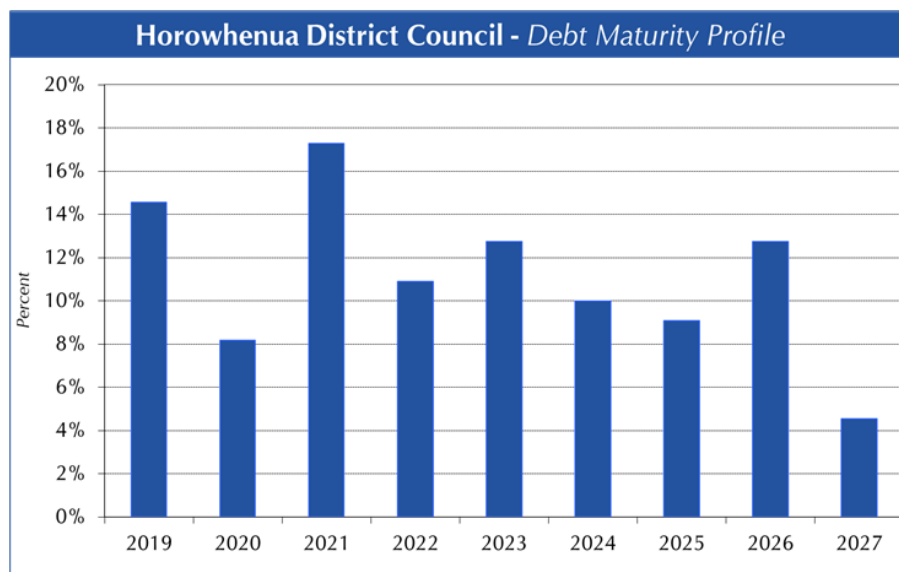
As the funds were not immediately required the proceeds from the funding were placed on deposit as follows:-

- \$9.0 million with BNZ maturing 16 March 2020 at a rate of 2.95%.
- \$5.0 million with BNZ maturing 28 April 2020 at a rate of 2.73%

These funding and associated investing transactions will produce a profit in excess of \$110,000.

As at 30 September 2019, HDC had no drawings under its BNZ \$10.0 million Customised Average Rate Loan facility that expires in November 2022.

HDC's current debt maturity profile (excluding the BNZ facility) is depicted in the graph on the following page, which indicates a good spread of maturities between 2019 and 2027. Additionally, HDC is compliant with Section 4.6 of the Liability Management Policy ("LMP"), which governs HDC's funding risk management activities.



3. DEBT AND HEDGING PROFILE

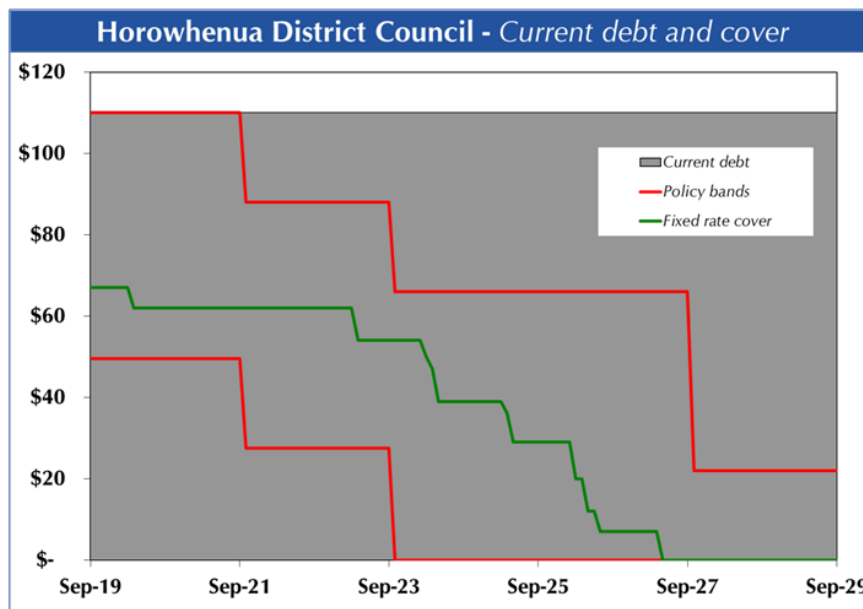
As at 30 September 2019, HDC had \$110.0 million of current fixed and floating rate debt, and two current interest rate swaps and two forward starting interest rate swaps, as follows:

Start Date	Maturity Date	Rate	Amount
18-Feb-13	18-May-24	4.015%	\$4,000,000
18-May-15	18-May-25	4.75%	\$7,000,000
17-May-21	15-May-26	2.15%	\$8,000,000
17-May-21	17-May-27	2.25%	\$7,000,000
		TOTAL	\$26,000,000

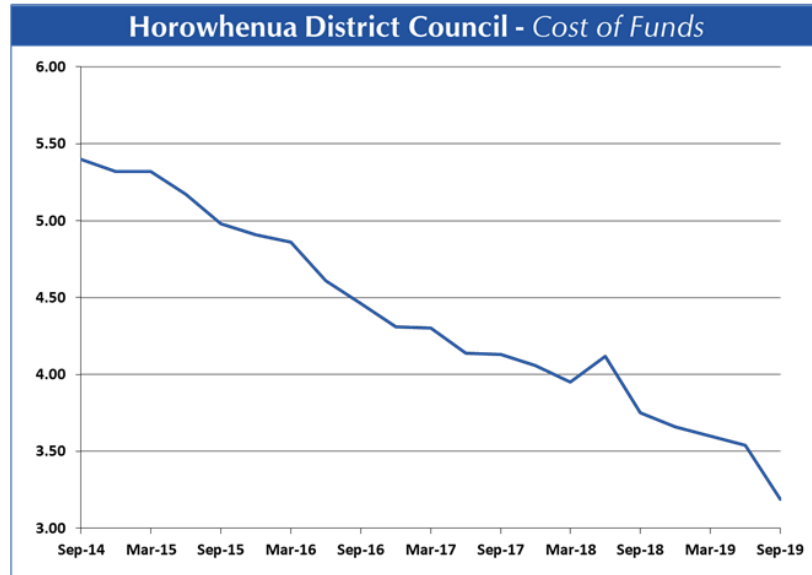
Section 4.3 of the LMP details the Fixed Rate Hedging Percentages that HDC shall adhere to in the management of its debt.

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0-2 years	45%	100%
2-4 years	25%	80%
4-8 years	0%	60%
8+ years	0%	20%

The debt and hedging profiles incorporating these parameters are depicted in the following graph. This shows that as at 30 September 2019, HDC was compliant with Section 4.3 of the LMP.



HDC's cost of funds (inclusive of the bank line fee) as at 30 September 2019 was 3.19%, down from 3.54% at the end of June 2019. HDC's cost of funds remains lower (in many cases noticeably so) than the large majority of its peers in the local government sector, indicating the success of its funding and interest rate risk management programme over the last several years. The cost of funds dating back to September 2014 is depicted in the following graph.



