

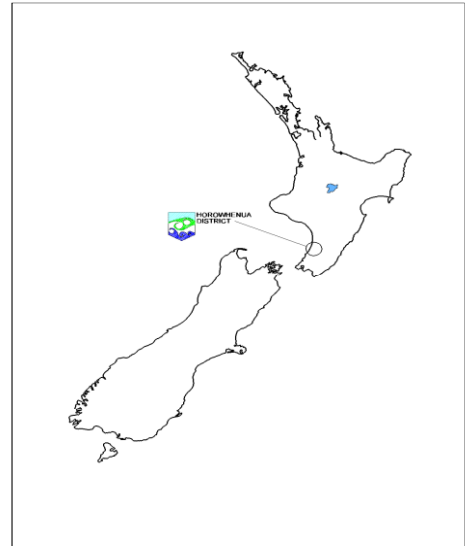
# Annual Report

2017-2018



# WELCOME TO HOROWHENUA

The Horowhenua District is located near the southern end of the North Island of New Zealand, 100km north of the capital city Wellington along State Highway 1 and the main trunk railway. The District has a population of 31,300 and an area of 1,064 square km. The climate provides 1,880 sunshine hours per year (22 degrees in summer and 17 degrees in winter) and an average annual rainfall of 1,120mm.





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# SECTION A: SUMMARY

Section A sets the scene for the annual report by setting out some of the highlights of the year.

## **Introduction from the Elected Members and Chief Executive**

The Elected Members and the Chief Executive, David Clapperton, highlight some of the big issues and review the year, commenting on the finances and achievements of the Council during the year.

## Vision Statement

Horowhenua District Council  
Vision Statement

**“Working together to take  
Horowhenua  
from good to great.”**



# Introduction from the Elected Members and Chief Executive

Horowhenua is better prepared for the future and for growth following a fast-paced year of planning and projects.

The 2017/18 financial year resulted in a deficit of \$2.15 million, against a budgeted surplus of \$978,000 for Horowhenua District Council. Council's revenue was \$52.43 million, and its expenditure was \$54.58 million.

The last financial year was busy and the current financial year will be no different as we prepare our district for growth, improve the wellbeing of our people and strengthen our infrastructure.

Depreciation was \$2.33 million higher than budgeted. This came about after a revaluation of our fixed assets totalling \$45 million in the previous financial year. During the year there was a further revaluation of our infrastructural assets that informed the Long Term Plan 2018-38 and increased its asset value by \$7.7 million.

The value of Council infrastructure is affected by factors such as increased costs of materials and increased labour and machinery costs.

The increase in value means it will cost more to replace worn out infrastructure when we need to, and as a result, we increased depreciation funding to \$11.1 million. That is 82% of the total depreciation up from 63% previously and was the main reason for our above-inflation rate increase.

In addition, Council received less revenue from grants than was budgeted for. Roading subsidies were higher by \$1 million because of an LED lighting subsidy and other unbudgeted roading improvements. However, that was more than offset by two items that were removed from the budget. The \$1 million fit-out of Te Awahou Nieuwe Stroom has now been attributed to the two Trust partners that operate within the facility and not Council, and \$500,000 worth of grants for community centres actually occurred in the previous financial year.

Council's total capital expenditure in the 2017/18 financial year was \$5.933 million below budget. The main reasons for this were delays to planned work such as the Foxton Wastewater Treatment Plant, desludging of the Foxton Wastewater Pond, Levin Wastewater Treatment Plan renewals, North East Levin stormwater improvements, stormwater development planning for Foxton Beach and district-wide stormwater improvements.

Many of the delays were outside Council's control and the work would be completed in this financial year.

Fees and charges were higher than expected because of:

- pensioner housing rental of \$343,000 that was not budgeted for because of the sale of social housing was delayed
- interest of \$91,000 from a new \$5 million liquidity investment
- lower interest rates meaning interest payments were \$365,000 below the budgeted amount.

Two major infrastructure projects cost more than anticipated:

- Levin's water treatment and storage infrastructure upgrade – more laterals were added and repair work was completed, in addition, there were delays because of consent requirements (\$645,000)
- improving the quality of water in Foxton (\$210,000).

Over the year, Council has completed many projects that have better prepared our communities for the future. Our team has led significant planning projects that will lead to the transformation of our District and futureproof our services.

The 2017/18 Annual Report contains considerable financial and non-financial information with the completion of several major infrastructure renewal projects and other major achievements that we are extremely proud to report on:

**Consents:** The high levels achieved in 2016/17 continued throughout the 2017/18 financial year. There were 183 resource consents lodged for the year ending 30 June 2018 and the value of building consents was \$97,816,985, compared to \$94,089,281 for the same period in the year prior.

**Water:** Investments in improvement to the quality of water in Foxton / Te Awahou and Foxton Beach has resolved the issues that caused problems for many years. Alongside this, Council constructed a 500 cubic metre reservoir in Foxton to improve community resilience, and upgraded the Levin Water Treatment Plant. This upgrade provided Levin with a six million litre reservoir, new water clarifier, new chemical dosing system, new ultraviolet treatment system, new chlorine shed and electrical and telemetry work.

As well as this, IANZ-accredited Environmental Laboratory Services tested drinking water in Levin, Foxton, Foxton Beach, Shannon and Tokomaru and found all are within the safe drinking water limits allowed by the Drinking Water Standards of New Zealand.

**Stormwater:** Upgrading of stormwater infrastructure in North East Levin was completed. It includes larger pipes and pumps for Kennedy Drive and Okarito Avenue and a larger pipe along Fairfield Road between Kennedy Drive and Roslyn Road.

**LED lighting:** To reduce electricity spend on street lighting and to reduce our communities' carbon footprint, about 1,800 70-watt LED street lights have been installed across the district. This project will continue.

**Jack Allen Community Hub:** This much-loved community hub is home to many organisations that aid our most vulnerable residents. During the year, the land it was on and adjacent carparks were sold to allow for the construction of a large new medical centre. Council officers worked with the trust that runs the hub to find a new home in the Levin RSA, and to help with funding requests to refurbish the new site. An added benefit to the community is that Levin RSA has secured a long-term tenant, which will aid the RSA to continue to operate locally.

**Te Awahou Nieuwe Stroom:** This new community facility and visitor experience opened to much acclaim both in Aotearoa and internationally. It is home to the Piriharakeke Generation Inspiration Centre, the Oranjerhof Museum and a culture and community centre – and is one of the few bi-culturally run facilities of its type in New Zealand. The project won the NEC Project of the Year in London, the Public Architecture Award at the New Zealand Institute of Architects Western Architecture Awards, and the Museum Project Excellence Award at the New Zealand Museum Awards. It was also a finalist in the Local Government New Zealand Excellence Awards.

**Punahou / Lake Horowhenua:** Council and Lake Accord partners have continued to invest in the improvement of the lake, however, this has at times been hampered and progress is often challenged. Native plantings have continued, thousands of eels/tuna have been bred, and progress continues on land management plans. We support a proposed 12 kilometre shared pathway around the lake. This year, Council approved studies to consider how to improve stormwater quality before it enters the lake and a programme of works will be developed from that work.

**Wastewater:** Funding was secured to create a purpose-made native eco-system where Levin's treated wastewater will be discharged. Meanwhile Council is finalising plans to discharge wastewater to land for Foxton / Te Awahou and Tokomaru. Once this is completed Horowhenua will lead Aotearoa because all our treatment plants will discharge to land as opposed to waterways.

**Foxton / Te Awahou Main Street upgrade:** This transformational project was a significant investment in the future of our oldest town. Delays were experienced, and more engagement was undertaken to determine how the town's war memorial and the roads around it should be treated. This was resolved, and the project is nearing completion.

**2018-38 Long Term Plan:** For the first time, Council created a 20-year Long Term Plan (LTP) and carried out pre-engagement to inform the Consultation Document. The Council's LTP Consultation Document was a finalist in the Society of Local Government Managers awards, and Horowhenua was one of four councils held up as a model for others by the Office of the Auditor-General in its report to Parliament.

**Transforming Taitoko – the draft Levin Town Centre Strategy:** More than 600 people took part in conversations about how we can transform Levin's town centre. The input from the public is now being used to form the strategy, which will go to Council for adoption, and from there a number of projects will begin.

**Social housing:** The agreement to sell Council's social housing to Compassion Horowhenua was made in the previous financial year. However, the sale was finalised this financial year. Compassion Housing bought the properties for \$5.25 million and a \$5 million suspensory loan was transferred to Compassion Housing. Council's former tenants now receive an increased level of support from Compassion Housing, including regular visits by a nurse.

**Horowhenua New Zealand Trust:** Following a unanimous Council decision to create the Trust to manage Council's non-core assets and use them to create economic opportunities for our district, the Trust was established as a charity and work is progressing on its development. The Trust is owned by the people of Horowhenua and it will be similar to the successful Eastland Trust in Gisborne.

**Online portal:** Connect Horowhenua offers the public a new and convenient way to interact with Council online. Through the portal anyone who is registered can log enquiries, request services and lodge complaints. They can also update their details through the portal if they move house and link Council accounts, such as rates and dog renewal licences, to their profile.

**Building Consents:** GoShift, a single online portal for building consent applications, use of standard templates and checklists, aligned information and single best-practice quality management, was introduced.

**The Cloud:** This year, Council became one of the first in New Zealand to move its digital data from a land-based storage option to the Cloud to improve the regularity of our systems and help ensure our website is accessible during an emergency. The project roll out will continue into the coming financial year.

**Shared pathways:** A new shared pathway along Arapaepae Road in Levin was constructed. It runs from Queen Street to Meadowvale Drive and is the first stage of a project that will eventually form a network of shared pathways throughout Horowhenua. Work has begun on an eight-kilometre loop shared pathway at Foxton Beach.

**Wellington Northern Motorway:** The expressway, being built north of Wellington, has begun to transform Horowhenua. Our population is growing at a faster rate than predicted and population growth is expected to continue for the next 20 years. Two sections of the motorway are nearing completion, and by 2020 the district will be a short 55-minute drive from downtown Wellington.

During the past financial year NZTA placed the proposed Ōtaki to North of Levin project – the last section of the Wellington Northern Motorway – on hold and is reviewing the project. This has led to uncertainty for landowners and for Council.

**Growth areas:** During the year, Council carried out public engagement on the location of growth areas adjacent to our towns and settlements across the district. Seismic testing is being undertaken and Council will use the result of that and feedback from the engagement process will formalise the strategy, which will lead to District Plan changes in the next financial year.

**Credit rating:** We retained our A+ rating for long-term foreign currency and local currency. The ranking is awarded by Standard & Poor's Global – an internationally recognised organisation – and the credit rating process takes into account whether the organisation can service its debt.



# SECTION B: FINANCIAL STATEMENTS

Section B provides information on the financial outcomes for the year ended 30 June 2018.

## **Audit Report**

This is a report from the Council's auditors outlining the scope of the audit and their audit opinion.

## **Statement of Compliance and Responsibility**

Confirmation from senior Council officials that Council's systems comply with statutory requirements and that Council accepts responsibility for the information in the Annual Report.

## **Statement of Comprehensive Revenue and Expense**

Effectively a profit and loss statement, this shows the summarised operating revenues and operating costs of the Council in 2017/18, and the operating surplus.

## **Statement of Movements in Ratepayers' Equity**

This shows the sources of the movement in the net worth of the Council during 2017/18 (primarily the net surplus and changes to asset valuations).

## **Statement of Financial Position**

Also known as the balance sheet, this shows the financial position of the Council as at 30 June 2018. It summarises what the Council owns (its assets) and what the Council owes (its liabilities). The equity of the Council is the difference between the two, and represents the net community ownership.

## **Statement of Cash Flows**

This shows the source of the movements in and out of Council's cash and bank resources during 2017/18.

## **Funding Impact Statement**

This shows the Council's operating and capital funding received and how it was applied during 2017/18.

## **Accounting Policies**

These set out the accounting policies that the financial statements are based on, covering such matters as: when revenue is recognised, what depreciation rates are used and how assets are valued. These policies reflect generally accepted accounting practice.

## **Notes to the Accounts**

The notes to the accounts are a series of notes that are referred to in the main body of the financial statements. The notes give further details on the numbers given in the accounts. The importance of these numbers should not be underestimated.

# Audit Report

## Independent Auditor's Report

### To the readers of Horowhenua District Council's annual report for the year ended 30 June 2018

The Auditor-General is the auditor of Horowhenua District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Debbie Perera, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

We completed our work on 24 October 2018. This is the date on which we give our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 16 to 59, and 70 to 81:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2018;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 23, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's annual plan;
- the performance reporting on pages 82 to 192:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2018, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand; and
- the statement about capital expenditure for each group of activities on pages 95 to 193, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 96 to 195, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

## **Report on the disclosure requirements**

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 60 to 69, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council and Group's audited information and, where applicable, the District Council's long-term plan and annual plans.

## **Basis for our opinion on the audited information**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.



## **Responsibilities of the Council for the audited information**

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

## **Responsibilities of the auditor for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the performance reporting, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Other Information**

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 9 and 196 to 206, but does not include the audited information and the disclosure requirements.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independence**

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the

independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the District Council's 2018-28 long term plan and carried out an assurance review of the District Council's Debenture Trust Deed. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



Debbie Perera  
Audit New Zealand  
On behalf of the Auditor-General  
Palmerston North, New Zealand



# Statement of Compliance

Horowhenua District Council hereby confirms that all statutory requirements relating to the annual report, as outlined in the Local Government Act 2002, have been complied with.



**Michael Feyen**  
**District Mayor**  
24 October 2018



**David Clapperton**  
**Chief Executive**  
24 October 2018

# Statement of Comprehensive Revenue and Expense

## HOROWHENUA DISTRICT COUNCIL

FOR THE YEAR ENDED 30 JUNE 2018

	Note	Council Actual \$ 30 June 2018 \$000	Council Budget \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
<b>Revenue</b>						
Rates	1	36,381	36,790	34,498	36,381	34,498
Finance revenue	2a	161	70	53	174	65
Grants and subsidies	2b	6,325	7,226	3,900	6,325	3,900
Fees and charges	2c	5,601	5,155	6,321	5,601	6,321
Other revenue	2d	3,207	3,293	3,857	3,207	3,857
Vested assets	2e	203	-	459	203	459
Development contributions	2f	197	-	488	197	488
Gain on derivative financial instruments	19	-	-	630	-	630
Other gains	3	356	359	983	356	760
<b>Total revenue</b>		<b>52,431</b>	<b>52,893</b>	<b>51,189</b>	<b>52,444</b>	<b>50,978</b>
<b>Expenditure</b>						
Employee benefit expenses	4	13,369	13,174	12,234	13,369	12,234
Depreciation and amortisation	11,12 34	13,860	11,604	14,154	13,860	14,154
Finance costs	6	3,291	3,658	3,106	3,291	3,106
Loss on derivative financial instruments	19	184	-	-	184	-
Other losses	3	2,262	1,877	733	2,262	733
Increase / (decrease) in landfill provision	16	142	95	221	142	221
Other expenses	5	21,473	21,507	21,683	21,482	21,706
<b>Total expenses</b>		<b>54,581</b>	<b>51,915</b>	<b>52,131</b>	<b>54,590</b>	<b>52,154</b>
<b>Operating surplus / (deficit) before tax</b>		<b>(2,150)</b>	<b>978</b>	<b>(942)</b>	<b>(2,146)</b>	<b>(1,176)</b>
Income tax expense	37	-	-	-	-	-
<b>Operating surplus / (deficit) after tax</b>		<b>(2,150)</b>	<b>978</b>	<b>(942)</b>	<b>(2,146)</b>	<b>(1,176)</b>
Write back of revaluation losses on land and buildings		-	-	2,963	-	2,963
<b>Surplus / (deficit) attributable to: Horowhenua District Council</b>		<b>(2,150)</b>	<b>978</b>	<b>2,021</b>	<b>(2,146)</b>	<b>1,787</b>
<b>Other comprehensive revenue and expense</b>						
Gain / (loss) on infrastructural assets revaluations		7,713	5,963	29,272	7,713	29,272
Gain / (loss) on operational assets revaluation		60	-	6,418	60	6,418
Gain / (loss) on restricted assets revaluation		19	-	6,091	19	6,091
<b>Total other comprehensive revenue and expense for the year</b>		<b>7,792</b>	<b>5,963</b>	<b>41,781</b>	<b>7,792</b>	<b>41,781</b>
<b>Total comprehensive revenue and expense (deficit) for the year</b>		<b>5,642</b>	<b>6,941</b>	<b>43,802</b>	<b>5,646</b>	<b>43,568</b>
<b>Total comprehensive revenue and expense attributable to Horowhenua District Council</b>		<b>5,642</b>	<b>6,941</b>	<b>43,802</b>	<b>5,646</b>	<b>43,568</b>
Interest as percentage of operating revenue		6%	7%	6%	6%	6%
Interest to rates		9%	10%	9%	9%	9%

Explanations of major variances against budget are provided on page 17

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

## Explanations of significant variances between the Council's actual results and the Council's budget for 2017/18

### Revenue

A breakdown of the revenue included under this heading is provided in Note 2 and explanations of the variations from the budgets are also detailed in the relevant funding impact statements included in Section C of this report. Further explanation follows:

**Rates income** – \$409k lower than budget due to rates remissions of \$570k being netted of the actual rates but not in the budget (where they appeared under other expenses) offset by higher general and targeted rates income (\$161k).