4. POLICY COMPLIANCE (AS AT 30 SEPTEMBER 2019)

	Yes/No
<i>Have all transactions been entered into compliance with policy?</i>	√
<i>Are the fixed rate hedging percentages within policy control limits?</i>	√
<i>Is HDC maintaining liquidity within policy control limits?</i>	√
<i>Are all counterparty exposures within policy control limits?</i>	√
<i>Is HDC compliant with the financial covenants contained in the LMP</i>	√

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Release of the Summary Annual Report for the year ended 30 June 2019

File No.: 19/487

1. Purpose

To provide, for information, the Summary Annual Report for the year ended 30 June 2019.

2. Recommendation

- 2.1 That Report 19/487 Release of the Summary Annual Report for the year ended 30 June 2019 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. Background/Previous Council Decisions

- 3.1 Council adopted the Annual Report for the year ended 30 June 2019 on 31 October 2019.
- 3.2 Council is now required under s98 of the Local Government Act (reproduced below) to produce and make publicly available a Summary Annual Report within one (1) month after the adoption of its Annual Report (i.e. by 30 November 2019):

98 Annual Report

- (1) *A local authority must prepare and adopt in respect of each financial year an annual report containing in respect of that year the information required by Part 3 of Schedule 10.*
- (2) *The purposes of an annual report are –*
 - (a) *to compare the actual activities and the actual performance of the local authority in the year with the intended activities and the intended level of performance as set out in respect of the year in the long-term plan and the annual plan; and*
 - (b) *to promote the local authority's accountability to the community for the decisions made throughout the year by the local authority.*
- (3) *Each annual report must be completed and adopted, by resolution, within 4 months after the end of the financial year to which it relates.*
- (4) *A local authority must, within 1 month after the adoption of its annual report, make publicly available –*
 - (a) *its annual report; and*
 - (b) *a summary of the information contained in its annual report.*
- (5) *The summary must represent, fairly and consistently, the information regarding the major matters dealt with in the annual report.*
- (6) *A local authority must, within 1 month after the adoption of its annual report, send copies of that report and of the summary prepared under subsection (4)(b) to –*
 - (a) *the Secretary; and*
 - (b) *the Auditor-General; and*
 - (c) *the Parliamentary Library.*

4. Issues for Consideration

- 4.1 As the next Council meeting is scheduled for 11 December 2019, the Summary Annual Report is being presented to the November Finance, Audit & Risk (FAR) Committee, for information. It is signed off by His Worship the Mayor and the Chief Executive; it does not require ratification by Council.
- 4.2 The 2018/19 Summary Annual Report is attached to this business paper for Members' information.

Attachments


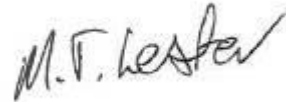
No.	Title	Page
A	Annual Report Summary 2019	81

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 Chief Financial Officer	
Approved by	Mark Lester Group Manager - Corporate Services	



Summary Annual Report

For the year ended 30 June 2019

Te Pūrongo Whakarāpopoto ā-Tau
a Te Kaunihera ā-Rohe o Horowhenua

Mō te tau ki te 30 o Pipiri 2019



Horowhenua
2040 Vision



About This Summary

Mō tēnei pūrongo whakarāpopoto

The Council adopted the audited annual report for 2018/19 on 31 October 2019 and authorised it for issue.

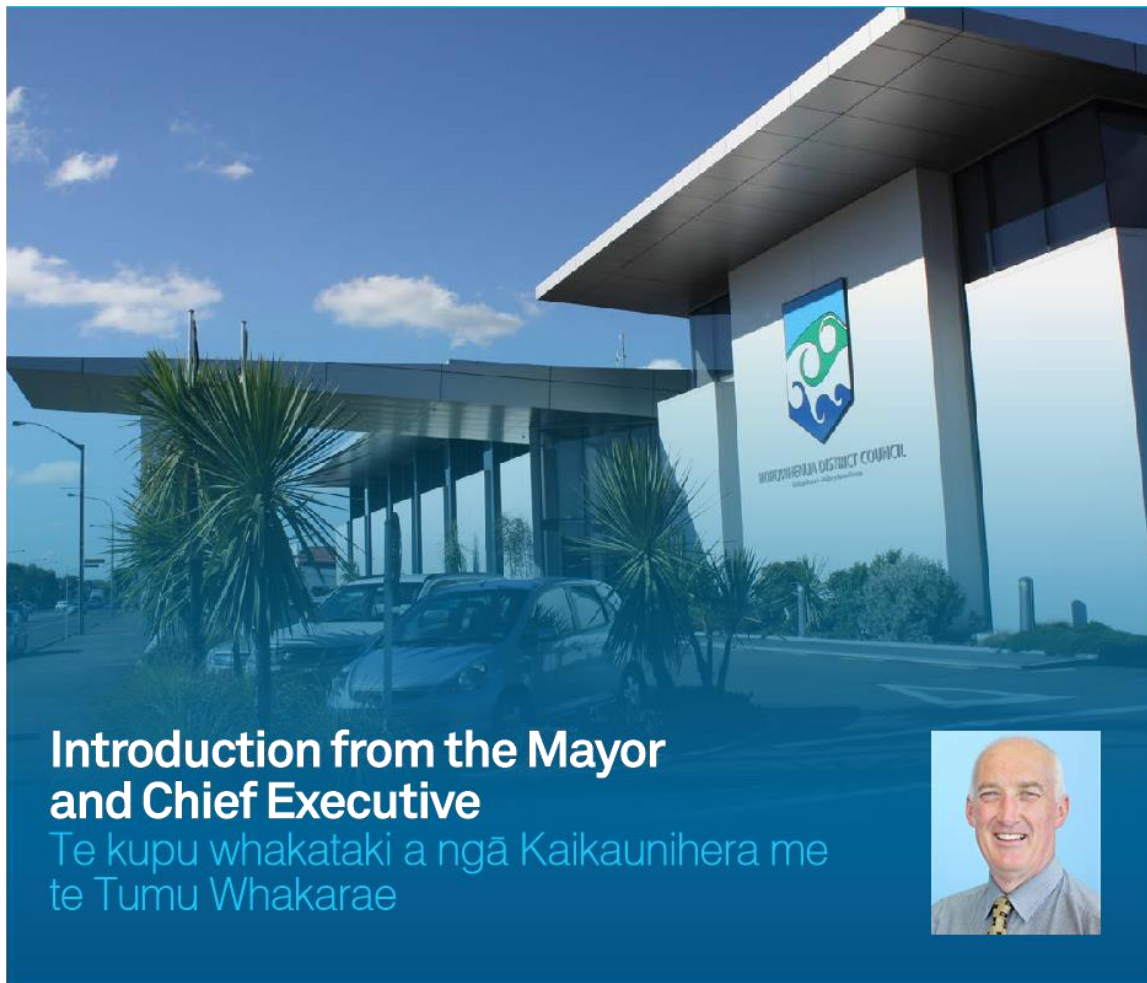
The report details Council's achievements against the measures and budgets for the year. The full report received an unmodified audit opinion. Copies are available from the Council on request (refer to back page for contact details).

This summary provides the key points extracted from the full annual report. As a summary it cannot be expected to provide a complete understanding of the performance of the Council for the year.

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Introduction from the Mayor and Chief Executive

Te kupu whakataki a ngā Kaikaunihera me
te Tumu Whakarae



Horowhenua is now in a period of sustained growth at levels higher than official estimates.

Our district is home to more than 33,200 people, up by more than 10% since the 2013 census. If growth continues at this pace, we will reach 40,000 people by 2028.

The value for building consents has exceeded \$100m for the first time and we are heartened that our compliance team, while under pressure, has held up well in terms of performance.

Council's investment in infrastructure and planning in years past means that we already have the infrastructure to meet the growth. The Horowhenua 2040 Growth Strategy and the growth infrastructure projects in the 2018-2038 Long Term Plan will help guide future growth.

In the past year, Council has undertaken some significant work on Master Plans for:

- Gladstone Green – proposal to re-zone 400 hectares of land so it can be developed into a community of 2,500 homes.
- Foxton Beach Lakes / Te Wharangi – proposal to create a community around a series of small lakes on an area of pastoral and forestry land, 30 hectares of which is owned by Council.
- Waitāreere Beach – proposal to extend the community to the east of the existing residential area to the east and west of Forest Road and to the north of Waitāreere Beach Road by the dune lake.

In the coming financial year, community engagement will occur on these transformative projects before District Plan Changes are considered.



Key Achievements



- Agreement with Ngāti Raukawa ki te Tonga about removing the treated wastewater discharge from the Manawatū River Loop and moving to a land-based irrigation discharge.
- Agreement with Ngāti Pareraukawa about the management of our landfill and looking at options for closing it earlier than planned.
- Support for Waitangi Day commemorations at Lake Horowhenua and weeklong Matariki celebrations in Taitoko and Te Awahou.
- Introduction of bilingual public signs as they are renewed.
- More than 23 engagements and consultations about projects, plans and strategies.



- Supporting events throughout our district from the Horowhenua Taste Trail, Christmas festivities, the Foxton Spring Fling, Chinese New Year, Pacific Celebration Day, SPY Fusion, Age on the Go, and numerous exhibitions at Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom.
- Creating Shared Pathways – the Arapaepae Road Shared Pathway in Levin was completed at the start of the financial year and by the end of the year an eight kilometre shared pathway was completed at Foxton Beach.
- Pump Tracks – the newly created Foxton Beach Pump Track won the Active Park of the Year Award and around the same time another pump track was opened in Solway Park in Levin thanks to the generosity of the police.



- Receiving a Green Flag award for our beautiful Thompson House Gardens was a significant achievement. We are one of the few Council's in New Zealand to have a park of this standard.
- Engagement with the community was held for our Waste Minimisation and Management Policy which was adopted by Council. As a direct result we now have a vastly improved recycling service in the district on par with many cities around New Zealand.
- Dune plantings at Waitārere Beach.



**Thriving
communities**

- The Horowhenua 2040 Vision engagement process achieved the largest community voice reach for an engagement project ever undertaken by Council. We held workshops with targeted audiences, forums, drop-in sessions, attended expos, visited two primary schools and undertook engagement online supported by pop-up events. Everyone who took part in developing our district's vision should feel very proud of their contribution.
- We have started to create community plans for Waitāreke Beach, Manakau and Ōhau. Each community plan will set out the vision and key goals of that community as well as a list of actions that contribute to reaching these.
- The Rural Road Speed Limit Review was carried out and Council approved speed reductions on rural roads to improve safety on rural roads.
- The Pathways Horowhenua study was completed through funding from the Provincial Growth Fund. We hope to secure further funding to support its ambition to address the district's skill shortage and high unemployment, and drive engagement between our young people and employers.
- Adopting District Plan Changes

aimed at enabling growth and protecting heritage buildings.

- Establishing the Horowhenua Housing Forum to develop a shared understanding of the housing challenges and opportunities facing Horowhenua and discuss potential solutions to improve housing supply, its affordability and access to social and emergency housing.



**Enabling
Infrastructure**

- We found a solution to the Gladstone Road slip issue which included purchasing land and rerouting the road. The road is important for locals and the wider community who regularly use the Makahika Outdoor Pursuits Centre and Civil Defence and is a vital access to the Tararua Forest Park.
- Horowhenua Integrated Transport Strategy. Engagement was carried out and now the strategy is being finalised. It will oversee the direction of transportation related infrastructure for the next 20 years.
- The Horowhenua Recreational Feasibility Study was agreed to which will help us focus on what the district requires from its aquatic facilities.
- A clear progression of options regarding the Manawātū River Loop at Foxton have been presented through the Provincial

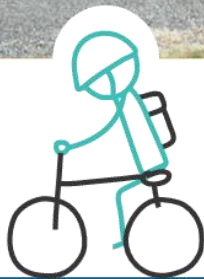
Growth Fund. If this project goes ahead it will have a major transformative effect on Foxton Te Awahou.

- The move to have all treated waste-water discharges moved to land based systems is nearing completion.
- The introduction of online building consents has helped improve our service for builders and developers.
- We have identified the need for significant investment in stormwater infrastructure in the future.



**An
exuberant
economy**

- Our economy exceeded the \$900M mark, a significant achievement for industry and the primary sector in our district. We are now heading towards a \$1B economy.
- Council's decision to sell non-core unused industrial land to the newly created Horowhenua New Zealand Trust has attracted new industry to the district.
- Destination management study carried out for Greater Foxton Te Awahou, through the Provincial Growth Fund.
- Adopting Earthquake Prone Building priority areas in Levin.
- Value of Building Consents exceeded \$100m for first time.



Our financials

The 2018/19 financial result shows an operating deficit of \$5.714m against a budgeted operating surplus of \$1.655m.

Some of the reasons are outside of Council's control while others are directly related to project delays. These include:

- Our recycling costs grew while the price we received for recyclables fell, adding nearly \$1m to our costs.
- The delay of \$2.14m of capital projects, particularly roading projects, that would have attracted NZTA funding of \$1.35m.
- Horizons Regional Council's decision to bring forward a review of the resource consent for the Levin Landfill.
- Unbudgeted costs to cover intergenerational growth projects \$0.81m.
- Non-cash items such as:
 - Loss on derivatives \$0.98m
 - Depreciation \$0.89m
 - Landfill Aftercare \$1.30m

While the non-cash items contribute to the overall financial result, they do not impact on Council's cash position and, if they were excluded, the operational deficit would have been \$1.74m.

However, the deficit is less than the \$7.05m we had anticipated earlier this year.

The good news is we have retained our credit rating of A+ from Standard and Poors and we're committed to achieving an optimal balance between rates and debt funding and moving towards a balanced budget.

Thank you for taking the time to read our Annual Report. We have much to do and we want to leave you with our vision as it is our driver for all that we do:

With many hands the threads which weave our neighbourhoods and communities together will be strengthened from the Tararua Ranges to the sea. He rau ringa e pakari ai ngā taura whiri i ō tātou kāinga noho me ō tātou hapori – mai i te pae maunga o Tararua ki te moana.