**Grants and subsidies** – Lower than budget due to;

Roading subsidy increased due to LED lighting and extra capital projects (\$1m), offsetting lower than budgeted grants detailed below:

- Community Centres \$1.52m;
  - \$1m of the budget was for the Iwi and Dutch museum fit-outs. This was initially recognised in the budget as council income. However, as the fit-out asset is not a Council asset the grant was received on behalf of the partners and not Council income and therefore not recognised as Council revenue.
  - \$500k was in the budget for 2017/18 but was actually recognised last financial year (2017/18) as an accrual.

**Fees and charges** – This is higher than budgeted due to pensioner housing rental \$343k that was not budgeted for due to sale, which occurred 27 November 2017 instead of early July 2017 as was originally anticipated.

**Finance revenue** – Is above budget due to Council's decision in November to increase cash reserves by an extra \$5m to enhance Council's liquidity and reduce the refinancing risk on commercial paper identified by Standard & Poor's.

**Vested assets** – There was no budget as subdivision activity not expected to be as busy at the time of setting the budgets.

**Development contributions** – There was no budget for development contributions as they are no longer charged; however, the majority of the actual development contributions received are the result of development contributions being paid out on the sale of the Forbes Road subdivision. This subdivision was done when development contributions were being charged.

### Expenditure

**Depreciation and amortisation** – The increase of \$2.33m higher than budget due to the revaluations of assets last year that were not reflected in the Annual Plan budgets. \$8.7m (63%) of the \$13.9m of depreciation has been rate funded to provide for future asset renewals. This "underfunding" of depreciation has contributed to our unbalanced budget. The LTP budget for the current financial year has increased this funding to \$11.1m (82%) and was one of the main reasons for our above inflation rate increase.

**Finance Costs** – This is below budget by \$367k reflecting the lower interest rates on loans; 4.12% cost of funds against the Annual Plan assumption of 4.75%.

**Increase in landfill provision** – The higher than budget figure is the result of increased monitoring requirements agreed to during the review of the consent conditions by Horizons.

# Statement of Changes in Ratepayers' Equity

HOROWHENUA DISTRICT COUNCIL

FOR THE YEAR ENDED 30 JUNE 2018

	Council Actual \$ 30 June 2018 \$000	Council Budget \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
Balance at 1 July	461,544	416,282	417,742	461,911	418,343
Total comprehensive revenue and expense for the year	5,642	6,941	43,802	5,646	43,568
<b>Balance at 30 June</b>	<b>467,186</b>	<b>423,223</b>	<b>461,544</b>	<b>467,557</b>	<b>461,911</b>

Explanations of major variances against budget are provided on page 20

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

# Statement of Financial Position

HOROWHENUA DISTRICT COUNCIL

AS AT 30 JUNE 2018

		Council Actual \$ 30 June 2018 \$000	Council Budget \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
	Note					
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	7	960	4,953	5,074	971	5,100
Debtors and other receivables	8	5,567	6,045	6,790	5,567	6,795
Other financial assets	9	5,375	-	365	5,375	365
Non-current assets held for sale	10	542	285	7,508	542	7,508
<b>Total current assets</b>		<b>12,444</b>	<b>11,283</b>	<b>19,737</b>	<b>12,455</b>	<b>19,768</b>
<b>Non-current assets</b>						
Plant, property and equipment						
- Operational assets	11	54,281	42,388	52,008	54,281	52,008
- Infrastructural assets	11	441,611	419,880	428,046	441,611	428,046
- Restricted assets	11	45,146	41,511	44,979	45,146	44,979
Intangible assets	12	1,756	1,608	1,854	1,756	1,854
Forestry assets	13	1,108	1,010	1,500	1,108	1,500
Commercial property	14	5,879	6,219	5,879	5,879	5,879
Other financial assets:						
- Investments CCO's & similar entities	9	220	220	220	220	220
- Other	9	1,369	1,065	1,121	1,369	1,121
<b>Total non-current assets</b>		<b>551,370</b>	<b>513,901</b>	<b>535,607</b>	<b>551,370</b>	<b>535,607</b>
<b>Total assets</b>		<b>563,814</b>	<b>525,184</b>	<b>555,344</b>	<b>563,825</b>	<b>555,375</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Payables and deferred revenue	15	10,718	11,984	10,579	10,359	10,243
Provisions	16	110	993	1,129	110	1,129
Employee benefit liabilities	17	723	940	1,155	723	1,155
Borrowings and other financial liabilities	18	20,000	14,000	14,000	20,000	14,000
<b>Total current liabilities</b>		<b>31,551</b>	<b>27,917</b>	<b>26,863</b>	<b>31,192</b>	<b>26,527</b>
<b>Non-current liabilities</b>						
Provisions	16	3,433	2,431	2,272	3,433	2,272
Employee benefit liabilities	17	137	161	166	137	166
Derivative financial instruments	19	1,222	1,668	1,038	1,222	1,038
Borrowings and other financial liabilities	18	60,000	69,000	63,000	60,000	63,000
Other	20	285	784	461	285	461
<b>Total non-current liabilities</b>		<b>65,077</b>	<b>74,044</b>	<b>66,937</b>	<b>65,077</b>	<b>66,937</b>
<b>Total liabilities</b>		<b>96,628</b>	<b>101,961</b>	<b>93,800</b>	<b>96,269</b>	<b>93,464</b>
<b>Net assets</b>		<b>467,186</b>	<b>423,223</b>	<b>461,544</b>	<b>467,556</b>	<b>461,911</b>
<b>Equity</b>						
Retained earnings	21	256,775	261,439	263,895	257,145	264,262
Revaluation reserves		201,312	153,411	189,230	201,312	189,230
Other reserves		9,099	8,373	8,419	9,099	8,419
<b>Total equity</b>		<b>467,186</b>	<b>423,223</b>	<b>461,544</b>	<b>467,556</b>	<b>461,911</b>

Explanations of major variances against budget are provided on page 20

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

## Explanations of significant variances between the Council's actual results and the Council's budget for 2017/18

### Assets

**Cash and cash equivalents** – Cash and cash equivalents balances are difficult to anticipate over 18 months out but the balance of \$5m is enough to maintain Council's liquidity in the short-term.

**Debtors and other receivables** – GST receivable was higher than expected due to an increase spend in the last month of the year as more work was done as a result of more resources employed to catch up with delayed projects.

**Other financial assets** – Other financial assets are greater than budget as the budget didn't include the increase in Local Government Funding Agency (LGFA) borrowers notes that increases as LGFA borrowings increase.

**Non-current assets for sale** – The surplus farm house for sale adjacent to the Shannon wastewater disposal field was not budgeted for.

**Plant, property and equipment assets** – More than budget as a result of the revaluation work completed.

**Commercial property** – More than budget as the budget included a \$1m sale that did not happen this year.

### Liabilities

**Current borrowings** – Higher than budget due to Council taking the advantage of the lower rates on shorter term borrowing.

**Total borrowings** – The combination of current and non-current borrowing is lower than budget due to delays in a number of projects, such as North East Levin stormwater project, Foxton wastewater treatment plant upgrade mitigated by borrowing \$5m to increase council's liquidity.

**Derivative financial instruments** – The result of interest rates dropping from the time the derivative financial instrument contracts were entered into. This is unbudgeted because at the time the contracts are entered into it is expected the value over the life of the contracts is zero.

**Other non-current liabilities** – The amortisation reserve for fixed rate LGFA bonds which reduce every year but the reduction was not budgeted for. The previous year included unrealised Development contributions which have been recognised in this Financial year but again the reduction as not budgeted for.

### Equity

**Retained earnings** – Less than budget partly due to a \$2.15m deficit made in comprehensive revenue and expense as opposed to a budgeted surplus of \$0.98m.

**Revaluation reserves** – Larger than budget due to a larger than expected increase in asset valuations for infrastructure asset.

**Other reserves** – Larger than budget due to a larger number of Forbes Road subdivision sales than expected which has increased the Foxton Beach Freeholding Fund.



# Statement of Cash Flows

HOROWHENUA DISTRICT COUNCIL

AS AT 30 JUNE 2018

		Council Actual \$ 30 June 2018 \$000	Council Budget \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
	Note					
<b>Cashflow from operating activities</b>						
<b>Cash was provided from:</b>						
Revenue from rates		36,995	36,790	33,621	36,995	33,621
Other revenue		15,086	15,674	14,570	15,086	14,570
Interest received		155	70	21	155	35
Net GST movement		-	-	-	-	-
<b>Total cash provided</b>		<b>52,236</b>	<b>52,534</b>	<b>48,212</b>	<b>52,236</b>	<b>48,226</b>
<b>Cash was disbursed to:</b>						
Suppliers, services and employees		34,955	34,680	34,958	34,970	34,958
Interest paid		3,230	3,658	3,155	3,230	3,155
Net GST movement		(15)	-	(123)	(15)	(123)
<b>Total cash disbursed</b>		<b>38,170</b>	<b>38,338</b>	<b>37,990</b>	<b>38,185</b>	<b>37,990</b>
<b>Net cashflow from operating activity</b>	<b>32</b>	<b>14,066</b>	<b>14,196</b>	<b>10,222</b>	<b>14,051</b>	<b>10,236</b>
<b>Cashflows from investing activities</b>						
<b>Cash was provided from:</b>						
Proceeds from asset sales		7,488	6,890	2,024	7,488	2,024
Proceeds from investments		-	-	-	-	-
<b>Total cash provided</b>		<b>7,488</b>	<b>6,890</b>	<b>2,024</b>	<b>7,488</b>	<b>2,024</b>
<b>Cash was disbursed to:</b>						
Purchases of investments		5,248	80	288	5,248	288
Purchase of assets		23,420	29,316	26,284	23,420	26,284
<b>Total cash disbursed</b>		<b>28,668</b>	<b>29,396</b>	<b>26,572</b>	<b>28,668</b>	<b>26,572</b>
<b>Net cashflow from investing activity</b>		<b>(21,180)</b>	<b>(22,506)</b>	<b>(24,548)</b>	<b>(21,180)</b>	<b>(24,548)</b>
<b>Cashflows from financing activities</b>						
<b>Cash was provided from:</b>						
Loans raised		35,000	14,400	43,000	35,000	43,000
<b>Total cash provided</b>		<b>35,000</b>	<b>14,400</b>	<b>43,000</b>	<b>35,000</b>	<b>43,000</b>
<b>Cash was disbursed to:</b>						
Repayment of public debt		32,000	8,400	31,000	32,000	31,000
<b>Total cash disbursed</b>		<b>32,000</b>	<b>8,400</b>	<b>31,000</b>	<b>32,000</b>	<b>31,000</b>
<b>Net cashflow from financing activity</b>		<b>3,000</b>	<b>6,000</b>	<b>12,000</b>	<b>3,000</b>	<b>12,000</b>
<b>Net increase (decrease) in cash held</b>		<b>(4,114)</b>	<b>(2,310)</b>	<b>(2,326)</b>	<b>(4,129)</b>	<b>(2,312)</b>
Add opening cash brought forward		5,074	7,263	7,400	5,100	7,412
<b>Closing cash balance</b>		<b>960</b>	<b>4,953</b>	<b>5,074</b>	<b>971</b>	<b>5,100</b>
<b>Closing balance made up of cash and cash equivalents</b>	<b>7</b>	<b>960</b>	<b>4,953</b>	<b>5,074</b>	<b>971</b>	<b>5,100</b>

Explanations of major variances against budget are provided on page 22

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

## Explanations of significant variances between the Council's actual results and the Council's budget for 2017/18

### Cashflows from operating activities

**Other revenues** – Less than budget due to \$1m of the budget was for the Iwi and Dutch museum fit-outs. This was initially recognised in the budget as Council income. However, as the fit-out asset is not a Council asset the grant was received on behalf of the partners and not Council income and therefore not recognised as Council revenue.

**Payment to suppliers, services and employees** – More than budgeted due to increased asset maintenance contract expenditure as a result of:

- The increased operational costs on the new Levin Treatment and storage infrastructure \$647k as well as more laterals and repair work than envisaged.
- Increased costs in Foxton water \$210k associated with the change in chemicals to remove the manganese and an increase in inspections relating to this change in treatment methodology.

**Interest paid** – Less than budgeted due to lower loan balances as a result of delayed capital projects as well as lower actual interest rates from what was assumed.

### Cashflows from investment activities

**Proceeds from assets sales** – More than budget due to more sales of the Forbes Road subdivision properties than expected.

**Purchase of assets** – Lower expenditure on infrastructural projects as a result of delays.

### Cashflows from financing activities

**Net cashflow from financing activity** – Lower than budget due to lower borrowing as a result of lower expenditure on infrastructural projects largely due to consenting issues and other delays.

# Funding Impact Statement for Whole of Council

HOROWHENUA DISTRICT COUNCIL

FOR THE YEAR ENDED 30 JUNE 2018

	Annual Plan Forecast 2017 \$000	Annual Report Actual 2017 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	9,259	8,978	9,635	9,374	(261)
Targeted rates	25,821	25,520	27,155	27,006	(149)
Subsidies and grants for operating purposes	1,342	1,488	1,585	1,454	(131)
Fees and charges	5,234	6,321	5,155	5,601	446
Interest and dividends from investments	154	53	70	161	91
Local authorities fuel tax, fines, infringement fees, and other receipts	2,817	3,857	3,293	3,209	(84)
<b>Total operating funding (A)</b>	<b>44,627</b>	<b>46,217</b>	<b>46,893</b>	<b>46,805</b>	<b>(88)</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	32,466	33,917	34,680	34,842	162
Finance costs	3,570	3,106	3,658	3,291	(367)
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>36,036</b>	<b>37,023</b>	<b>38,338</b>	<b>38,133</b>	<b>(205)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>8,591</b>	<b>9,194</b>	<b>8,555</b>	<b>8,672</b>	<b>117</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	5,854	2,412	5,641	4,870	(771)
Development and financial contributions	-	488	-	197	197
Increase (decrease) in debt	18,000	12,000	8,310	3,000	(5,310)
Gross proceeds from sale of assets	2,640	2,023	6,890	7,306	416
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>26,494</b>	<b>16,923</b>	<b>20,841</b>	<b>15,373</b>	<b>(5,468)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
- to meet additional demand	5,382	2,306	4,425	2,359	(2,066)
- to improve the level of service	18,128	13,290	10,583	9,318	(1,265)
- to replace existing assets	13,290	9,819	14,308	12,498	(1,813)
Increase (decrease) in reserves	(600)	1,485	-	(375)	(375)
Increase (decrease) of investments	(1,115)	(783)	80	248	168
<b>Total applications of capital funding (D)</b>	<b>35,085</b>	<b>26,117</b>	<b>29,396</b>	<b>24,045</b>	<b>(5,351)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(8,591)</b>	<b>(9,194)</b>	<b>(8,555)</b>	<b>(8,672)</b>	<b>(117)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation	11,471	14,154	11,604	13,860	2,256
<b>Loans</b>					
				<b>External</b>	<b>\$000</b>
Loans as at 1/07/2017				77,000	
Raised during year				14,240	
Repaid during year				(11,240)	
<b>Loans as at 30/06/2018</b>				<b>80,000</b>	
Interest expense				3,291	

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

# Reconciliation between the Funding Impact Statement for the Whole of Council and the Statement of Comprehensive Revenue and Expense

HOROWHENUA DISTRICT COUNCIL  
FOR THE YEAR ENDED 30 JUNE 2018

	Annual Report Actual 2017 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
<b>Revenue</b>				
<i>Statement of comprehensive revenue and expense</i>				
<b>Total operating revenue</b>	<b>51,189</b>	<b>52,893</b>	<b>52,431</b>	<b>(462)</b>
<b>Summary funding impact statement</b>				
<i>Sources of operating funding</i>				
Total operating funding	46,217	46,893	46,805	(88)
<i>Add sources of capital funding</i>				
Subsidies and grants for capital expenditure	2,412	5,641	4,870	(771)
Development and financial contributions	488	-	197	197
Gain on derivative financial instruments	630	-	-	-
Other gains	983	359	356	(3)
Vested assets	459	-	203	203
<b>Total revenue</b>	<b>51,189</b>	<b>52,893</b>	<b>52,431</b>	<b>(462)</b>
<b>Expenditure</b>				
<i>Statement of comprehensive revenue and expense</i>				
<b>Total operating expenditure</b>	<b>52,131</b>	<b>51,915</b>	<b>54,581</b>	<b>2,666</b>
<b>Summary funding impact statement</b>				
<i>Total application of operating funding</i>				
Total application of operating funding	37,023	38,339	38,133	(206)
Loss on derivative financial instruments	-	-	184	184
Other losses	733	1,877	2,262	385
Increase / (decrease) in landfill provision	221	95	142	47
Add depreciation and amortisation expense	14,154	11,604	13,860	2,256
<b>Total expenditure</b>	<b>52,131</b>	<b>51,915</b>	<b>54,581</b>	<b>2,666</b>

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

# Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose, and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserve are credited with interest. Council holds 17 reserves, with 5 being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council created reserves are discretionary reserves which the Council has established for the fair and transparent use of monies. Reserve balances are not separately held in cash, and the funds are managed as part of the Council's treasury management.