Regulatory Services

Nga Ratonga Whakariterite a-Ture

A delivery arm of Council that provides advice, consenting services, assessment, education, compliance, and enforcement. As well as the implementation and enforcement of plans, bylaws, and policies needed to protect the health and safety of the community and the environment we live in.

Capital Expenditure	Operating Expenditure
\$0k	\$4,916k
0% of total	12% of total

Source of operating funding

Rates	Non-rates
41%	59%

Performance measure results

Achieved 

Not achieved 



Community Facilities and Services

Nga Taiwhanga a-Rehia me nga Ratonga Hapori

We provide assets and support for locals and visitors to the District to enjoy our open spaces. These assets support activities that are largely passive or active leisure based pursuits which involve the community from causal participation through to clubs and associations organised on a national level.

Capital Expenditure	Operating Expenditure
\$1,471k	\$11,405k
6% of total	27% of total

Source of operating funding

Rates	Non-rates
89%	11%


Performance measure results

Achieved 

Not achieved 

Our Performance at a Glance

Hei Rarapa atu ki ā Mātou Mahi



Community Support

Te Tautawhi i te Hapori


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.


Capital Expenditure	Operating Expenditure
\$24k	\$2,514k
0% of total	6% of total

Source of operating funding

Rates	Non-rates
97%	3%

Performance measure results

Achieved 

Not achieved 



Property

Nga Rawa

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. provision of a community centre, to indirect support e.g. through investment and endowment property which contributes revenue to rates or facilities.

Capital Expenditure	Operating Expenditure
\$1,408k	\$1,719k
6% of total	4% of total

Source of operating funding

Rates	Non-rates
35%	65%

Performance measure results

Achieved 



Representation and Community Leadership

Te Whakakanohi me te Hauto i te Hapori

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.

Capital Expenditure	Operating Expenditure
\$3k	\$5,417k
0% of total	13% of total

Source of operating funding

Rates	Non-rates
97%	3%

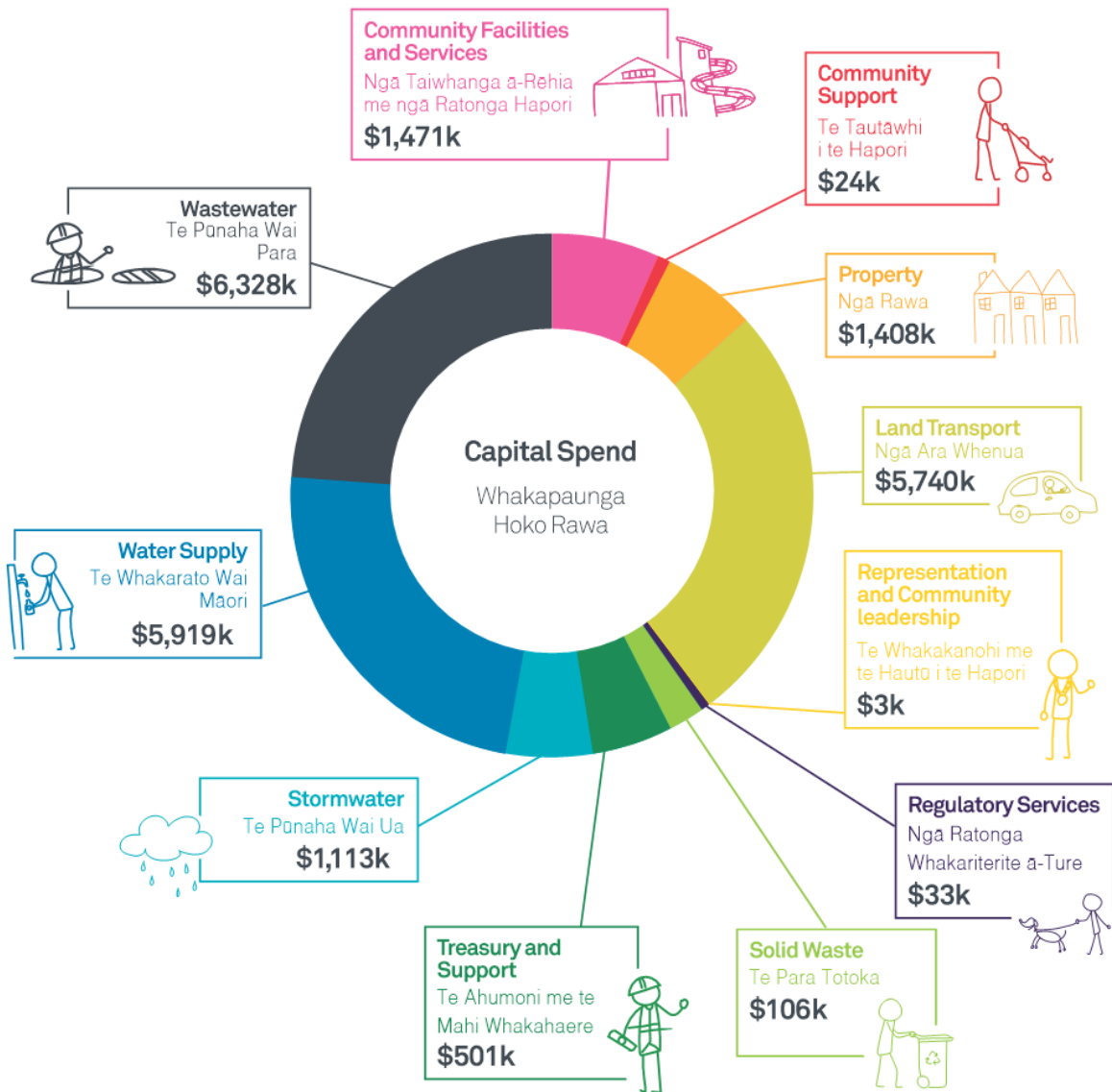
Performance measure results

Achieved 

Not achieved 

Did not measure - LTP adopted in previous financial year.





Summary of the Financial Statements

Whakarāpopoto Tauākī Ahumoni

These summary statements cover the Horowhenua District Council (Council) and the Horowhenua District Council Group comprising the Council and Shannon Community Development Trust (Group).

The primary objective of Horowhenua District Council is to provide local infrastructure, local public service, and perform regulatory functions for the community for social benefit rather than making a financial return.

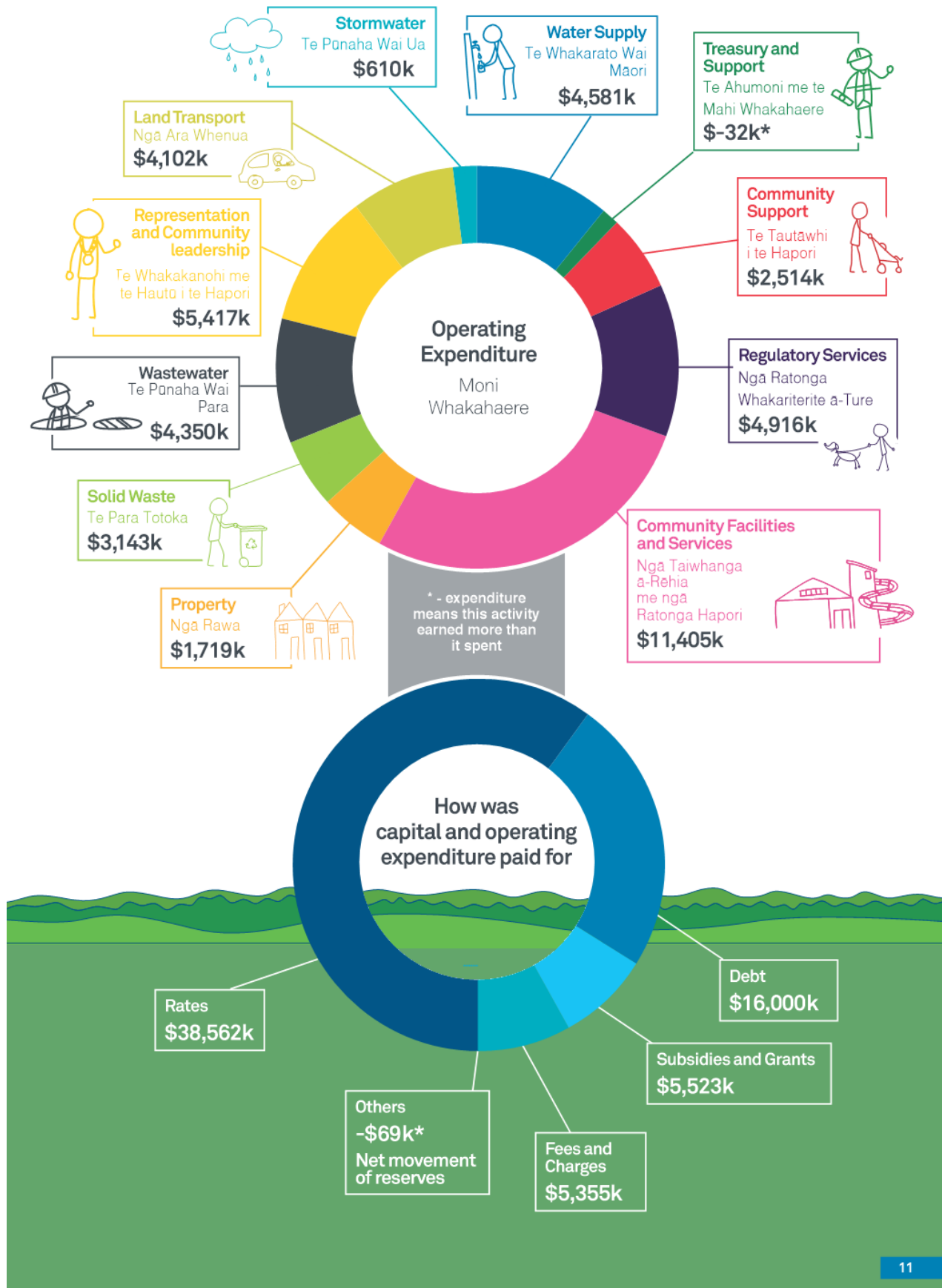
Accordingly, Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The full financial statements of Council and the Group have been prepared in accordance with and are fully compliant with Tier 1 PBE accounting standards.

Council's summary annual report complies with PBE FRS 43 Summary Financial Statements.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's).

The summary financial statements of Council are for the year ended 30 June 2019. The full annual report was authorised for issue by Council on 31 October 2019.



Summary Statement of Comprehensive Revenue and Expense

Te Tauākī Whakarāpopoto Whānui mō te Moni Whiwhi me te Moni Whakapau

For the year ended 30 June 2019

	Note	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Revenue						
Rates revenue		38,562	38,362	36,381	38,562	36,381
Other revenue	1	15,332	16,009	16,050	15,344	16,063
Total revenue		53,894	54,371	52,431	53,906	52,444
Expenditure						
Finance costs		3,607	3,800	3,291	3,607	3,291
Other expenses	2	56,001	48,916	51,290	56,015	51,299
Total expenses		59,608	52,716	54,581	59,622	54,590
Operating surplus / (deficit) before tax		(5,714)	1,655	(2,150)	(5,716)	(2,146)
Income tax expense		-	-	-	-	-
Operating surplus / (deficit) after tax		(5,714)	1,655	(2,150)	(5,716)	(2,146)
Write back of revaluation losses on land and buildings						
Surplus / (deficit) attributable to: Horowhenua District Council		(5,714)	1,655	(2,150)	(5,716)	(2,146)
Other Comprehensive Income						
Gain / (loss) on infrastructural assets revaluations	3	9,613	9,353	7,713	9,613	7,713
Gain / (loss) on operational assets revaluation		-	-	60	-	60
Gain / (loss) on restricted assets revaluation		-	-	19	-	19
Total other comprehensive revenue and expense for the year		9,613	9,353	7,792	9,613	7,792
Total Comprehensive Income for the year		3,899	11,008	5,642	3,897	5,646

Statement of Changes in Ratepayers' Equity

Ngā Panonitanga Whaipānga Kaiutu Reiti

For the year ended 30 June 2019

	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Balance at 1 July	467,186	467,026	461,544	467,556	461,910
Total Comprehensive Income	3,899	11,008	5,642	3,897	5,646
Balance at 30 June	471,085	478,034	467,186	471,453	467,556
Equity is represented by:					
Retained earnings	250,815	260,215	256,775	251,183	257,145
Revaluation reserve	210,857	209,464	201,312	210,857	201,312
Reserves and Special Funds	9,413	8,355	9,099	9,413	9,099
Total equity	471,085	478,034	467,186	471,453	467,556

Statement of Financial Position

Tauākī Ahumoni

The assets and liabilities as at 30 June 2019

	Note	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Assets						
Current	3	21,559	17,196	12,444	21,577	12,455
Non-current	4	563,451	569,610	551,370	563,451	551,370
Total assets		585,010	586,806	563,814	585,028	563,825
Liabilities and ratepayers' equity						
Current	5	30,951	17,246	31,551	30,601	31,192
Non-current	6	82,974	91,526	65,077	82,974	65,077
Total liabilities		113,925	108,772	96,628	113,575	96,269
Ratepayers' equity		471,085	478,034	467,186	471,453	467,556
Total liabilities and ratepayers' equity		585,010	586,806	563,814	585,028	563,825

Statement of Cash Flows

Tauākī Kapewhiti Moni

The inflows and outflows of cash for the Year Ended 30 June 2019

	Note	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Net cash flows from:						
Operating activities		9,394	15,023	14,066	9,401	14,051
Investing activities		(17,873)	(27,517)	(21,180)	(17,873)	(21,180)
Financing activities		16,000	12,494	3,000	16,000	3,000
Net increase in cash and bank		7,521	0	(4,114)	7,528	(4,129)
Cash and cash equivalents at the beginning of the year		960	11,024	5,074	971	5,100
Cash and cash equivalents at the end of the year		8,481	11,024	960	8,499	971

Funding Impact Statement for Whole of Council Te Tauākī Pānga Tahua mō te Katoa o te Kaunihera