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

2018 RESERVE FUNDS	Opening Balance 1 July 2017 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2018 \$000s
<b>Restricted reserves – purpose of the fund</b>				
<b>Foxton Beach Freeholding Fund (Property)</b> Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	4,765	1,478	923	5,320
<b>Reserve Land Reserve (Parks and Recreation)</b> To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	177	4	-	181
<b>Road Upgrade Reserve (Roothing Activity)</b> To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	750	18	-	768
<b>Wairarawa Stream Walkway</b> To hold funds for the construction of a walkway along the Wairarawa stream.	52	1	-	53
<b>Total restricted reserves</b>	<b>5,744</b>	<b>1,502</b>	<b>923</b>	<b>6,323</b>
<b>Financial and Capital contributions for Roothing (Roothing Activity)</b> To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	82	2	-	84
<b>Financial and Capital contributions for Water Supplies (Water Supply Activity)</b> To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	545	13	-	558
<b>Financial and Capital contributions for Wastewater Schemes (Wastewater Activity)</b> To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	135	3	-	138
<b>Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity)</b> To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	629	15	-	644
<b>Election Fund (Representation and Governance Activity)</b> To smooth the rating impact of election costs and to fund any by-election.	72	44	-	116



<b>2018 RESERVE FUNDS</b>	<b>Opening Balance 1 July 2017 \$000s</b>	<b>Deposits for the period of the year \$000s</b>	<b>Withdrawals For the period of the year \$000s</b>	<b>Closing Balance 30 June 2018 \$000s</b>
<b>Capital Projects Fund (All Activities)</b> To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	832	20	-	852
<b>Foxton Citizens Fund (Community Support Activity)</b> To provide a fund for awards in recognition of community service in Foxton.	4	-	-	4
<b>Hockey Turf Replacement Fund (Parks and Recreation - Sports Grounds)</b> To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.	224	31	30	225
<b>Esplanade Fund (Parks and Recreation)</b> To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	127	3	-	130
<b>Shannon Railway Station Fund (Property Activity)</b> Set aside from grants to preserve the historic Shannon Railway Station.	25	-	-	25
<b>Total Council created reserves</b>	<b>2,675</b>	<b>131</b>	<b>30</b>	<b>2,776</b>
<b>Total all reserve funds</b>	<b>8,419</b>	<b>1,633</b>	<b>953</b>	<b>9,099</b>

# Reserve Funds

2017 RESERVE FUNDS	Opening Balance 1 July 2016 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2017 \$000s
<b>Restricted reserves – purpose of the fund</b>				
<b>Foxton Beach Freeholding Fund (Property)</b> Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	3,420	2,209	864	4,765
<b>Reserve Land Reserve (Parks and Recreation)</b> To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	173	4	-	177
<b>Road Upgrade Reserve (Rooding Activity)</b> To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	731	19	-	750
<b>Wairarawa Stream Walkway</b> To hold funds for the construction of a walkway along the Wairarawa stream.	51	1		52
<b>Total restricted reserves</b>	<b>4,375</b>	<b>2,233</b>	<b>864</b>	<b>5,744</b>
<b>Council created reserves – purpose of the fund</b>				
<b>Financial and Capital contributions for Rooding (Rooding Activity)</b> To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	80	2	-	82
<b>Financial and Capital contributions for Water Supplies (Water Supply Activity)</b> To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	532	13	-	545
<b>Financial and Capital contributions for Wastewater Schemes (Wastewater Activity)</b> To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	131	4	-	135
<b>Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity)</b> To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	614	15		629
<b>Election Fund (Representation and Governance Activity)</b> To smooth the rating impact of election costs and to fund any by-election.	58	64	50	72
<b>Capital Projects Fund (All Activities)</b> To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	811	21		832
<b>Foxton Citizens Fund (Community Support Activity)</b> To provide a fund for awards in recognition of community service in Foxton.	4	-	-	4

<b>2017 RESERVE FUNDS</b>	<b>Opening Balance 1 July 2016 \$000s</b>	<b>Deposits for the period of the year \$000s</b>	<b>Withdrawals For the period of the year \$000s</b>	<b>Closing Balance 30 June 2017 \$000s</b>
<b>Hockey Turf Replacement Fund (Parks and Recreation - Sports Grounds)</b> To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.	194	30	-	224
<b>Esplanade Fund (Parks and Recreation)</b> To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	124	3	-	127
<b>Driscoll Reserves Fund (Parks and Reserves)</b> Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	-	-	-	-
<b>Shannon Railway Station Fund (Property Activity)</b> Set aside from grants to preserve the historic Shannon Railway Station.	24	1	-	25
<b>Total Council created reserves</b>	<b>2,572</b>	<b>153</b>	<b>50</b>	<b>2,675</b>
<b>Total all reserve funds</b>	<b>6,948</b>	<b>2,386</b>	<b>915</b>	<b>8,419</b>

# Council's Interest in Other Entities

The Local Government Act 2002, Schedule 10 (28) requires Council to provide information with regard to organisations under the control of the Council.

## Shannon Community Development Trust

### Nature and scope of activities provided

The Shannon Community Development Trust has been set up for the benefit of residents of the Shannon Township. The purpose of the Trust is, but not limited to, educational activities, including scholarships for educational purposes, the alleviation of hardship, the provision of training and equipment for the protection of the community, and the provision of financial assistance for events recognising the involvement of community members.

### Policies and objectives on ownership and control

The Trust was established on 2 August 2012. The Trust has five Trustees (excluding Advisory Trustees). The current councillor for Miranui Ward will automatically be one of the five.

The Trust is an exempt council controlled organisation, as it has not been established for the purposes of making a profit and is not intended to be a Council Controlled Organisation under the Local Government Act 2002. The Trust is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) as approved by Council on 29 August 2018.

The Council receives the Trust's audited annual report. The annual accounts are included in the Group financials for 30 June 2018.

## Manawatū-Whanganui Local Authority Shared Services Limited (MWLASS)

### Nature and scope of activities provided

MW LASS Ltd was formed in October 2008 by seven local councils to provide an 'umbrella vehicle' for the councils of the Manawatū-Whanganui region to investigate, procure, develop and deliver shared services.

### Policies and objectives on ownership and control

The company comprises of a Board of eight directors, seven CEOs of the shareholding Councils and one independent Director. The Board oversees the governance of MWLASS Ltd.

To date there has been one call on share capital and is now trading. Horowhenua District Council owns one seventh or 14% of this company and has a \$16,000 share capital.

The company is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) as approved by Council on 10 October 2018.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2018

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1. RATES REVENUE	Council and Group Actual \$ 30 June 2018 \$000	Council and Group Budget \$ 30 June 2018 \$000	Council and Group Actual \$ 30 June 2017 \$000
<b>Gross rates</b>			
<b>General rates</b>			
Uniform annual general charge	-	-	-
Differential general rates	9,269	9,255	8,662
Penalties	371	380	453
<b>Total general-purpose rates</b>	<b>9,640</b>	<b>9,635</b>	<b>9,115</b>
<b>Targeted rates</b>			
Solid waste rates	329	327	461
Roading rate	4,098	4,083	3,779
Library services and Community Centres rate	3,694	3,682	3,447
Representation and Community Leadership rate	3,607	3,596	3,049
Aquatic centre (Swimming pool) rate	2,287	2,279	2,071
Stormwater rate	1,103	1,099	987
Wastewater Disposal rate	6,414	6,376	6,435
<b>Total targeted rates excluding water rates</b>	<b>21,532</b>	<b>21,442</b>	<b>20,229</b>
<b>Water rates</b>			
District wide	4,081	4,067	4,134
Foxton Beach	391	389	395
Metered water supply	1,307	1,257	1,048
<b>Total targeted water rates</b>	<b>5,779</b>	<b>5,713</b>	<b>5,577</b>
<b>Total rates revenue (gross of remissions)</b>	<b>36,951</b>	<b>36,790</b>	<b>34,921</b>
<b>Net rates</b>			
Total rates revenue (gross)	36,951	36,790	34,921
<b>Rates remissions:</b>			
Remissions under the Council remission policy	(304)	(300)	(284)
Penalty remissions	(266)	-	(139)
<b>Total rate remissions</b>	<b>(570)</b>	<b>(300)</b>	<b>(423)</b>
<b>Total rates revenue net of remissions</b>	<b>36,381</b>	<b>36,490</b>	<b>34,498</b>
Exchange transaction	-	-	-
Non exchange transaction	36,381		34,498
<b>Total transactions</b>	<b>36,381</b>		<b>34,498</b>

Total rates revenue include \$463,534 (2017 \$478,901) for rates paid by HDC on properties owned by Council

Rateable properties	30 June 2018	30 June 2017
Total properties	18,040	17,959
Total land value	\$3,323,478,958	\$3,316,552,250
Total capital value	\$6,716,262,450	\$6,618,165,250

Horowhenua District Council's rates remissions policies allow Horowhenua District Council to remit rates on community groups, voluntary protected land, penalties, excessive water charges, remnant land, rating units in industrial and commercial areas used for residential purposes, small rate balances, targeted rates on non-rateable land, properties affected by disasters, unsold subdivision lots, bare land, contiguous rating units not in common ownership and Māori land.

In accordance with the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These include schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute remission under Horowhenua District Council's Rates Remission Policy.



<b>2. FINANCE REVENUE AND OTHER REVENUE</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
<b>2a. Finance revenue</b>				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	122	21	135	33
Borrower notes	39	32	39	32
<b>Total finance revenue</b>	<b>161</b>	<b>53</b>	<b>174</b>	<b>65</b>
Exchange transactions	161	53	174	65
Non exchange transactions	-	-	-	-
<b>Total finance revenue transactions</b>	<b>161</b>	<b>53</b>	<b>174</b>	<b>65</b>
<b>2b. Subsidies and grants</b>				
NZTA Government grants	4,904	2,873	4,904	2,873
Water Government grant	-	-	-	-
Private sector grants	72	72	72	72
Other Government grants	1,349	955	1,349	955
<b>Total subsidies and grants</b>	<b>6,325</b>	<b>3,900</b>	<b>6,325</b>	<b>3,900</b>
Exchange transactions	-	-	-	-
Non exchange transactions	6,325	3,900	6,325	3,900
<b>Total subsidies and grants transactions</b>	<b>6,325</b>	<b>3,900</b>	<b>6,325</b>	<b>3,900</b>
<b>2c. Fees and charges</b>				
User charges	4,968	5,700	4,968	5,700
Rental revenue from commercial properties	633	621	633	621
<b>Total fees and charges</b>	<b>5,601</b>	<b>6,321</b>	<b>5,601</b>	<b>6,321</b>
Exchange transactions	683	685	683	685
Non exchange transactions	4,918	5,636	4,918	5,636
<b>Total fees and charges transactions</b>	<b>5,601</b>	<b>6,321</b>	<b>5,601</b>	<b>6,321</b>
<b>2d. Other revenue</b>				
Infringements and fines	285	831	285	831
Rendering of services	459	691	459	691
Petrol tax	237	221	237	221
Dividend revenue	-	-	-	6
Insurance recoveries:	6	6	6	
- buildings				-
Regulatory revenue	2,155	2,104	2,155	2,104
Donations	65	4	65	4
<b>Total other revenue</b>	<b>3,207</b>	<b>3,857</b>	<b>3,207</b>	<b>3,857</b>
Exchange transactions	374	267	374	267
Non exchange transactions	2,833	3,590	2,833	3,590
<b>Total other revenue transactions</b>	<b>3,207</b>	<b>3,857</b>	<b>3,207</b>	<b>3,857</b>

2. FINANCE REVENUE AND OTHER REVENUE (cont.)	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
2e. Vested assets	203	459	203	459
2f. Development contributions	197	488	197	488
<b>Total vested assets and development contributions</b>	<b>400</b>	<b>947</b>	<b>400</b>	<b>947</b>
Exchange transactions	-	-	-	-
Non exchange transactions	400	947	400	947
<b>Total vested assets and development contributions transactions</b>	<b>400</b>	<b>947</b>	<b>400</b>	<b>947</b>

There are no unfulfilled conditions and other contingencies attached to government grants recognised other than that relating to the government grant for housing discussed in Note 23.

3. OTHER GAINS/(LOSSES)		Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
	Note				
<b>Non-financial instruments</b>					
Gain/(loss) on changes in fair value of forestry assets	13	164	240	164	240
Gain/(loss) on changes in fair value of carbon credits		56	240	56	240
Gain on disposal of property, plant and equipment		136	280	136	280
Loss on disposal of property, plant and equipment		(2,243)	(476)	(2,243)	(476)
Gain/(loss) on acquisition of CCO		-	223	-	-
Gain/(loss) on changes in fair value of investment property	14	-	(257)	-	(257)
<b>Total non-financial instruments</b>		<b>(1,887)</b>	<b>250</b>	<b>(1,887)</b>	<b>27</b>
<b>Financial instruments</b>					
Gain/(loss) on revaluation of financial liabilities		-	-	-	-
Gain/(loss) on revaluation of financial assets	28	(19)	-	(19)	-
<b>Total financial instruments</b>		<b>(19)</b>	<b>-</b>	<b>(19)</b>	<b>-</b>
<b>Total gains/(losses)</b>		<b>(1,906)</b>	<b>250</b>	<b>(1,906)</b>	<b>27</b>

4. EMPLOYEE BENEFIT EXPENSES		Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
	Note				
Salaries and wages		12,607	11,479	12,607	11,479
Increase/(decrease) in employee entitlements		13	125	13	125
Other employee benefit expenses		420	343	420	343
Employer contributions to superannuation schemes		329	287	329	287
<b>Total employee benefit expenses</b>		<b>13,369</b>	<b>12,234</b>	<b>13,369</b>	<b>12,234</b>

5. OTHER OPERATING EXPENSES		Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
	Note				
<b>Fees to principal auditor</b>					
Audit fees for financial statement audit		150	149	150	149
Audit fees for other services*		91	4	91	4
<b>Total fees to principal auditor</b>		<b>241</b>	<b>153</b>	<b>241</b>	<b>153</b>
Donations		-	-	-	-
Debtors written off	8	108	2,298	108	2,298
Impairment of receivables	8	(22)	(1,625)	(22)	(1,625)
Impairment of property, plant and equipment		-	-	-	-
Minimum lease payments under operating leases		256	316	256	316
Professional services		4,403	4,033	4,403	4,033
Asset maintenance contract expenditure		12,272	10,643	12,272	10,643
General grants		550	403	550	403
Expenditure on utilities		978	975	978	975
Other		2,687	4,487	2,687	4,510
<b>Total other operating expenses</b>		<b>21,473</b>	<b>21,683</b>	<b>21,473</b>	<b>21,706</b>

\* The audit fees paid to Audit NZ for other services in the year ended 30 June 2018 was for the audit of the Long Term Plan. (2017 was for the audit of the Debenture Trustee disclosure).

6 FINANCE COSTS		Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
	Note				
Interest on borrowings		3,011	3,030	3,011	3,030
Interest rate swaps (presented net)		280	76	280	76
<b>Total finance costs</b>		<b>3,291</b>	<b>3,106</b>	<b>3,291</b>	<b>3,106</b>

7. CASH AND CASH EQUIVALENTS		Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
	Note				
Cash at bank and in hand		960	5,074	971	5,100
Term deposits with maturities less than three months at acquisition		-	-	-	-
<b>Total cash and cash equivalents</b>		<b>960</b>	<b>5,074</b>	<b>971</b>	<b>5,100</b>
<b>Cash and cash equivalents for the purpose of the statement of cash flows</b>					
Cash at bank and in hand		960	5,074	971	5,100
Term deposits with maturities less than three months at acquisition		-	-	-	-
Bank overdrafts		-	-	-	-
<b>Total cash and cash equivalents for the purpose of the statement of cash flows</b>		<b>960</b>	<b>5,074</b>	<b>971</b>	<b>5,100</b>

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

There are no financial assets recognised in a non-exchange transaction that are subject to restrictions.

8. DEBTORS AND OTHER RECEIVABLES		Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
	Note				
<b>Gross debtors and other receivables</b>					
Rates receivables		2,965	3,670	2,965	3,670
Related party receivables	24	-	-	-	-
Prepayments		304	735	304	735
GST receivable		755	618	755	618
Other receivables		2,642	2,952	2,642	2,957
<b>Total gross debtors and other receivables</b>		<b>6,666</b>	<b>7,975</b>	<b>6,666</b>	<b>7,980</b>
Less provision for impairment of receivables		(1,099)	(1,185)	(1,099)	(1,185)
<b>Net debtors and other receivables</b>		<b>5,567</b>	<b>6,790</b>	<b>5,567</b>	<b>6,795</b>
Less non-current portion:		-	-	-	-
<b>Total current portion debtors and other receivables</b>		<b>5,567</b>	<b>6,790</b>	<b>5,567</b>	<b>6,795</b>
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges for activities that are partly subsidised by rates.		5,511	6,689	5,511	6,694
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.		56	101	56	101
<b>Total debtors and other receivables transactions</b>		<b>5,567</b>	<b>6,790</b>	<b>5,567</b>	<b>6,795</b>

#### Fair value

The carrying value of debtors and other receivables approximates their fair value.

#### Impairment

There is no significant concentration of credit risk with respect to receivables outside the Group, as the Group has a large number of customers.

Horowhenua District Council does not provide for any impairment on rates receivable other than those likely to qualify under Horowhenua District Council's Rates Remissions Policy as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. Ratepayers can apply for payment plan options in special circumstances. Where such payment plans are in place debts are discounted to the present value of future repayments.

These powers allow Horowhenua District Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the court's judgment, then Horowhenua District Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

No receivables that would otherwise be past due or impaired and whose terms have been renegotiated.

As of 30 June 2018 and 2017 all overdue receivables, except for rates receivables, have been assessed for impairment and appropriate provisions applied. Horowhenua District Council holds no collateral as security or other enhancements over receivables that are either past due or impaired.

The status of receivables as at 30 June 2018 and 2017 are detailed below:

	Gross \$000	2018 Impairment \$000	Net \$000	Gross \$000	2017 Impairment \$000	Net \$000
<b>Council</b>						
Not past due	2,687	-	2,687	4,458	-	4,458
Past due < 1 year	3,791	227	3,564	1,998	944	1,054
Past due > 1 year	188	872	(684)	1,519	241	1,278
<b>Total</b>	<b>6,666</b>	<b>1,099</b>	<b>5,567</b>	<b>7,975</b>	<b>1,185</b>	<b>6,790</b>
<b>Group</b>						
Not past due	2,687	-	2,687	4,463	-	4,463
Past due < 1 year	3,791	227	3,564	1,998	944	1,054
Past due > 1 year	188	872	(684)	1,519	241	1,278
<b>Total</b>	<b>6,666</b>	<b>1,099</b>	<b>5,567</b>	<b>7,980</b>	<b>1,185</b>	<b>6,795</b>

The impairment provision has been calculated based on expected losses for Horowhenua District Council's pool of debtors. Expected losses have been determined based on an analysis of Horowhenua District Council's losses in previous periods, and review of specific debtors as detailed below:

IMPAIRMENT PROVISION	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
Individual impairment	1,099	1,185	1,099	1,185
Collective impairment	-	-	-	-
<b>Total provision for impairment</b>	<b>1,099</b>	<b>1,185</b>	<b>1,099</b>	<b>1,185</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

<b>Individual impairment</b>				
Past due < 1 year	227	266	227	266
Past due > 1 year	872	919	872	919
<b>Total individual impairment</b>	<b>1,099</b>	<b>1,185</b>	<b>1,099</b>	<b>1,185</b>

Movements in the provision for impairment of receivables are as follows:

At 1 July	1,185	2,810	1,185	2,810
Additional provisions made during the year	(22)	169	(22)	169
Debtors written off during period	108	(2,298)	108	(2,298)
Increase in infringement provision	-	504	-	504
<b>At 30 June</b>	<b>1,099</b>	<b>1,185</b>	<b>1,099</b>	<b>1,185</b>

<b>9. OTHER FINANCIAL ASSETS</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
<b>Current portion</b>				
Inventories	15	15	15	15
<b>Loans and receivables:</b>				
Short-term deposits with maturities of 4-12 months	5,350	350	5,350	350
Community loans	10	-	10	-
<b>Total loans and receivables</b>	<b>5,360</b>	<b>350</b>	<b>5,360</b>	<b>350</b>
<b>Total current portion</b>	<b>5,375</b>	<b>365</b>	<b>5,375</b>	<b>365</b>
<b>Non-current portion</b>				
<b>Investment in CCO's and similar entities:</b>				
Unlisted shares in NZLGIC Limited	104	104	104	104
Unlisted shares in MWLASS	16	16	16	16
Unlisted shares in LGFA	100	100	100	100
<b>Total investment in CCO's and similar entities</b>	<b>220</b>	<b>220</b>	<b>220</b>	<b>220</b>
<b>Other:</b>				
LGFA borrowers notes	1,298	1,121	1,298	1,121
Deposits with maturities of over 12 months	-	-	-	-
Investments carried at cost:	-	-	-	-
Community loans	71		71	
<b>Total other</b>	<b>1,369</b>	<b>1,121</b>	<b>1,369</b>	<b>1,121</b>
<b>Total non-current portion</b>	<b>1,589</b>	<b>1,341</b>	<b>1,589</b>	<b>1,341</b>
<b>Total other financial assets</b>	<b>6,964</b>	<b>1,706</b>	<b>6,964</b>	<b>1,706</b>

#### Fair value

All unlisted shares have been valued at cost and not fair value. The carrying amount of term deposits and LGFA borrower notes approximates their fair value.

<b>Maturity analysis and effective interest rates:</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
Short-term deposits with maturities 3 months or less	-	-	-	-
Average maturity	-	-	-	-
Weighted average effective interest rate	-	-	-	-
Short-term deposits with maturities of 4-12 months	5,350	350	350	350
Average maturity	198 Days	242 Days	198 Days	242 Days
Weighted average effective interest rate	3.20%	3.63%	3.20%	3.63%

#### Impairment

There were no impairment provisions for other financial assets. None of the financial assets are past due date or impaired.

<b>10. NON-CURRENT ASSETS HELD FOR SALE</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
Forbes Road sub-division	-	396	-	396
Residential housing	-	7,112	-	7,112
Surplus property	542	-	542	-
<b>Total assets held for sale</b>	<b>542</b>	<b>7,508</b>	<b>542</b>	<b>7,508</b>



11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2018														
2018	Cost / revaluation 1-Jul-17 \$000	Accumulated depreciation and impairment charges 1-Jul-17 \$000	Carrying amount 1-Jul-17 \$000	Additions 2017/18 \$000	Vested assets 2017/18 \$000	Disposals at cost 2017/18 \$000	Depreciation on disposals 2017/18 \$000	Depreciation 2017/18 \$000	Reversal of accumulated depreciation 2017/18 \$000	Revaluation 2017/18 \$000	Transfers 2017/18 \$000	Cost / revaluation 30-Jun-18 \$000	Accumulated depreciation and impairment charges 30-Jun-18 \$000	Carrying amount 30-Jun-18 \$000
<b>Council operational assets</b>														
Land	15,683	-	15,683	330	-	(845)	-	-	-	-	-	15,168	-	15,168
Buildings	33,526	-	33,526	2,870	-	(150)	2	(664)	-	75	(135)	36,188	(664)	35,524
Library books and other lending stock	819	-	819	217	-	(228)	-	(111)	-	-	-	808	(111)	697
Plant and equipment	4,333	(2,353)	1,980	1,379	-	(227)	162	(367)	-	-	(35)	5,612	(2,720)	2,892
<b>Total operational assets</b>	<b>54,361</b>	<b>(2,353)</b>	<b>52,008</b>	<b>4,796</b>	<b>-</b>	<b>(1,450)</b>	<b>164</b>	<b>(1,142)</b>	<b>-</b>	<b>75</b>	<b>(170)</b>	<b>57,776</b>	<b>(3,495)</b>	<b>54,281</b>
<b>Council infrastructural assets</b>														
Wastewater treatment	34,818	(950)	33,868	1,556	-	-	-	(1,115)	949	1,431	(542)	36,314	(1,116)	35,198
Wastewater other	62,212	(1,896)	60,316	1,942	104	-	-	(2,003)	1,896	4,582	-	66,944	(2,003)	64,941
Water supply treatment	23,874	(720)	23,154	1,539	-	-	-	(845)	701	(164)	-	24,548	(864)	23,684
Water supply other	47,776	(1,621)	46,155	2,638	99	-	-	(1,719)	1,621	4,406	-	53,298	(1,719)	51,579
Stormwater drainage	38,502	(614)	37,888	2,147	-	-	-	(620)	540	(773)	-	39,336	(694)	38,642
Solid waste	5,019	(5)	5,014	132	-	-	-	(278)	-	-	-	5,151	(283)	4,868
Roads	163,137	(4,974)	158,163	6,207	-	-	-	(4,100)	4,974	(895)	-	163,475	(4,100)	159,375
Footpaths	40,138	(935)	39,203	1,608	-	-	-	(898)	935	(874)	-	39,937	(898)	39,039
Land under roads	24,285	-	24,285	-	-	-	-	-	-	-	-	24,285	-	24,285
<b>Total infrastructural assets</b>	<b>439,761</b>	<b>(11,715)</b>	<b>428,046</b>	<b>17,769</b>	<b>203</b>	<b>-</b>	<b>-</b>	<b>(11,578)</b>	<b>11,616</b>	<b>7,713</b>	<b>(542)</b>	<b>453,288</b>	<b>(11,677)</b>	<b>441,611</b>
<b>Council restricted assets</b>														
Cemeteries	1,146	-	1,146	259	-	-	-	(12)	-	-	-	1,405	(12)	1,393
Parks and reserves	37,729	(3)	37,726	1,065	-	-	-	(769)	-	-	170	38,964	(772)	38,192
Endowment properties	6,107	-	6,107	88	-	(600)	-	(34)	-	-	-	5,595	(34)	5,561
<b>Total restricted assets</b>	<b>44,982</b>	<b>(3)</b>	<b>44,979</b>	<b>1,412</b>	<b>-</b>	<b>(600)</b>	<b>-</b>	<b>(815)</b>	<b>-</b>	<b>-</b>	<b>170</b>	<b>45,964</b>	<b>(818)</b>	<b>45,146</b>
<b>Total council PPE</b>	<b>539,104</b>	<b>(14,071)</b>	<b>525,033</b>	<b>23,208</b>	<b>203</b>	<b>(2,050)</b>	<b>164</b>	<b>(13,535)</b>	<b>11,616</b>	<b>7,788</b>	<b>(542)</b>	<b>556,259</b>	<b>(15,990)</b>	<b>541,038</b>

### Work in progress

Work in progress at 30 June 2018 was \$29,954 in buildings (2017: \$7,942,326), \$808,618 in wastewater (2017: \$3,702,103), \$1,671,734 in water (2017: \$636,576), \$17,658 in parks (2017: \$103,082), \$130,142 in plant and equipment (2017: \$98,804), \$0 in solid waste (2017: \$95,561) and \$338,580 in stormwater (2017 \$4,238,024). They are included in the above assets.

### Restrictions on title

There are no pledges or restrictions on titles for any properties, plant or equipment as per the accounting policies for restricted assets.

No items of any properties, plant or equipment were impaired, lost or given up.

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2017														
2017	Cost / revaluation 1-Jul-16 \$000	Accumulated depreciation and impairment charges 1-Jul-16 \$000	Carrying amount 1-Jul-16 \$000	Additions 2016/17 \$000	Vested assets 2016/17 \$000	Disposals at cost 2016/17 \$000	Depreciation on disposals 2016/17 \$000	Depreciation 2016/17 \$000	Reversal of accumulated depreciation 2016/17 \$000	Revaluation 2016/17 \$000	Transfers 2016/17 \$000	Cost / revaluation 30-Jun-17 \$000	Accumulated depreciation and impairment charges 30-Jun-17 \$000	Carrying amount 30-Jun-17 \$000
<b>Council operational assets</b>														
Land	14,430	-	14,430	-	-	(80)	-	-	-	3,243	(1,910)	15,683	-	15,683
Buildings	28,134	(947)	27,187	6,189	-	(310)	1	(479)	1,426	6,139	(5,201)	33,526	-	33,526
Library books and other lending stock	-	-	-	982	-	(50)	-	(113)	113	-	-	819	-	819
Plant and equipment	3,643	(1,863)	1,780	736	-	(101)	57	(490)	-	-	(2)	4,333	(2,353)	1,980
<b>Total operational assets</b>	<b>46,207</b>	<b>(2,810)</b>	<b>43,397</b>	<b>7,907</b>	<b>-</b>	<b>(541)</b>	<b>58</b>	<b>(1,082)</b>	<b>1,539</b>	<b>9,382</b>	<b>(7,113)</b>	<b>54,361</b>	<b>(2,353)</b>	<b>52,008</b>
<b>Council infrastructural assets</b>														
Wastewater treatment	32,218	(1,471)	30,747	3,326	-	-	-	(1,001)	1,522	742	54	34,818	(950)	33,868
Wastewater other	57,095	(3,251)	53,844	1,121	234	-	-	(1,896)	3,251	7,067	(54)	62,212	(1,896)	60,316
Water supply treatment	20,540	(1,216)	19,324	3,987	-	-	-	(766)	1,262	609	-	23,874	(720)	23,154
Water supply other	44,907	(2,728)	42,179	926	129	-	-	(1,620)	2,727	4,541	-	47,776	(1,621)	46,155
Stormwater drainage	32,264	(988)	31,276	2,080	96	-	-	(571)	945	5,007	-	38,502	(614)	37,888
Solid waste	5,472	(456)	5,016	328	-	-	-	(257)	708	(73)	-	5,019	(5)	5,014
Roads	155,595	(7,617)	147,978	2,853	-	-	-	(4,969)	7,612	12,531	(230)	163,137	(4,974)	158,163
Footpaths	41,863	(1,799)	40,064	996	-	-	-	(935)	1,799	(1,152)	230	40,138	(935)	39,203
Land under roads	24,285	-	24,285	-	-	-	-	-	-	-	-	24,285	-	24,285
<b>Total infrastructural assets</b>	<b>414,239</b>	<b>(19,526)</b>	<b>394,713</b>	<b>15,617</b>	<b>459</b>	<b>-</b>	<b>-</b>	<b>(12,015)</b>	<b>19,826</b>	<b>29,272</b>	<b>-</b>	<b>439,761</b>	<b>(11,715)</b>	<b>428,046</b>
<b>Council restricted assets</b>														
Cemeteries	1,015	(110)	905	130	-	-	-	(10)	120	121	-	1,146	-	1,146
Parks and reserves	32,757	(1,311)	31,446	2,528	-	-	-	(730)	2,038	4,482	-	37,729	(3)	37,726
Endowment properties	6,341	(28)	6,313	38	-	(1,606)	-	(15)	43	1,488	(111)	6,107	-	6,107
<b>Total restricted assets</b>	<b>40,113</b>	<b>(1,449)</b>	<b>38,664</b>	<b>2,696</b>	<b>-</b>	<b>(1,606)</b>	<b>-</b>	<b>(755)</b>	<b>2,201</b>	<b>6,091</b>	<b>(111)</b>	<b>44,982</b>	<b>(3)</b>	<b>44,979</b>
<b>Total council PPE</b>	<b>500,559</b>	<b>(23,785)</b>	<b>476,774</b>	<b>26,220</b>	<b>459</b>	<b>(2,147)</b>	<b>58</b>	<b>(13,852)</b>	<b>23,566</b>	<b>44,745</b>	<b>(7,224)</b>	<b>539,104</b>	<b>(14,071)</b>	<b>525,033</b>
<b>Subsidiary plant, property and equipment</b>														
Kete equipment	5	(5)	-	-	-	(5)	5	-	-	-	-	-	-	-
Furniture and fittings	624	(221)	403	-	-	(624)	221	-	-	-	-	-	-	-
IT equipment	38	(31)	7	-	-	(38)	31	-	-	-	-	-	-	-
Motor vehicle	16	(8)	8	-	-	(16)	8	-	-	-	-	-	-	-
Books	1,335	(590)	745	-	-	(1,335)	590	-	-	-	-	-	-	-
Other lending stock	137	(103)	34	-	-	(137)	103	-	-	-	-	-	-	-
<b>Total subsidiary PPE</b>	<b>2,155</b>	<b>(958)</b>	<b>1,197</b>	<b>-</b>	<b>-</b>	<b>(2,155)</b>	<b>958</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total group PPE</b>	<b>502,714</b>	<b>(24,743)</b>	<b>477,971</b>	<b>26,220</b>	<b>459</b>	<b>(4,302)</b>	<b>1,016</b>	<b>(13,852)</b>	<b>23,566</b>	<b>44,745</b>	<b>(7,224)</b>	<b>539,104</b>	<b>(14,071)</b>	<b>525,033</b>

### Work in progress

Work in progress at 30 June 2017 was \$7,942,326 in buildings (2016: \$1,967,863), \$3,702,103 in wastewater (2016: \$3,589,880), \$636,576 in water (2016: \$1,145,081), \$103,082 in parks (2016: \$476,715), \$98,804 in plant and equipment (2016: \$272,878), \$95,561 in solid waste (2016: \$190,874) and \$4,238,024 in stormwater (2016: \$555,395). They are included in the above assets.