For the year ended 30 June 2019

	Annual Plan Forecast 2018 \$000	Annual Report Actual 2018 \$000	Annual Plan Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	9,635	9,374	9,533	9,547	14
Targeted rates	27,155	27,006	28,828	29,015	187
Subsidies and grants for operating purposes	1,585	1,454	1,688	1,984	296
Fees and charges	5,155	5,601	5,664	5,355	(309)
Interest and dividends from investments	70	161	205	423	218
Local authorities fuel tax, fines, infringement fees, and other receipts	3,293	3,209	3,660	3,522	(138)
Total operating funding (A)	46,893	46,805	49,578	49,846	268
Applications of operating funding					
Payments to staff and suppliers	34,680	34,842	35,426	39,118	3,692
Finance costs	3,658	3,291	3,800	3,607	(193)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	38,338	38,133	39,226	42,725	3,499
Surplus (deficit) of operating funding (A-B)	8,555	8,672	10,352	7,121	(3,231)
Sources of capital funding					
Subsidies and grants for capital expenditure	5,641	4,870	4,672	3,539	(1,133)
Development and financial contributions	-	197	-	-	-
Increase (decrease) in debt	8,310	3,000	12,494	16,000	3,506
Gross proceeds from sale of assets	6,890	7,306	7,000	791	(6,209)
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	20,841	15,373	24,166	20,330	(3,836)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	4,425	2,359	3,933	765	(3,168)
- to improve the level of service	10,583	9,318	14,882	9,214	(5,668)
- to replace existing assets	14,308	12,495	15,703	12,667	(3,036)
Increase (decrease) in reserves	-	(375)	-	9,604	9,604
Increase (decrease) of investments	80	248	-	(4,799)	(4,799)
Total applications of capital funding (D)	29,396	24,045	34,518	27,451	(7,067)
Surplus (deficit) of capital funding (C-D)	(8,555)	(8,672)	(10,352)	(7,121)	3,231
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	11,604	13,860	13,489	14,383	894

Loans	External \$000
Loans as at 1/07/2018	80,000
Raised during year	78,000
Repaid During Year	(62,000)
Loans as at 30/06/2019	96,000
Interest expense	3,607

Explanations for variances between the Council's actual results and the Council's budget for 2018-19

Hei whakamārama i ngā tangongitanga i waenga i ngā hua tahua tūturu a te Kaunihera me tana mahere pūtea mō te tau 2018-2019

Statement of Comprehensive Revenue and Expense

Te tauākī whānui mō ngā moni whiwhi me ngā whakapaunga

1. Other revenue

A breakdown of the revenue included under this heading is provided in Note 2 along with explanations of variances in section C in the full annual report.

Grants and subsidies lower than budget due to;

Roading subsidies are lower by \$1.54m due to delays for the following projects:

- Poads Road Bridge Replacement: \$408k.
- Queen Street Cambridge Street Roundabout: \$376k.
- Road improvements delayed by lack of progress on O2NL Expressway: \$450k.
- Rail Crossings due to delay in KiwiRail design concepts: \$487k.

However, these delays were offset to some degree by:

- Higher subsidy revenue on operational Rooding expenditure: \$185k.
- Higher than budgeted capital subsidies for wastewater: \$370k.

2. Other Expenditure

Employee Benefit expenses – Employee Benefit expenses were \$686k higher due to wage increases, recruitment in a skills shortage, new roles due to growth which has increased pressure on the compliance and regulatory areas of Council, and increased levels of service at Te Awahou Nieuwe Stroom.

Depreciation and amortisation – Depreciation was \$894k higher than budgeted due to:

- Under budgeted depreciation for Infrastructure assets due to revaluation changes: \$346k.
- Te Awahou Nieuwe Stroom – new development depreciation: \$299k.
- All other operational assets underestimated depreciation of new assets: \$246k.

Note: Depreciation is a non-cash expenditure. It recognises a loss to service potential over the length of the life the asset.

Other Expenses – Professional services were higher by \$1.93m due to the following reasons:

- Council's Economic Development Activity is now contracted out and therefore accounted for in professional services: \$394k.
- Growth response projects: \$809k.
- Solid Waste consultancy over new strategic direction and new operational contract for refuse/recycling collection and Council-owed Waste Transfer stations: \$305k.

Maintenance costs were \$878k higher than budgeted for due to:

- Changes to the international recycling market meant Council had to reconfigure its service delivery arrangements for Solid Waste. Recycling has become more expensive however the communities desire was for a higher level of service: \$775k.
- Three Waters maintenance was \$181k higher than budgeted for.

Loss on derivatives was \$975k. This is a non-cash item and has occurred because of the historically low level of interest rates.

Landfill aftercare provision increase of \$1.3m. This cost is recalculated annually and again is a non-cash item. It represents the future costs for aftercare following closure of the landfill in 2032. The increase has come about due to changes to the consent conditions.



Statement of financial position

Tauākī Ahumoni

3. Current assets

Cash and cash equivalents – It is always difficult to predict end of year cash 18 months ahead of time. However, the \$8m balance is enough to maintain Council's liquidity in the short-term.

Debtors and other receivables – The debtors and other receivables budget is based on previous year balances and the level of rates receivable have increased.

Other financial assets – Relates to inventories held and a term deposit held on behalf of the Shannon Community Development Trust.

4. Non-current assets

Non-current assets for sale – Council is in the process of selling non-core assets especially commercial assets and the increase reflects this.

Plant, property and equipment assets – less than budgeted because \$12m of budgeted for capital expenditure did not occur.

Commercial property – Has all been transferred to 'non-current assets for sale'. The sale was initially budgeted to occur during the financial year but will now occur early in the next financial year.

Forestry Assets – Are lower reflecting the harvesting and replanting that occurred at 'The Pot' treated wastewater to land disposal area.

5. Current liabilities

Current borrowings – Higher than budget due to Council continuing to use short-term borrowing to take advantage of the historically low interest rates at the short-term end of the bond market.

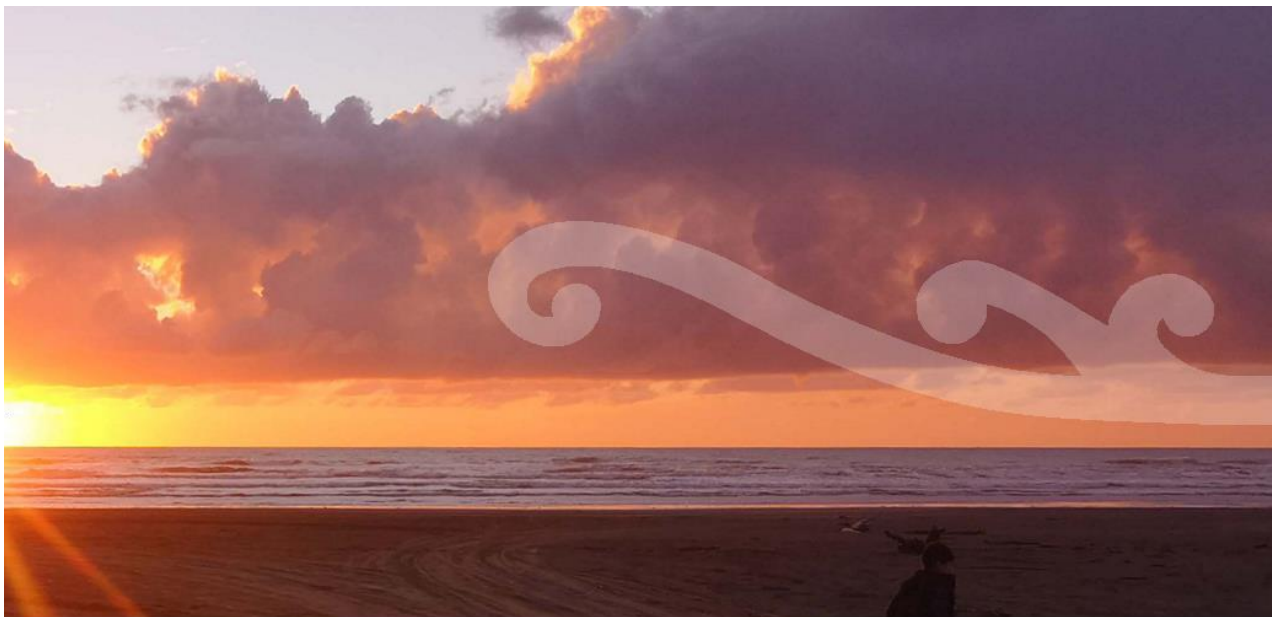
6. Non-current liabilities

Total borrowings – Overall borrowing is higher from financing assets and growth projects as well as increased costs relating to the increase in levels of service in the Solid Waste recycling activity.

Derivative financial instruments – Council does not budget for derivative value movements. The variance is due to the unfavourable impact of decreasing interest rates on the valuation of the interest rate derivatives.

7. Equity

Retained earnings – Is lower due to the deficit for the year and also some movements to 'Other Reserves'.



Contingent liabilities

Contingent liabilities are dependent on future events and are summarised as:

- Joint guarantor with other shareholder councils for all New Zealand Local Government Funding Agency borrowing of \$9,531m.
- A condition of the sale of residential housing to Compassion Horowhenua was that the suspensory loan from Housing NZ to build the Cambridge St flats will transfer to Sisters of Compassion but Council will issue security stock as guarantee for the loan. The maximum financial exposure the Council is open to is \$5,219m.
- Several on-going legal proceedings with maximum financial exposure of less than \$50,000 .
- Lease provisions: Buyback of fixtures and improvements included in leases with Waitārere Beach Motor Camp and Levin Holiday Park estimated at \$945,000 .
- Weathertight home claims: Council has one live claim. While the claim has been accepted and Council is liable for 25% of costs the actual costs are not yet quantified.

Contingent assets


- 24 facilities owned by sports clubs and community groups (third parties) across the District are on land owned by Council. The third parties control the use of the facility. However, Council will gain control of the asset in the event of the third party vacating the facility. The assets are not recognised as Council assets until they are vacated by the third party and as of 30 June 2019 the 24 facilities were valued at \$18.7m.

Key Performance Measures Overview

Tirohanga Whānui ki ngā Paetohu Aromatawai Mātāmua

Regulatory Services Nga Ratonga Whakariterite a-Ture			
	Target	Achieved/ Not achieved	
Applications under the Resource Management Act will be processed within statutory timeframes.	100%	✗	233 applications. 228 approved within time. 5 processed outside of timeframe, three due to workflow issues and two due to administrative errors.
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 two working days	✓	58 complaints were received.
Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	90% of complaints	✓	1,122 complaints received. 95% responded to within 60 minutes.
All parking restricted areas in Levin are monitored each working day.	100% of all restricted car parks	✓	Enforcement occurred each working day through a mix of physical and remote monitoring.
Reported cases of illegal building work will be responded to within five working days.	100% of cases	✓	16 reported instances were received by Council. 100% have been responded to within three working days.
Percent of private swimming pools on register inspected annually for compliance.	33% of private swimming pools are inspected	✓	284 pools are on the register. 36% were inspected.
Council will maintain its accredited status as a Building Consent Authority.	Achieved	✓	Council is an accredited BCA. The latest assessment was held 15-18 April 2017 and accreditation was achieved. However, six general non-compliances were raised, two were resolved during the audit and the remaining three were resolved by 27 September 2019.
Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015.	100%	✓	100% of businesses operating under the Food Act 2014 have been verified as required by regulation.
Percent of premises that are inspected annually to check for compliance with their licence conditions.	100%	✓	70 licensed premises. 71 operative licences exist. 100% were inspected.
Percent of reported instances of non-compliance and dog nuisance will be responded to.	100%	✓	1,108 complaints were received. 100% were responded to.
Public safety bylaws: Percent of reported non compliances and complaints that are responded to within five working days.	100%	✓	78 complaints were received. 100% were responded to within five working days.

Community Facilities and Services Nga Taiwhanga a-Rehia me nga Ratonga Hapori

	Target	Achieved/ Not achieved	
Playground facilities comply with relevant standards.	100%	✓ 100%	100% of playground facilities complied.
Number of uses per fortnight for the Levin, Foxton and Shannon Halls.	10	✓	Total = 368 times (an average of 14.15 times per fortnight).
Percent of time that sport grounds are available for use during their opening hours.	95%	✓	100% of sports grounds were available for use during their opening hours.
High quality Swim School operates at Levin and Foxton Aquatic Centres.	≥400 participants per term	✓	Term Three 2018: 437(Foxton offseason) Term Four 2018: 416 Levin and 76 Foxton Term One 2019: 459 Levin and 76 Foxton Term Two 2019: 485 (Foxton offseason).
Compliance with relevant standards including Pool Safe Accreditation.	100%	✓	Both Foxton and Levin pools have received Pool Safe Accreditation.
Percent of customers satisfied, based on the Annual Customer Satisfaction Survey.	90% satisfied	✓	Satisfaction rates are: 92% Aquatics Horowhenua. 91% Levin Aquatic Centre 93% Foxton Aquatic Centre.
Percent of residents and non-residents satisfied with library and community services.	≥90%	✓	90.4% of residents and non-residents were satisfied.
Number of booking counts for community facilities.	≥1,200	✓	1,497 bookings.
Number of programmes delivered in Levin, Foxton and Shannon that enhance wellbeing.	Levin: ≥60 Foxton: ≥30 Shannon: ≥10	✓	Levin: 306 Foxton: 157 Shannon: 163


Property Nga Rawa

	Target	Achieved/ Not achieved	
All buildings with compliance schedules will have current building warrant of fitness (BWOFF).	Achieved	✓	All Council buildings with Compliance Schedules have current BWOFF's. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.
Facilities availability (hrs) and hire charges by annual review.	8 hours per day and reviewed annually	✓	Council had three Memorial Hall facilities available for hire. As at 30 of June 2018, all were available for at least eight hours per day.