12. INTANGIBLE ASSETS													
2018	Cost / revaluation 1-Jul-17 \$000	Accumulated amortisation and impairment charges 1-Jul-17 \$000	Carrying amount 1-Jul-17 \$000	Additions 2017/18 \$000	Vested Assets 2017/18 \$000	Disposals at Cost 2017/18 \$000	Amortisation on Disposals 2017/18 \$000	Amortisation 2017/18 \$000	Revaluation 2017/18 \$000	Transfers 2017/18 \$000	Cost / revaluation 30-Jun-18 \$000	Accumulated amortisation and impairment charges 30-Jun-18 \$000	Carrying amount 30-Jun-18 \$000
<b>Council intangible assets</b>													
Easements	235	-	235	3	-	0	-	-	-	-	238	-	238
Carbon credits	240	-	240	56	-	-	-	-	-	-	296	-	296
Computer software	3,940	(2,560)	1,380	166	-	-	-	(325)	-	-	4,1106	(2,885)	1,221
<b>Total council intangible assets</b>	<b>4,416</b>	<b>(2,560)</b>	<b>1,856</b>	<b>225</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>(325)</b>	<b>-</b>	<b>-</b>	<b>4,641</b>	<b>(2,885)</b>	<b>1,756</b>

12. INTANGIBLE ASSETS													
2017	Cost / revaluation 1-Jul-16 \$000	Accumulated amortisation and impairment charges 1-Jul-16 \$000	Carrying amount 1-Jul-16 \$000	Additions 2016/17 \$000	Vested Assets 2016/17 \$000	Disposals at Cost 2016/17 \$000	Amortisation on Disposals 2016/17 \$000	Amortisation 2016/17 \$000	Revaluation 2016/17 \$000	Transfers 2016/17 \$000	Cost / revaluation 30-Jun-17 \$000	Accumulated amortisation and impairment charges 30-Jun-17 \$000	Carrying amount 30-Jun-17 \$000
<b>Council intangible assets</b>													
Easements	235	-	235	-	-	0	-	-	-	-	235	-	235
Carbon credits	-	-	-	240	-	-	-	-	-	-	240	-	240
Computer software	3,740	(2,257)	1,483	200	-	-	-	(303)	-	-	3,940	(2,560)	1,380
<b>Total council intangible assets</b>	<b>3,975</b>	<b>(2,257)</b>	<b>1,718</b>	<b>440</b>	<b>-</b>	<b>0</b>	<b>-</b>	<b>(303)</b>	<b>-</b>	<b>-</b>	<b>4,416</b>	<b>(2,560)</b>	<b>1,856</b>
<b>Subsidiary intangible assets</b>													
Computer software	365	(356)	9	-	-	(365)	356	-	-	-	-	-	-
<b>Total subsidiary intangibles assets</b>	<b>365</b>	<b>(356)</b>	<b>9</b>	<b>-</b>	<b>-</b>	<b>(365)</b>	<b>356</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total group intangible assets</b>	<b>4,340</b>	<b>(2,613)</b>	<b>1,727</b>	<b>440</b>	<b>-</b>	<b>(365)</b>	<b>356</b>	<b>(303)</b>	<b>-</b>	<b>-</b>	<b>4,416</b>	<b>(2,560)</b>	<b>1,856</b>

### Impairment of easements

Easements are not cash generating in nature, instead they give Horowhenua District Council the right to access private property where infrastructural assets are located. As such impairment of easements is determined by considering the future service potential of the easement and its assessed replacement.

### Life of easements

Easements have been assessed as having an indefinite useful life because they provide Horowhenua District Council with access to infrastructural assets for an indefinite time period.

13. FORESTRY ASSETS		Council and Group Actual \$ 30 June 2018 \$000	Council and Group Actual \$ 30 June 2017 \$000
	Note		
Balance at 1 July		1,500	952
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	3	164	240
Purchase of trees at the POT		-	308
Harvest of trees at the POT		(556)	-
<b>Total forestry assets</b>		<b>1,108</b>	<b>1,500</b>

Council owns 106.6 hectares of pinus radiata forest and other harvestable trees, which are at varying stages of maturity ranging from 5 to 31 years. This consists of the Ferry Reserve 13.35 ha, Purcell St transfer station 3.9 ha, Hokio Landfill 39.5 ha and Target Reserve 24.5 ha. The POT forest has had nearly 60% of the forest harvested and the net stocked area of the forest has reduced from 25.1 ha to 10.5 ha.

Independent registered valuers, Forme Consulting Ltd, have valued the forestry assets as at 30 June 2018. Valuation assumptions adopted in determining the fair value of the forestry assets include:

- \* a pre-tax discount rate of 8% (2017: 8%) has been used in discounting the present value of expected cash returns;
- \* the value of the land and the cost of owning the land are not allowed for in the valuation;
- \* the estimated net stocked forest area is based on aerial mapping records;
- \* trend log prices are based on an average of the last six quarters; and
- \* costs are current average costs.

#### Financial risk management strategies

Horowhenua District Council is exposed to financial risks arising from changes in timber prices. Horowhenua District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. Horowhenua District Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

There are no restrictions on titles and liabilities for forestry.

14 COMMERCIAL PROPERTY		Council and Group Actual \$ 30 June 2018 \$000	Council and Group Actual \$ 30 June 2017 \$000
	Note		
Balance at 1 July		5,879	5,926
Additions from acquisitions		-	-
Additions from subsequent expenditure		-	210
Transfer from/(to) operational assets		-	-
Disposals		-	-
Fair value gains/(losses) on valuation	3	-	(257)
<b>Total Commercial property</b>		<b>5,879</b>	<b>5,879</b>

Horowhenua District Council's commercial properties are valued annually at fair value effective 30 June 2018. All investment properties were valued based on open market evidence. The valuation was performed by Bruce Lavender ANZIV, an independent valuer from Blackmore Associates, experienced valuers with extensive market knowledge in the types of investment properties owned by Horowhenua District Council.

The market value at 30 June 2018 was \$5,879,000 which has taken into account all the improvements made to that time. Assumptions vary depending on the item being valued. Land is based on current sales; leasehold land is based on recent market sales evidence and commercial properties are determined by rental achieved or achievable with appropriate capitalisation return indicating property worth. The anticipated rental assumptions range from \$90 to \$150 per square meter for office space (2017: \$40 to \$150), \$120 to \$160 per square meter for retail space (2017: \$80 to \$180) and \$25 to \$50 per square meter for industrial space (2017: \$20 to \$70). Capitalisation returns range from 9% to 13% (2017: 7% to 12%).

There are no restrictions on titles and liabilities for investment property.

REVENUE AND EXPENSE FROM INVESTMENT PROPERTY	Council and Group Actual \$ 30 June 2018 \$000	Council and Group Actual \$ 30 June 2017 \$000
Rental revenue	562	554
Direct operating expenses from investment property generating revenue	(150)	(177)
Direct operating expenses from investment property not generating revenue	-	-
Contractual obligations for capital expenditure	-	-
Contractual obligations for operating expenditure	-	-
<b>Surplus/(deficit) from investment property</b>	<b>412</b>	<b>377</b>

15. PAYABLES AND DEFERRED REVENUE	Note	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
Trade payables		6,998	6,981	6,998	6,995
Amounts due to related parties	24	9	-	-	-
Deposits and bonds		636	876	636	876
Accrued expenses		1,304	1,264	1,304	1,264
Rates and other revenue in advance		865	828	865	828
Rates instalment		-	-	-	-
Other		552	280	552	280
Term deposit held for Shannon Community Trust		350	350	-	-
<b>Total payables and deferred revenue</b>		<b>10,718</b>	<b>10,579</b>	<b>10,359</b>	<b>10,243</b>
Exchange transactions		9,944	8,964	9,585	8,628
Non exchange transactions		774	1,615	774	1,615
<b>Total payables and deferred revenue transactions</b>		<b>10,718</b>	<b>10,579</b>	<b>10,359</b>	<b>10,243</b>

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

16. PROVISIONS	Council and Group Actual \$ 30 June 2018 \$000	Council and Group Actual \$ 30 June 2017 \$000
<b>Current provisions are represented by:</b>		
Landfill aftercare	110	1,129
<b>Total current provisions</b>	<b>110</b>	<b>1,129</b>
<b>Non-current provisions are represented by:</b>		
Landfill aftercare	3,433	2,272
<b>Total non-current provisions</b>	<b>3,433</b>	<b>2,272</b>
<b>Total provisions</b>	<b>3,543</b>	<b>3,401</b>
<b>Landfill aftercare</b>		
Opening balance	3,401	3,180
Additional provisions made during the year	142	221
Unwinding of discount	-	-
Amounts used during the year	-	-
<b>Closing landfill aftercare balance</b>	<b>3,543</b>	<b>3,401</b>

#### Provision for financial guarantee

Horowhenua District Council is listed as sole guarantor to a community organisation's bank loan. Under this guarantee Horowhenua District Council is obligated to make loan payments in the event the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent upon the financial stability of the community organisation, which will vary over time; it is not considered to be necessary to make any provision as at 30 June 2018 (30 June 2017: \$Nil). Refer to Note 23.

### Provision for landfill aftercare costs

Horowhenua District Council gained resource consent in 2002 to operate a landfill near Levin. Horowhenua District Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

Cash outflows for landfill post-closure costs are already being incurred for closed cells, and will increase as each current and future cell is closed. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using a discount rates ranging from 1.78 to 3.95% (2017: 7%). The inflation factor used is the Treasury's CPI assumption with rates ranging from 1.70% to 2.00% (2017: Inflation rate was part of the discount rate and cannot be separately disclosed).

The management of the landfill will influence the timing of recognition of some liabilities – for example a liability relating to each cell will only be created when that cell is commissioned and when refuse begins to accumulate in the cell.

The provision was estimated by P Landmark of Montgomery Watson as at 30 June 2018 (2017: P. Landmark of Montgomery Watson).

Assumptions have been made that additional remediation, including clay capping, is required and that environmental monitoring will be increased. It is also unlikely that leachate will be irrigated to land in the future and so the costs associated with that operation have been ignored. It has also been assumed that pumping operations will need to continue for a period of at least 30 years after the closure of the landfill and that post closure costs have been assumed from information presented in the MFE Closed Landfills Guideline.

The remaining capacity of the consented landfill is approximately 538,000 cubic meters (2017: 573,000) (comprising: refuse, clean fill and cover).

The estimated remaining life is approximately 18 years (2017: 19 years).

<b>17. EMPLOYMENT BENEFIT LIABILITIES</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
Accrued pay	-	474	-	474
Annual leave	723	681	723	681
Long service leave	137	110	137	110
Retirement gratuities	-	56	-	56
<b>Total employee benefit liabilities</b>	<b>860</b>	<b>1,321</b>	<b>860</b>	<b>1,321</b>
<b>Comprising:</b>				
Current	723	1,155	723	1,155
Non-current	137	166	137	166
<b>Total employee benefit liabilities</b>	<b>860</b>	<b>1,321</b>	<b>860</b>	<b>1,321</b>

### Long service leave assumptions

Long service leave is calculated based on the probability of individual staff members reaching the long service leave milestones.



<b>18. BORROWINGS</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
<b>Current</b>				
Bank overdraft		-		-
Secured loans	20,000	14,000	20,000	14,000
<b>Total current borrowings</b>	<b>20,000</b>	<b>14,000</b>	<b>20,000</b>	<b>14,000</b>
<b>Non-current</b>				
Secured loans	60,000	63,000	60,000	63,000
<b>Total non-current borrowings</b>	<b>60,000</b>	<b>63,000</b>	<b>60,000</b>	<b>63,000</b>
<b>Total borrowings</b>	<b>80,000</b>	<b>77,000</b>	<b>80,000</b>	<b>77,000</b>

Horowhenua District Council manages its borrowings in accordance with its funding and financial policies, including a liability management policy, which has been adopted as part of Horowhenua District Council's LTP.

#### **Fixed rate debt**

Horowhenua District Council's secured debt of \$57,000,000 (2017: \$58,000,000) is issued at rates of interest fixed at time of issue.

#### **Floating rate debt**

Horowhenua District Council has \$23,000,000 on current floating rate (2017: \$19,000,000). The interest rate is reset quarterly based on the 90 day bill rate plus a margin for credit risk.

#### **Overdraft**

Horowhenua District Council no longer has a bank overdraft facility (2017: Nil).

#### **Committed cash advance facility**

Horowhenua District Council has a CCAF (Committed Cash Advance Facility) of \$10 Million.

#### **Credit card**

Horowhenua District Council has a \$20,000 (2017: \$20,000) MasterCard facility.

#### **Security**

All HDC's secured loans are secured under the terms of the Debenture Trust Deed between HDC and Foundation Corporate Trust as Trustee. Security is by a charge over the Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, HDC has issued to its bankers security certificates totalling \$102.2m to secure the various bank loan facilities and guarantees issued on behalf of HDC and other general banking facilities. An additional \$8,594m of security certificates have been issued as part of the LGFA agreement to jointly secure debt issues with other shareholding Councils.

The following is a maturity analysis of Horowhenua District Council's borrowings. There are no early repayment options.

	<b>Secured Loans Actual \$ 30 June 2018 \$000</b>	<b>Secured Loans Actual \$ 30 June 2017 \$000</b>	<b>Bank Overdraft Actual \$ 30 June 2018 \$000</b>	<b>Bank Overdraft Actual \$ 30 June 2017 \$000</b>
<b>Council and Group</b>				
Less than one year	20,000	14,000	-	-
Effective weighted average interest rate	3.64%	2.18%	-	-
Later than one year but not more than five years	37,000	36,000	-	-
Effective weighted average interest rate	4.05%	4.53%	-	-
Later than five years	23,000	27,000	-	-
Effective weighted average interest rate	4.53%	4.62%	-	-
<b>Total borrowing</b>	<b>80,000</b>	<b>77,000</b>	<b>-</b>	<b>-</b>



## Fair value of borrowings

The carrying amounts and the fair values of borrowings are as follows:

	Carrying amounts		Fair values	
	Actual \$ 30 June 2018 \$000	Actual \$ 30 June 2017 \$000	Actual \$ 30 June 2018 \$000	Actual \$ 30 June 2017 \$000
<b>Council and Group</b>				
Secured Loans	80,000	77,000	80,000	77,000
<b>Total borrowing</b>	<b>80,000</b>	<b>77,000</b>	<b>80,000</b>	<b>77,000</b>

The carrying amounts of borrowings repayable within one year approximate their fair value. The fair values are based on cash flow using a rate based on the weighted average borrowing rates ranging from 1.98% to 5.985% (2017: 2.075% to 5.985%).

## Internal borrowings

Information about internal borrowing per activity is provided on the activity funding impact statements on pages 96-194.

LGFA COVENANT COMPLIANCE	Council limits	LGFA lending policy	Actual 30 June 2018	Actual 30 June 2017
Net debt to total operating revenue	< 175%	< 250%	142%	148%
Net interest to total operating revenue	< 20%	< 20%	6%	6%
Net interest to annual rates revenue	< 25%	< 25%	8%	9%
Available financial accommodation to external indebtedness	> 110%	> 110%	113%	114%

The net debt to total operating revenue Council limit and LGFA lending policy limit are different because the 175% limit is for Councils without a credit rating and the 250% limit are for Councils that do. At the time the policy was written and consulted on as part of the 2015-25 LTP Council didn't have a credit rating.

19. DERIVATIVE FINANCIAL INSTRUMENTS	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
<b>Current liability</b>				
Interest rate swaps – cashflow hedges	-	-	-	-
<b>Non-current liability</b>				
Interest rate swaps – cashflow hedges	1,222	1,038	1,222	1,038
<b>Total derivative financial instrument liability</b>	<b>1,222</b>	<b>1,038</b>	<b>1,222</b>	<b>1,038</b>
<b>Gain or loss on derivative financial instruments</b>				
Opening balance	1,038	1,668	1,038	1,668
Closing balance	1,222	1,038	1,222	1,038
<b>Derivative gain/(loss)</b>	<b>(184)</b>	<b>630</b>	<b>(184)</b>	<b>630</b>

## Fair value

The fair value of interest rate swaps have been derived using a discounted cash flows valuation technique based on quoted market prices.

## Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for Horowhenua District Council were \$7,000,000 and \$4,000,000 (2017 \$7,000,000 and \$4,000,000) and for the Horowhenua District Council Group were \$11,000,000 (2017 \$11,000,000). At 30 June 2018, the fixed interest rate of the cash flow hedge interest rate swaps were 4.75% and 4.015% respectively (2017 4.75% and 4.015%).

<b>20. OTHER NON-CURRENT LIABILITIES</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
Development contributions	-	58	-	58
LGFA amortisations reserves	285	403	285	403
<b>Total other non-current liabilities</b>	<b>285</b>	<b>461</b>	<b>285</b>	<b>461</b>

<b>21. EQUITY</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
<b>Retained earnings</b>				
As at 1 July	263,895	263,345	264,262	263,946
Transfers to:				
Special funds	(1,633)	(2,386)	(1,633)	(2,386)
Transfers from:				
Special funds	953	915	953	915
Asset revaluation reserve on disposals	(4,290)	-	(4,290)	-
Surplus/(deficit) for the year	(2,150)	2,021	(2,146)	1,787
<b>As at 30 June</b>	<b>256,775</b>	<b>263,895</b>	<b>257,146</b>	<b>264,262</b>
<b>Other reserve funds (refer to separate schedule on page 25)</b>				
As at 1 July	8,419	6,948	8,419	6,948
Transfers to:				
Retained earnings	(953)	(915)	(953)	(915)
Transfers from:				
Retained earnings	1,633	2,386	1,633	2,386
<b>As at 30 June</b>	<b>9,099</b>	<b>8,419</b>	<b>9,099</b>	<b>8,419</b>
<b>Asset revaluation reserves</b>				
As at 1 July	189,230	147,449	189,230	147,449
Revaluation gains/(losses)	7,792	41,781	7,792	41,781
Transfers to:				
Retained earnings on disposal of property, plant and equipment	4,290	-	4,290	-
<b>As at 30 June</b>	<b>201,312</b>	<b>189,230</b>	<b>201,312</b>	<b>189,230</b>
<b>Asset revaluation reserves consist of:</b>				
<b>Operational assets</b>				
Land and Buildings	11,137	6,418	11,137	6,418
<b>Infrastructural assets</b>				
Sewerage system	46,928	40,912	46,928	40,912
Water system	33,341	29,101	33,341	29,101
Stormwater drainage system	22,735	23,508	22,735	23,508
Solid waste	954	954	954	954
Road network	70,392	72,161	70,392	72,161
<b>Restricted assets</b>				
Cemeteries	235	235	235	235
Parks and reserves	12,860	12,841	12,860	12,841
Endowment property	2,730	3,100	2,730	3,100
<b>Total asset revaluation reserves</b>	<b>201,312</b>	<b>189,230</b>	<b>201,312</b>	<b>189,230</b>
<b>Total equity</b>	<b>467,186</b>	<b>461,544</b>	<b>467,557</b>	<b>461,911</b>

Refer to reserve funds statement, pages 25-28, for details on restricted reserves and Council created reserve funds

The revaluation amounts calculated are net of impairment, which is the cost to bring the earthquake prone buildings up to standard. Land and buildings asset class had \$620,000 of impairment and parks and reserves had \$388,000.

<b>22. CAPITAL COMMITMENTS AND OPERATING LEASES</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
<b>PPE capital commitments</b>				
Wastewater treatment	304	16	304	16
Water treatment	19	90	19	90
Wastewater other		147		147
Water other		276		276
Stormwater	262	1,246	262	1,246
Buildings		1,298		1,298
Parks		-		-
<b>Total PPE capital commitments</b>	<b>585</b>	<b>3,073</b>	<b>585</b>	<b>3,073</b>

Refer to Note 14 for capital commitments for investment properties.

### Operating leases as lessee

Horowhenua District Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

<b>OPERATING LEASES AS LESSEE</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
<b>Non-cancellable operating leases as lessee</b>				
Less than one year	175	184	175	183
Later than one year but not more than five years	333	152	333	152
Later than five years	-	-	-	-
<b>Total non-cancellable operating leases</b>	<b>508</b>	<b>336</b>	<b>508</b>	<b>336</b>

Leases can be renewed at Horowhenua District Council's option, with rents set by reference to current market rates of equivalent age and condition. Horowhenua District Council does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Horowhenua District Council by any of the leasing arrangements.

### Operating leases as lessor

Horowhenua District Council leases its investment properties, Foxton Beach endowment land and other property under operating leases. The majority of the investment and endowment property leases are leases in perpetuity and therefore non-cancellable; the majority of the other leases are cancellable. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

<b>OPERATING LEASES AS LESSOR</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
<b>Non-cancellable operating leases as lessor</b>				
Less than one year	815	826	815	826
Later than one year but not more than five years	1,765	1,076	1,765	1,076
Later than five years	1,911	1,388	1,911	1,388
<b>Total non-cancellable operating leases</b>	<b>4,491</b>	<b>3,290</b>	<b>4,491</b>	<b>3,290</b>

Figures for later than five years are impracticable because most of the leases are in perpetuity. The total annual lease amounts are expected to be at least those indicated above.

No contingent rents have been recognised in the statement of financial performance during the period.

<b>23. CONTINGENCIES</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
Guarantees	5,219	21	5,219-	21
Government grant	-	5,219	-	5,219
<b>Total contingencies</b>	<b>5,219</b>	<b>5,240</b>	<b>5,219</b>	<b>5,240</b>

### Guarantees

The value of guarantees disclosed as contingent liabilities reflects Horowhenua District Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position. See Note 16 Provisions, for information on recognised financial guarantees.

A condition of the sale of residential housing to Sisters of Compassion was that the suspensory loan 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. The loan previously guaranteed by Council has been repaid and therefore no longer a contingent liability.

### Contingent liability

Horowhenua District Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability Risk Pool. The Council has now withdrawn from the Risk Pool but still has insurance cover via an insurance broker. Risk Pool operates as a mutual fund where each member makes an annual contribution to obtain cover; however should claims exceed contributions then calls can be made on the members of that fund year for the shortfall amount. Risk Pool have advised that further calls may be made to the Council for past pool periods. Horowhenua District Council has budgeted monies in its current LTP to cover these calls.

Council has several ongoing legal proceedings. The outcome of these remains uncertain at the end of the reporting period. The maximum financial exposure is anticipated to be less than \$220,000.

Horowhenua District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Horowhenua District Council is one of 30 local authority shareholders and 8 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100K. When aggregated with the uncalled capital of other shareholders, \$20M is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Horowhenua District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2018, NZLGFA had borrowings totalling \$8,272m (2017: \$7,946m).

Financial reporting standards require Horowhenua District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

The leases for Waitārere Beach Motor Camp and Levin Holiday Park include provisions for Council to buy-back the lessee's fixtures and improvements in certain circumstances totalling \$945,000. This estimate has been based on district rating valuations.

Personal grievances claims, represents amounts claimed by employees for personal grievances cases. There were 2 personal grievances claims (2017: 1 personal grievances claims).

## Building Act claims

The Building Act of 2004 imposes certain obligation and liabilities on local authorities in respect to the issue of building consents and inspections of work done.

Horowhenua District Council has two live claims with the Weathertight Homes Resolution Service (WHRS claim 07547, and 07477). These claims have been accepted as valid and will be liable for 25% of the value of repairs. As at 30 June 2018 claim 07547 Council's liability is \$58,052. Horowhenua District Council is not expected to be covered under its insurance policies. Horowhenua District Council is also exposed to potential claims which have not been advised. The amount of these claims and any potential liability are not able to be reliably measured and are therefore not quantifiable.

## Contingent assets

Third parties including sports clubs and community groups are able to construct facilities (e.g. club rooms) on Horowhenua District Council owned land. The third parties control the use of these facilities and Horowhenua District Council will only gain control of the asset if the third party vacates the facility. Unless, and until, such event occurs these assets are not recognised as assets in the statement of financial position. As at 30 June 2018 there were 24 facilities having an approximate value of \$18.70m (2017: 24 facilities, \$18.70m). This estimate has been based on district rating valuations.

Horowhenua District Council also has a contingent asset in the land sold to the Foxton Medical Trust, which, should the Foxton Medical Trust sell the land, Council will receive the market value at the time of transfer.

## 24. RELATED PARTY TRANSACTIONS

### Manawatū/Whanganui Local Authorities Shared Services Limited (MWLASS)

This company was set up in 2008 by seven local councils to investigate the possibilities of economies of scale by joint procurement.

To date there has been one call on share capital and the company is now trading. Horowhenua District Council owns one seventh or 14% of this company and has a \$16,000 share capital.

The Company is considered to be a council controlled organisation under the Local Government Act 2002 but the member councils have resolved that it is exempt for the purposes of Section 6(4)(i) of that Act for 2017/18 and 2016/17.

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000
<b>Manawatū/Whanganui Local Authorities Shared Services Limited</b>		
E-Road hardware	11	8
Regional archives	58	53
Regional ISSP	-	33
Acuity database expenses	6	6
Debt collection process	-	4
Collaborative portal	7	-
Health & safety project	40	13
Online economic profiles subscription	13	13
<b>Total MWLASS related party transactions</b>	<b>135</b>	<b>130</b>

### Shannon Community Development Trust

The Council holds \$350,000 on deposit on behalf of the Shannon Community Development Trust.

### Key management personnel

During the year key management personnel (the Mayor, Councillors and senior managers) were involved in minor transactions with Horowhenua District Council (e.g. payment of rates, purchase of rubbish bags, and registration of dogs) as part of a normal customer relationship. While the following transactions that were conducted with key management personnel were on normal commercial terms are not required to disclose they have been for transparency.

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000
Taitoko Ltd (in which Cr Piri Hira Tukapua is a shareholder / director)	1	1
Canvasland Holdings Ltd (in which former Mayor B Duffy was a shareholder) purchase of goods or services. Up to November 2016.	-	1
Canvasland Sunshades Ltd (in which former Mayor B Duffy was a shareholder) purchase of goods or services. Up to November 2016	-	2
Brady Electrical and Control Ltd (in which Nicki Brady is a shareholder / director)	1	-
<b>Total transactions with key management personnel</b>	<b>2</b>	<b>4</b>

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2017: \$Nil).

### Foxton Beach Community Board members

The following transactions were carried out with related parties were within normal supplier or client/recipient relationship on normal terms and conditions:

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000
<b>Foxton Beach Community Board members</b>		
Roaches Concrete Products Ltd (in which David Roache is a shareholder / director)	18	1
<b>Total transactions with Foxton Beach Community Board members</b>	<b>18</b>	<b>1</b>

KEY MANAGEMENT PERSONNEL COMPENSATION	Council Actual \$ 30 June 2018	Council Actual \$ 30 June 2017\$
<b>Remuneration</b>		
Councillors	384,545	370,461
Senior management team, including the Chief Executive	1,499,174	1,434,261
<b>Total key management personnel remuneration</b>	<b>1,883,718</b>	<b>1,804,722</b>
<b>Full-time equivalent key management personnel</b>		
Councillors*	11	11
Senior management team, including the Chief Executive	7.7	9
<b>Total full-time equivalent key management personnel</b>	<b>18.8</b>	<b>20</b>

\*Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors

25. REMUNERATION	Council Actual \$ 30 June 2018	Council Actual \$ 30 June 2017
<b>Chief Executive</b>		
Salary	326,124	272,068
Vehicle (FBT)	11,738	10,443
<b>Total Chief Executive remuneration</b>	<b>337,862</b>	<b>282,511</b>
<b>Elected representatives</b>		
<b>Mayor</b>		
B J Duffy (Until Nov 2016)	-	30,490
M Feyen (Mayor from Nov 2016)	102,992	70,780
<b>Councillors:</b>		
W Bishop	36,516	33,075
R Brannigan	25,957	25,523
R Campbell	25,957	27,114
M Feyen	-	7,684
N Gimblett	28,813	17,839
G Good	-	10,810
B Judd	28,813	17,838
V Kaye-Simmons	25,957	25,523
J Mason	31,669	25,523
C Mitchell	25,957	25,523
A Rush	-	9,375
P H Tukapua	25,957	25,523
B Wanden	25,957	17,839
<b>Total elected representatives remuneration</b>	<b>384,545</b>	<b>370,459</b>
<b>Foxton Beach Community Board</b>		
D Roache (Chair)	12,092	10,212
D Allan	6,046	4,155
J Girling	6,046	4,155
J Lundie	6,046	4,155
P Metcalf	6,046	5,945
J Smart	-	3,580
A Street	-	1,790
B Vertongen	-	1,790
<b>Total Foxton Beach Community Board remuneration</b>	<b>36,276</b>	<b>35,782</b>
<b>Council employees</b>		
Total annual remuneration by band		
<60,000	143	128
\$60,000 - \$79,999	44	43
\$80,000 - \$99,999	25	15
\$100,000 - \$119,999	10	11
\$120,000 - \$179,999	6	7
\$180,000 - \$339,999	3	1
<b>Total Council employee remuneration</b>	<b>227</b>	<b>205</b>

At balance date, the Council employed 132 (2017: 145) full-time employees, with the balance of staff representing 53 (2017: 32) full-time equivalent employees. A full-time employee is determined on the bases of a 40-hour working week.



## 26. SEVERANCE PAYMENTS

For the year ended 30 June 2018 Horowhenua District Council made three severance payments to employees totalling \$32,500 (2017: \$1,250). The value of each severance payment was \$10,000, \$10,000, \$12,500 (2017 \$1,250).

## 27. EVENTS AFTER THE BALANCE SHEET DATE

There were no events after the balance date.

## 28. FINANCIAL INSTRUMENTS

28a. FINANCIAL INSTRUMENT CATEGORIES	Note	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
<b>Financial assets</b>					
<b>Loans and receivables</b>					
Cash and cash equivalents	7	960	5,074	971	5,100
Debtors and other receivables	8	5,567	6,790	5,567	6,795
Other financial assets:					
- Term deposits	9	5,350	350	5,350	350
- Community loan	9	81	-	81	-
<b>Total loans and receivables</b>		<b>11,958</b>	<b>12,214</b>	<b>11,969</b>	<b>12,245</b>
<b>Fair value through other comprehensive revenue and expense</b>					<b>104</b>
Unlisted shares in NZLGIC Limited	9	104	104	104	104
Unlisted shares in MWLASS	9	16	16	16	16
Unlisted shares in LGFA	9	100	100	100	100
LGFA borrowers notes	9	1,298	1,121	1,298	1,121
<b>Total fair value through other comprehensive revenue and expense</b>		<b>1,518</b>	<b>1,341</b>	<b>1,518</b>	<b>1,518</b>
<b>Total financial assets</b>		<b>13,476</b>	<b>13,555</b>	<b>13,487</b>	<b>13,586</b>
<b>Financial Liabilities</b>					
<b>Fair Value through surplus or deficit – held for trading</b>					
Derivative financial instrument liabilities	19	1,222	1,038	1,222	1,038
<b>Financial liabilities at amortised cost</b>					
Creditors and other payables	15	10,718	10,579	10,359	10,243
Borrowings:					
- bank overdraft	7	-	-	-	-
- secured loans	18	80,000	77,000	80,000	77,000
<b>Total financial liabilities at amortised cost</b>		<b>90,718</b>	<b>87,579</b>	<b>90,359</b>	<b>87,243</b>
<b>Total financial liabilities</b>		<b>91,940</b>	<b>88,617</b>	<b>91,581</b>	<b>88,281</b>

## 28b. FINANCIAL INSTRUMENT RISK

Horowhenua District Council has a series of policies to manage the risks associated with financial instruments. Horowhenua District Council is risk averse and seeks to minimise exposure from its Treasury activities. Horowhenua District Council has established Council approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

## 28c. FAIR VALUE HIERARCHY DISCLOSURES

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measure at fair value in the statement of financial position:

	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
<b>Council 2018</b>				
<b>Financial assets</b>				
Shares	220	-	-	220
LGFA borrower notes	1,298	-	-	1,298
<b>Financial liabilities</b>				
Swap derivatives	1,222	-	1,222	-
<b>Group 2018</b>				
<b>Financial assets</b>				
Shares	220	-	-	220
LGFA borrower notes	1,298	-	-	1,298
<b>Financial liabilities</b>				
Swap derivatives	1,222	-	1,222	-
<b>Council 2017</b>				
<b>Financial assets</b>				
Shares	220	-	-	220
LGFA borrower notes	1,121	-	-	1,121
<b>Financial liabilities</b>				
Swap derivatives	1,038	-	1,038	-
<b>Group 2017</b>				
<b>Financial assets</b>				
Shares	220	-	-	220
LGFA borrower notes	1,121	-	-	1,121
<b>Financial liabilities</b>				
Swap derivatives	1,038	-	1,038	-

## Market Risk

### Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Horowhenua District Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to movements in fair value of unlisted securities. This price risk is managed by a prohibition of further share investment in Horowhenua District Council's Investment Policy.