Community Support Te Tautawahi i te Hapori

	Target	Achieved/ Not achieved	
Number of Community Wellbeing Executive meetings per year.	≥5	✓ 5 Community Wellbeing Committee meetings were held.	
Number of Education Horowhenua meetings per year.	≥4	✓ 7 Education Horowhenua meetings were held.	
Annual visitor numbers to Council's two i-Site centres	≥10,000	✓ 10,387 Te Awahou Nieuwe Stroom. 7,578 Te Takeretanga o Kura-hau-pō.	
Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	≥85%	✓ 96% satisfied.	
Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	≥150 people	✓ 344 individuals have participated in Capacity and Capability Building Programme workshops or training.	
The Horowhenua New Zealand Trust is charged with providing economic development and services.	≥10 meetings per year	✓ 10 meetings were held.	
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%	✗ 59.1% of the district's business community were satisfied with the performance of Economic Development Activity.	


Representation and Community Leadership Te Whakakanohi me te Hautu i te Hapori

	Target	Achieved/ Not achieved	
Number of successful challenges to Council's decision making processes.	0	✓ There have been no successful challenges to Council's decision making processes.	
Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making.	>50%	✗ 42.8% are satisfied.	
Local Government Official Information and Meetings Act (LGOIMAs) requests and response.	All are responded to within 20 working days	✗ 154 LGOIMAs were received, of these: <ul style="list-style-type: none"> • 3 were withdrawn • 104 were responded to on time • 33 were responded to after 20 working days • 5 are yet to be responded to after 20 working days • 9 are still open within 20 working days. 	
The Annual Report will include an unmodified audit opinion.	Achieved	✓ The 2017/18 Annual Report Received an unmodified audit opinion on 24 October 2018.	


Land Transport Nga Ara Whenua

	Target	Achieved/ Not achieved	
A safe road network.	0% change or less from previous year	✓	The number of fatal or serious injury crashes decreased by six Crashes. In the 2018/19 year the crashes were made up of: <ul style="list-style-type: none"> District Road network: 12 serious crashes and no fatal crashes.
The average quality of ride on a sealed local road network measured by smooth travel exposure.	85% minimum	✓	91% of travel on roads smoother than the threshold for all traffic groupings.
The percentage of the sealed local road network that is resurfaced annually.	5% minimum of total area	✗	4.47% of the sealed local road network that was resurfaced in the 2018/19 Annual Reseal Programme.
Target footpath condition rating (% compliant with Councils standards).	30% minimum in excellent condition and maximum of 10% in poor condition	✗	13.3% of footpaths in the district are in excellent condition. 5.8% are in poor condition.
The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	>95%	✓	1,896 Customer service requests were received. 96% of requests responded to within 15 working days.


Solid Waste Te Para Totoka

	Target	Achieved/ Not achieved	
Quantity of waste going to landfill per person per year	≤400kg per person per year	✗	An average of 450.53kg of waste per person based on an estimated population of 33,261. In all 14,984.96 tonnes of waste was produced and disposed of by residents.
To ensure the number of odour complaints and reports of solid waste are minimal in or around the waste transfer stations and recycling stations.	Less than 4 a month	✓	1.58 per month (19 in total) – Waster Transfer stations. 1.75 per month (21 in total) – Recycling stations.
To ensure that all requests are responded to within three days.	100%	✗	1,089 service requests received. 442 (65%) of these were responded to within three days.
Solid waste management. The number of abatement and infringement notices, enforcement orders and convictions received from Horizons Regional Council.	0	✓	0 were received in this financial year. However, abatement notice 887 is still active from the previous financial year.
Complaints about non collection or kerbside recycling and refuse.	<6 6 per month	✗	9.08 complaints per month – Kerbside recycling. 13.67 complaints – Kerbside refuse During this financial year, a new refuse collector contractor took over the operation in October leading to a high number of complaints that month.
To ensure the percentage of customers satisfied with their recycling and refuse collections, based on the Annual Customer Satisfaction Survey is at least 80%.	≥80%	✗	75.1% satisfied with kerbside recycling. 80.3% satisfied with kerbside refuse collection.


Stormwater Te Pūnaha Wai Ua

	Target	Achieved/ Not achieved	
The number of flooding events that occur in the District is less than five per year.	5 or less a year	✓ 0	0 reported flooding events.
For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.	2 or less	✓ 0	0 habitable floors affected, which equates to 0 per 1,000 connections.
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	✓	No flooding events were recorded during this period.
The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.	<10 a year	✓ 8	8 complaints were received, which equates to 0.63 per 1,000 connections regarding the performance of our stormwater system.
Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey.	≥80%	✗ 57.2%	57.2% satisfied.
To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: • Abatement notices; • Infringement notices; • Enforcement orders; and Convictions.	100%	✓	For the period 1st July to 30th June 2018: 0 Abatement Notices. 0 Infringement Notices. 0 Enforcement Orders. 0 Convictions.

Wastewater Te Pūnaha Wai Para

	Target	Achieved/ Not achieved	
To ensure the number of dry weather overflows from the wastewater system is less than two per 1,000 connections.	less than 2 per 1,000 connections	✓ 12,468	Total number of connection as of 30 June 2019. 10 Dry weather overflows. 0.8 Overflows per 1,000 connections.
To ensure the median time (hours) 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 is less than one hour.	less than 1 hour	✓ 28 min	
To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel confirm resolution of the blockage or other fault within the wastewater system will be no more than 12 hours.	no more than 12 hours	✓ 2:11hrs	
To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) is less than five.	less than 22 per 1000 connections	✓ 12,468	Total number of connections as of 30 June 2019. 100 Complaints. 8.02 Complaints per 1,000 connections.
To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving no abatement notices, infringement notices, enforcement orders; or convictions.	0	✓	0 Abatement Notices. 0 Infringement Notices. 0 Enforcement Orders. 0 Convictions.

Water Supply Te Whakarato Wai Maori

	Target	Achieved/ Not achieved	
To ensure the percentage in which the local authority's drinking water supply complies with: a) part 4 of the Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria complies 100% of the time.	100%	✓	100% compliance. 1,009 of analysed samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli.
To ensure the percentage in which the local authority's drinking water supply complies with: b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time.	100%	✓	100%
To ensure the average consumption of drinking water per day per resident within the water supply areas is 300lt per day (target based on One Plan Section 6.4.3.1).	within 350lt per day	✓	Average consumption is 323 L per person per day 409 l/day Levin. 325 l/day Foxton. 195 l/day Foxton Beach. 203 l/day Tokomaru. 510 l/day Shannon/Mangaore.
The total number of complaints received about, clarity, taste, odour, pressure, continuity of supply or response to these issues (expressed per 1,000 connections) is no more than 4 complaints.	Less than 6 per 1000 connections	✗	13,136 Total number of connections 80 Total number of complaints. 7.18 Complaints per 1,000 connections.
The median time from the time that Council received notification to the time that service personnel resolve the issue. 8 hours for urgent call outs and three days or less for non urgent call outs.	100%	✓	Received 21 urgent call outs (34mins) and 528 non-urgent call outs (4.56 hrs). Urgent – 20 resolved within 8 hours or less Non urgent – 496 resolved within 3 days of less.
Use the World Bank Institute Band for Leakage as the standard to measure water loss.	Band B	✗	Results from September 2018: C Levin D Shannon and Mangaore D Foxton A Foxton Beach C Tokomaru
To ensure 100% compliance with water take limits of resource consents.	100%	✓	100% of water take which complied with limits of resource consent.



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