Horowhenua District Council holds unlisted equity instruments in Civic Financial Services Limited, which are not publicly traded. If the fair value of the shares had moved plus or minus 5%, the effect would have been to increase/decrease the fair value through equity reserve by \$5,200 (2017:\$5,200).

### Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Horowhenua District Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

### Interest rate risk

The interest rates on Horowhenua District Council's investments are disclosed in Note 9 and on Horowhenua District Council's borrowings in Note 18.

### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates exposes the Horowhenua District Council to fair value interest rate risk. Horowhenua District Council's liability management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where Horowhenua District Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose the Horowhenua District Council to fair value interest rate risk.

### Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Horowhenua District Council to cash flow interest rate risk.

Horowhenua District Council manages its cash flow interest rate risk on borrowings by borrowing at fixed rates.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to Horowhenua District Council, causing Horowhenua District Council to incur a loss. Horowhenua District Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Horowhenua District Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in Note 23.

Horowhenua District Council invests funds only in government-guaranteed instruments, deposits with registered banks and local authority stock and its Investment Policy limits the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Accordingly, the Group does not require any collateral or security to support these financial instruments.

### Maximum exposure to credit risk

Horowhenua District Council's maximum credit exposure for each class of financial instrument is as follows:

MAXIMUM EXPOSURE TO CREDIT RISK	Note	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
Cash at bank and term deposits	7	6,310	5,424	6,321	5,450
Debtors and other receivables	8	6,354	6,790	6,354	6,795
<b>Total credit risk</b>		<b>12,664</b>	<b>12,214</b>	<b>12,675</b>	<b>12,245</b>

### Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (or similar, if available) or to historical information about contemporary default rates:

COUNTERPARTIES WITH CREDIT RATINGS	Note	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
<b>Cash at bank and term deposits:</b>					
AA-	7	6,310	5,424	6,321	5,450
<b>Total cash at bank and term deposits</b>		<b>6,310</b>	<b>5,424</b>	<b>6,321</b>	<b>5,450</b>

Debtors and other receivables mainly arise from Horowhenua District Council's statutory functions, therefore there are no procedures in place to monitor or report the quality of debtors and other receivables with reference to internal or external credit ratings. Horowhenua District Council has no significant concentrations of credit risk in relation to debtors and other receivables as it has a large number of credit customers, mainly ratepayers, and has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

## Liquidity Risk

### Management of liquidity risk

Liquidity risk is the risk that Horowhenua District Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Horowhenua District Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Horowhenua District Council maintains a target level of investments that must mature within the next 12 months.

Horowhenua District Council manages its borrowings in accordance with its funding and financial policies, which includes a liability management policy. These policies have been adopted as part of the Horowhenua District Council's LTP.

The maturity profiles of the Horowhenua District Council's interest bearing investments and borrowings are disclosed in Notes 9 and 18 respectively.

The Council is exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 23.

### Contractual maturity analysis of financial liabilities

The table below analyses Horowhenua District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest rate payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

<b>Council 2018</b>	<b>Note</b>	<b>Carrying Amount \$000</b>	<b>Contractual Cash Flow \$000</b>	<b>&lt;1 Year \$000</b>	<b>1-2 Years \$000</b>	<b>2-5 Years \$000</b>	<b>&gt;5 Years \$000</b>
Creditors and other payables	15	10,718	10,718	10,718	-	-	-
Secured loans	18	80,000	90,331	20,391	5,233	36,636	28,072
Swap derivatives	19	1,222	1,222	267	243	523	188
<b>Total</b>		<b>91,940</b>	<b>102,271</b>	<b>31,376</b>	<b>5,476</b>	<b>37,159</b>	<b>28,260</b>
<b>Group 2018</b>							
Creditors and other payables	15	10,359	10,359	10,359	-	-	-
Secured loans	18	80,000	90,331	20,391	5,233	36,636	28,072
Swap derivatives	19	1,222	1,222	267	243	523	188
<b>Total</b>		<b>91,581</b>	<b>101,912</b>	<b>31,017</b>	<b>5,476</b>	<b>37,159</b>	<b>28,260</b>
<b>Council 2017</b>							
Creditors and other payables	15	10,579	10,579	10,579	-	-	-
Secured loans	18	77,000	89,027	14,133	14,985	25,915	33,994
Swap derivatives	19	1,038	1,038	265	211	381	181
<b>Total</b>		<b>88,617</b>	<b>100,644</b>	<b>24,977</b>	<b>15,196</b>	<b>26,296</b>	<b>34,175</b>
<b>Group 2017</b>							
Creditors and other payables	15	10,243	10,243	10,243	-	-	-
Secured loans	18	77,000	89,027	14,133	14,985	25,915	33,994
Swap derivatives	19	1,038	1,038	265	211	381	181
<b>Total</b>		<b>88,281</b>	<b>100,308</b>	<b>24,641</b>	<b>15,196</b>	<b>26,296</b>	<b>34,175</b>

### Contractual maturity analysis of financial assets

The table below analyses Horowhenua District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
<b>Council 2018</b>							
Cash and cash equivalents	7	960	960	960	-	-	-
Debtors and other receivables	8	5,567	5,567	5,567	-	-	-
Other financial assets:							
Term deposits	9	5,350	5,413	5,413	-	-	-
Community loan	9	81	100	10	20	30	40
<b>Total</b>		<b>11,958</b>	<b>12,040</b>	<b>11,950</b>	<b>20</b>	<b>30</b>	<b>40</b>
<b>Group 2018</b>							
Cash and cash equivalents	7	971	971	971	-	-	-
Debtors and other receivables	8	5,567	5,567	5,567	-	-	-
Other financial assets:			-				
Term deposits	9	5,350	5,413	5,413	-	-	-
Community loan	9	81	100	10	20	30	40
<b>Total</b>		<b>11,969</b>	<b>12,051</b>	<b>11,961</b>	<b>20</b>	<b>30</b>	<b>40</b>
<b>Council 2017</b>							
Cash and cash equivalents	7	5,074	5,074	5,074	-	-	-
Debtors and other receivables	8	6,790	6,790	6,790	-	-	-
Other financial assets:							
term deposits	9	350	358	358	-	-	-
<b>Total</b>		<b>12,214</b>	<b>12,222</b>	<b>12,222</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Group 2017</b>							
Cash and cash equivalents	7	5,100	5,100	5,100	-	-	-
Debtors and other receivables	8	6,795	6,795	6,795	-	-	-
Other financial assets:							
term deposits	9	350	358	358	-	-	-
<b>Total</b>		<b>12,245</b>	<b>12,253</b>	<b>12,253</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Sensitivity analysis

The tables below illustrate the potential profit and loss (excluding retained earnings) for reasonably possible market movements, with all other variables held constant, based on Horowhenua District Council's financial instrument exposures at the balance date.

INTEREST RATE RISK	Council & Group 30 June 2018 -100bps	Council & Group 30 June 2018 +100bps	Council & Group 30 June 2017 -100bps	Council & Group 30 June 2017 +100bps
<b>Financial assets</b>				
Cash and cash equivalents	(10)	10	(51)	51
<b>Financial liabilities</b>				
Borrowings	230	(230)	190	(190)

Cash and cash equivalents include deposits at call totalling \$960,000 (2017: \$5,074,000) which are at floating rates. A movement of interest rates of plus or minus 1% has an effect on interest revenue of \$59,600 (2017: \$50,740).

Borrowings include total debt of \$23,000,000 (2017: \$19,000,000) on current floating rates.

## 29. BUDGETS FOR YEAR ENDED 30 JUNE 2018

Budgets are as per the annual plan, 2017/18.

## 30. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations on major variances against budget are disclosed within these financial statements and funding impact statements.

## 31. FINANCE LEASES

Council does not have any finance leases (30 June 2017:\$Nil).

32. RECONCILIATION OF SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES	Council Actual \$ 30 June 2018 \$000	Council Actual \$ 30 June 2017 \$000	Group Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2017 \$000
Surplus (deficit)	(2,150)	2,021	(2,146)	1,787
<b>Add/(less) non-cash items:</b>				
Depreciation and amortisation	13,860	14,154	13,860	14,154
Other including vested and donated assets	(203)	(459)	(203)	(459)
Net gains and losses and other non-current movements	1,822	(4,145)	1,822	(3,922)
Impairment of non-current assets	-	-	-	-
<b>Add/(less) movements in working capital:</b>				
Increase/(decrease) in accounts receivable	1,213	(830)	1,209	(819)
Increase/(decrease) in stock on hand	-	(15)	-	(15)
Increase /(decrease) in current liabilities	(476)	(504)	(491)	(490)
<b>Net cash flows from operating activities</b>	<b>14,066</b>	<b>10,222</b>	<b>14,051</b>	<b>10,236</b>

## 33. CAPITAL MANAGEMENT

The Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires the Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted by the Act and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its LTP and its annual plan (where applicable) to meet the expenditure needs identified in those plans and the Act sets out the factors that the Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the financial policies in the Council's LTP.

Horowhenua District Council has the following Council-created reserves:

- reserves for different types of rates;
- reserves for the repayment of loans;
- depreciation funds.

Refer to pages 25- 28 for Council created reserves.

<b>34. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>
Community support	15	31
Environmental services	75	79
Community facilities & services	1,478	1,095
Property	231	358
Roading	4,998	5,904
Solid waste	310	286
Stormwater	620	571
Wastewater	3,119	2,897
Water supply	2,558	2,385
Council operating assets	456	548
<b>Total</b>	<b>13,860</b>	<b>14,154</b>

<b>35. INSURANCE OF ASSETS</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>
Total value of assets covered by insurance contracts	127,304	128,915
Maximum amount of insurance	174,350	194,357
Total value of assets covered by financial risk sharing arrangements	155,374	145,335
Maximum amount available under those arrangements	308,270	270,760
Total value of assets that are self-insured	265,122	266,071
The value of funds maintained for that purpose	-	-

It is anticipated (but cannot be guaranteed) that under the terms contained in the Guide to the Civil Defence Emergency Plan, central government may fund 60% of the qualifying cost of reinstating essential infrastructure assets in the event of a major disaster.



<b>36. REPLACEMENT COST OF CORE INFRASTRUCTURAL ASSETS</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>
Water other	103,046	95,967
Water treatment plant and facilities	36,581	32,152
Waste water treatment plant and facilities	46,075	42,360
Wastewater other	144,505	134,902
Stormwater	57,329	53,449
Solid waste	8,784	8,730
Roading and footpaths	345,548	332,352
<b>Total replacement cost of core infrastructure assets</b>	<b>741,868</b>	<b>699,912</b>

Refer to Note 11 for vested assets and additions.

<b>37. TAX</b>	<b>Council Actual \$ 30 June 2018 \$000</b>	<b>Council Actual \$ 30 June 2017 \$000</b>	<b>Group Actual \$ 30 June 2018 \$000</b>	<b>Group Actual \$ 30 June 2017 \$000</b>
<b>Components of tax expense</b>				
Current tax	-	-	-	-
<b>Tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Relationship between tax expense and accounting surplus</b>				
Surplus/(deficit) before tax	(2,150)	2,021	(2,146)	1,787
Tax at 28%	(602)	566	(601)	500
<b>Plus/(less) tax effect of:</b>				
Non-deductible expense	-	-	-	-
Non-assessable revenue	602	(566)	601	(500)
<b>Tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

# Benchmarks Disclosure Statement

## FOR THE YEAR ENDED 30 JUNE 2018

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

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

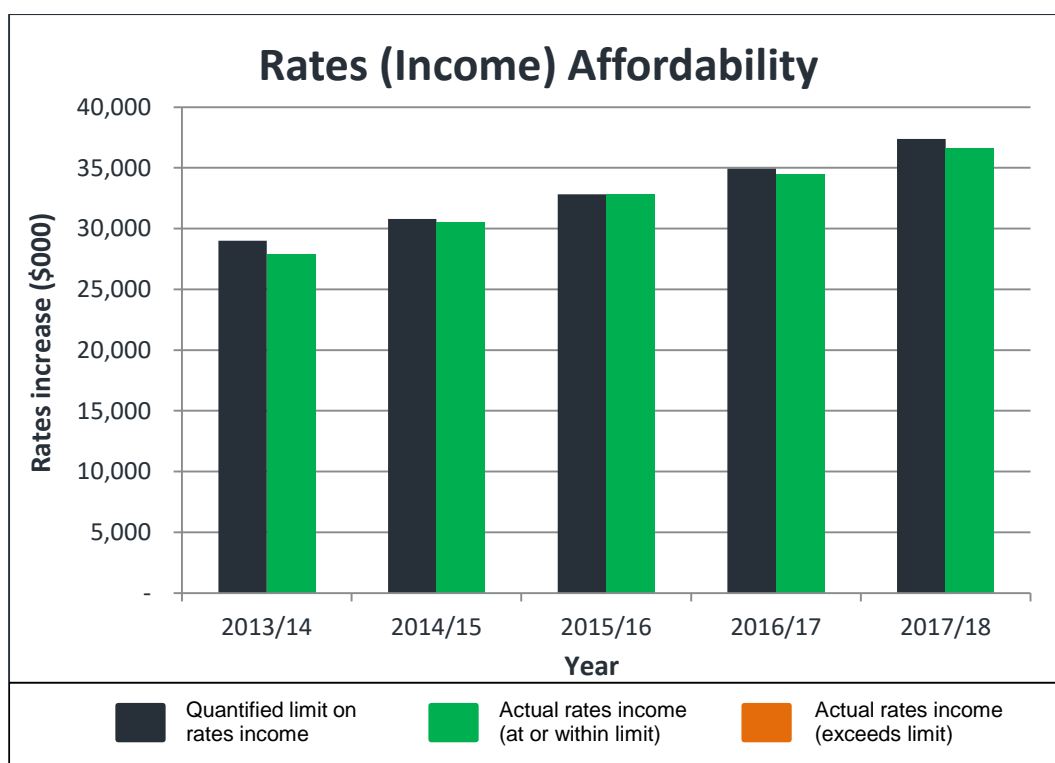
### Rates affordability benchmarks

The Council meets the rates affordability benchmark if –

- its actual rates income equals or is less than each qualified limit on rates; and
- its actual increases equal or are less than each qualified limit on rates increases.

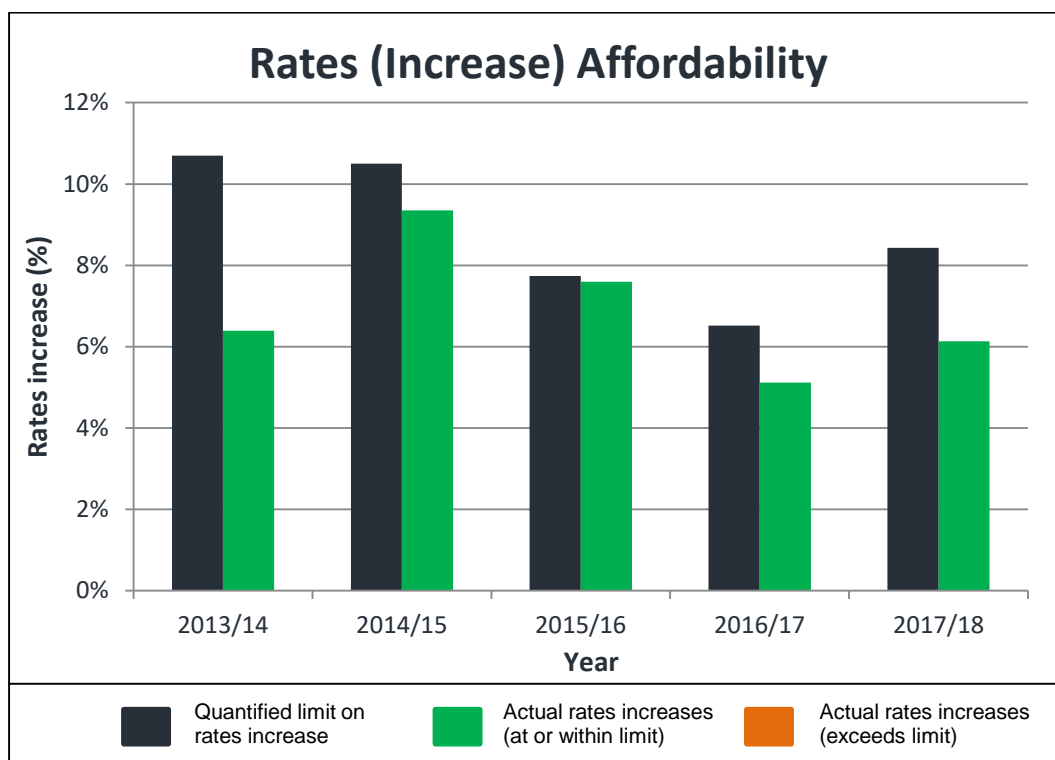
### Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan. The quantified limit is \$45,300,000 (2013/14), \$45,300,000 (2014/15), \$31,858,000 (2015/16), \$33,619,000 (2016/17) and \$36,109,000 (2017/18).



### Rates (increases) affordability

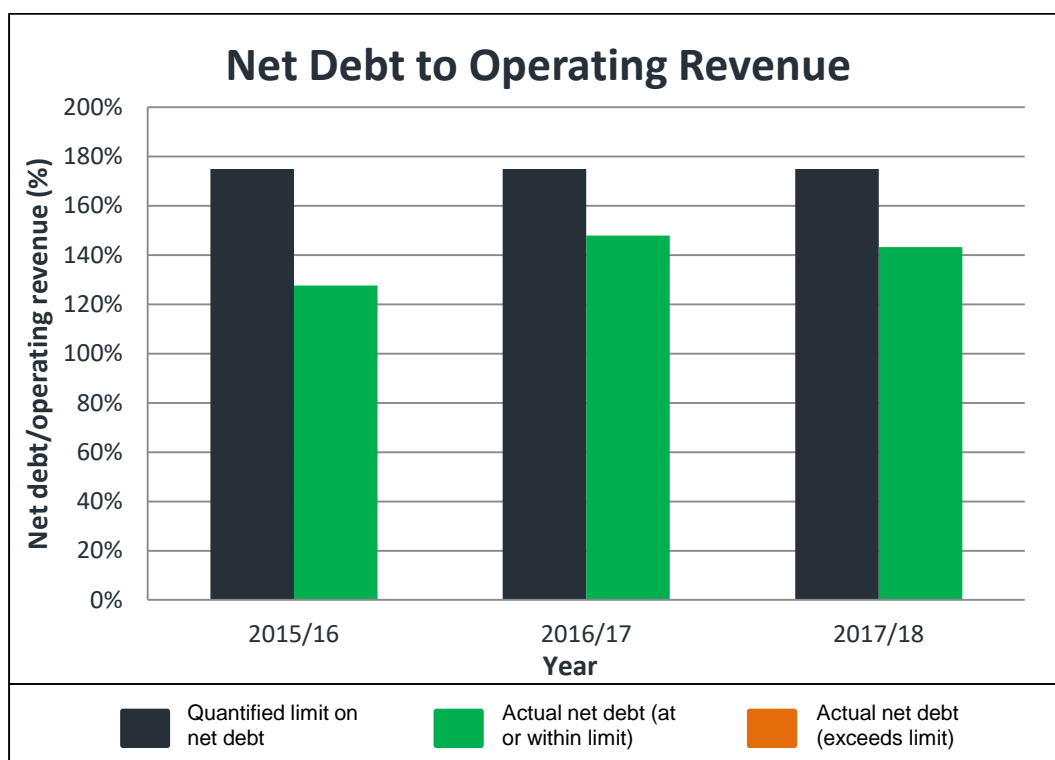
The following graph compares the Council's actual rate increase with a quantified limit on rates increases included in the financial strategy included in the Council's long term plan. The quantified limits are 10.70% (2013/14), 10.50% (2014/15), 7.74% (2015/16), 6.52% (2016/17) and 8.43% (2017/18).



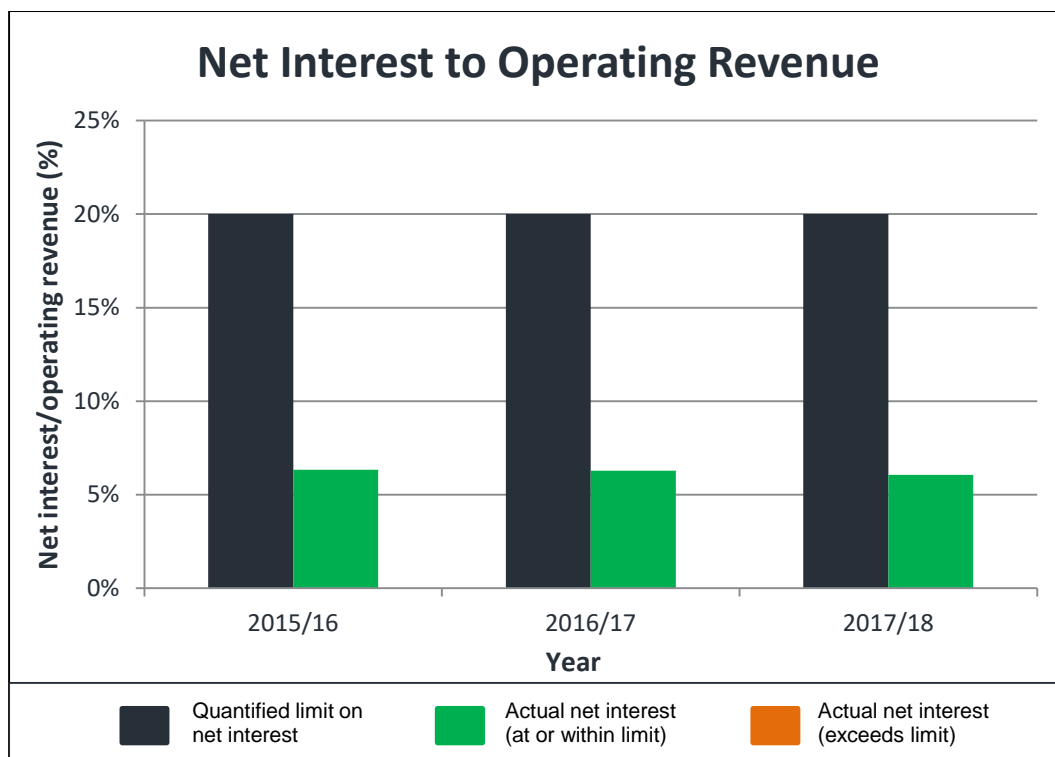
## Debt affordability benchmark

The Council meets the debt affordability benchmark for a year if actual borrowing is within each quantified limit on borrowing.

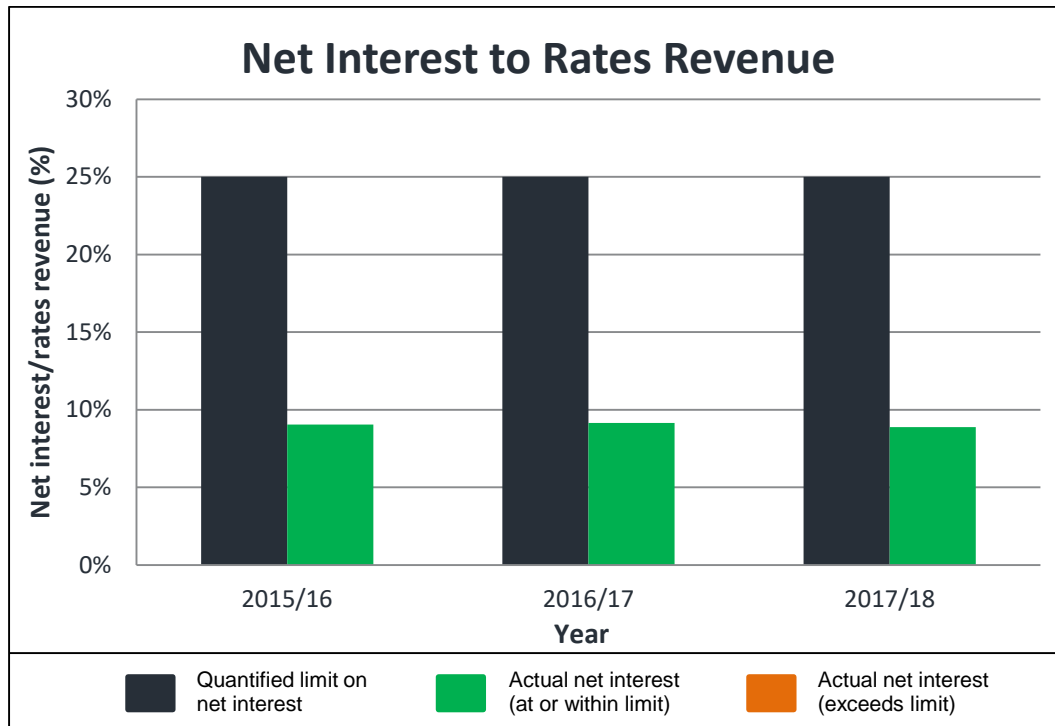
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net debt to operating revenue should be below 175%. This is a new quantified limit in the 2015-25 LTP so therefore there are only three years of data available.



The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net interest to operating revenue should be below 20%. This is a new quantified limit in the 2015-25 LTP so therefore there are only three years of data available.

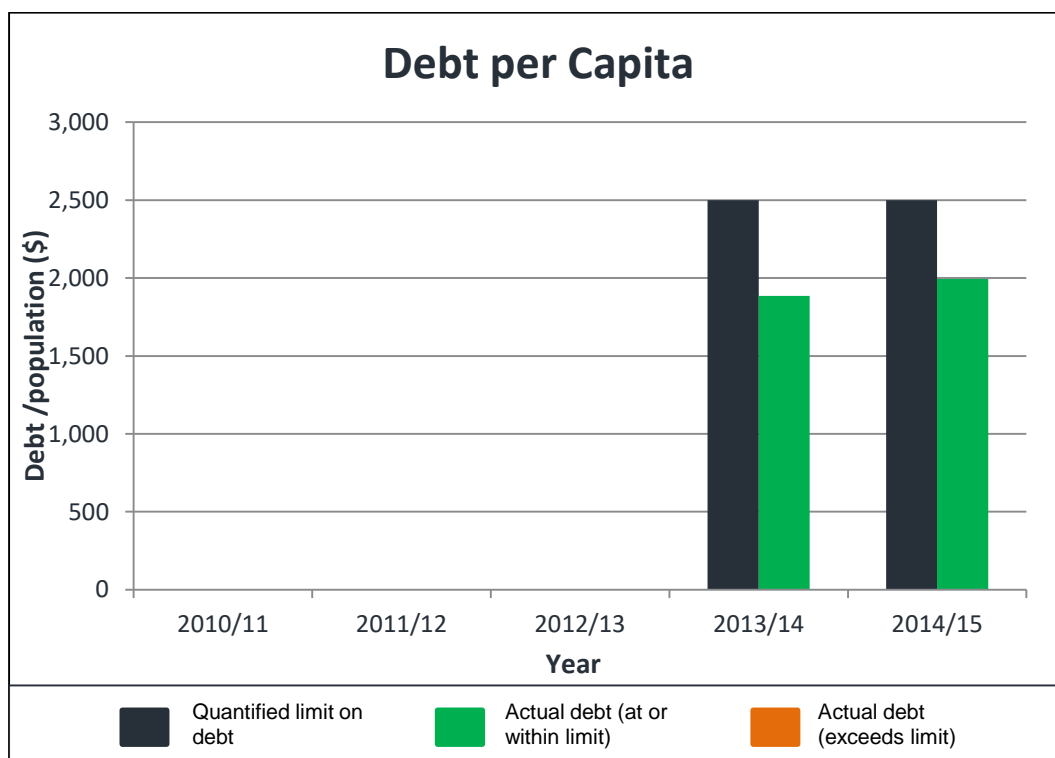


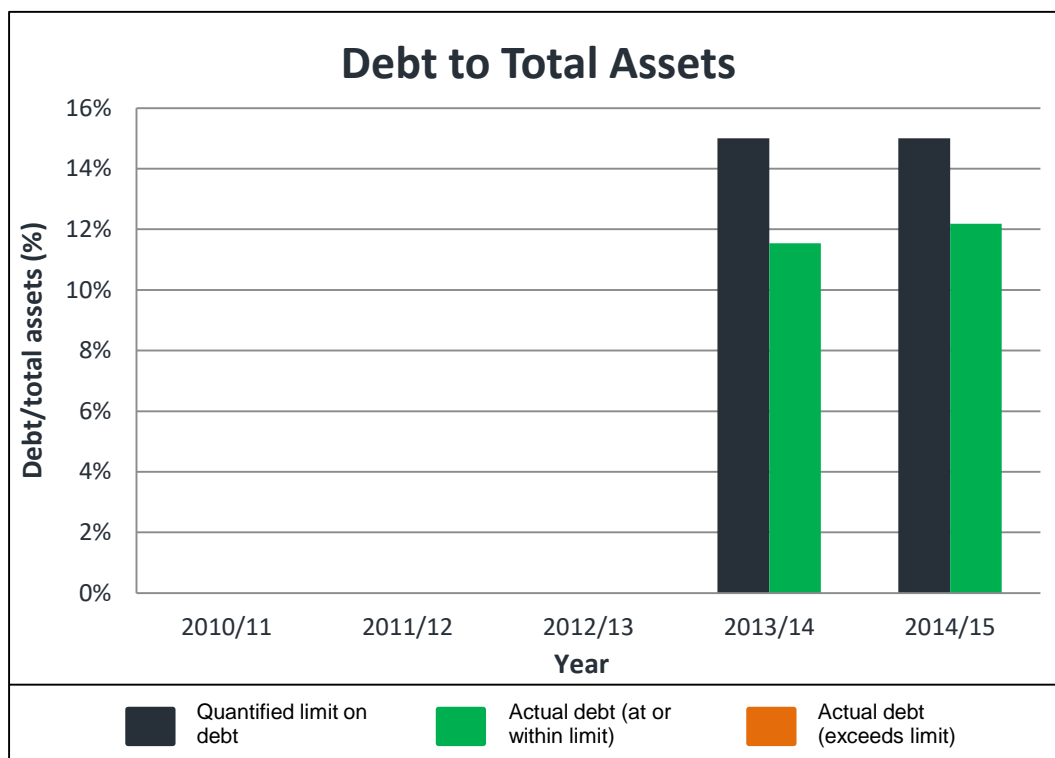
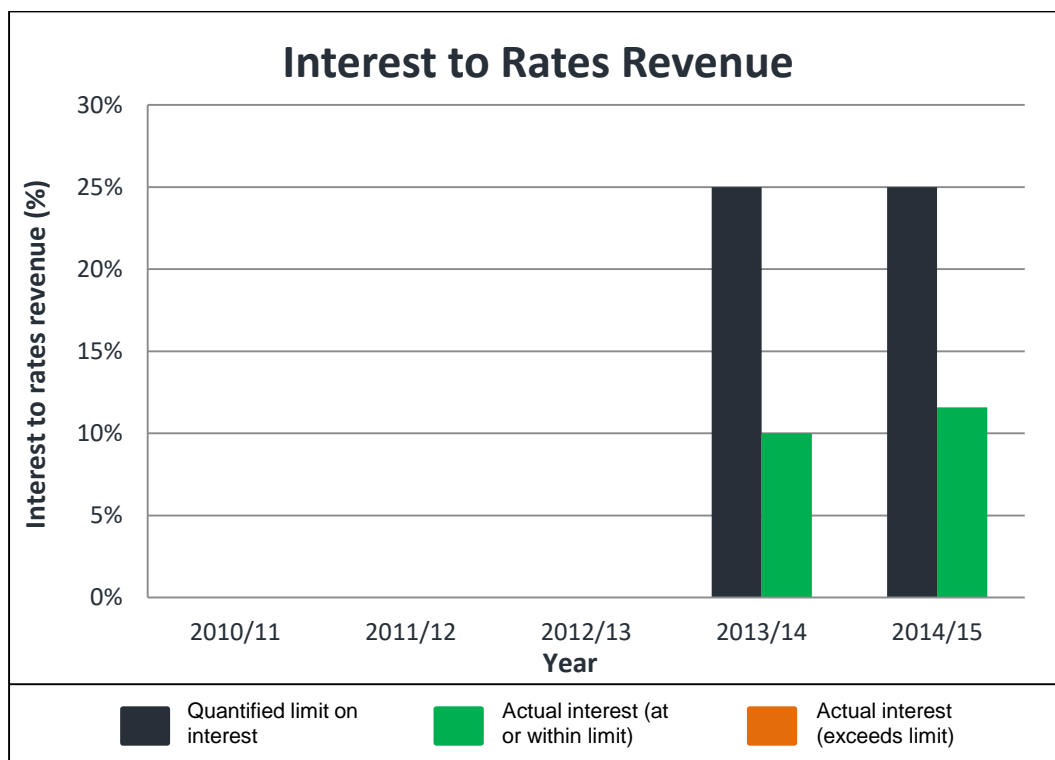
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's long term plan. The quantified limits are net interest to annual rates revenue should be below 25%. This is a new quantified limit in the 2015-25 LTP so therefore there are only three years of data available.



Previously the 2012-2022 LTP used the following benchmarks:

- Debt per capita of less than \$2,500 was used as a debt affordability benchmark.
- Gross annual interest cost will not exceed 25% of total rates revenue.
- Total debt as a percentage of total assets will not exceed 15%.

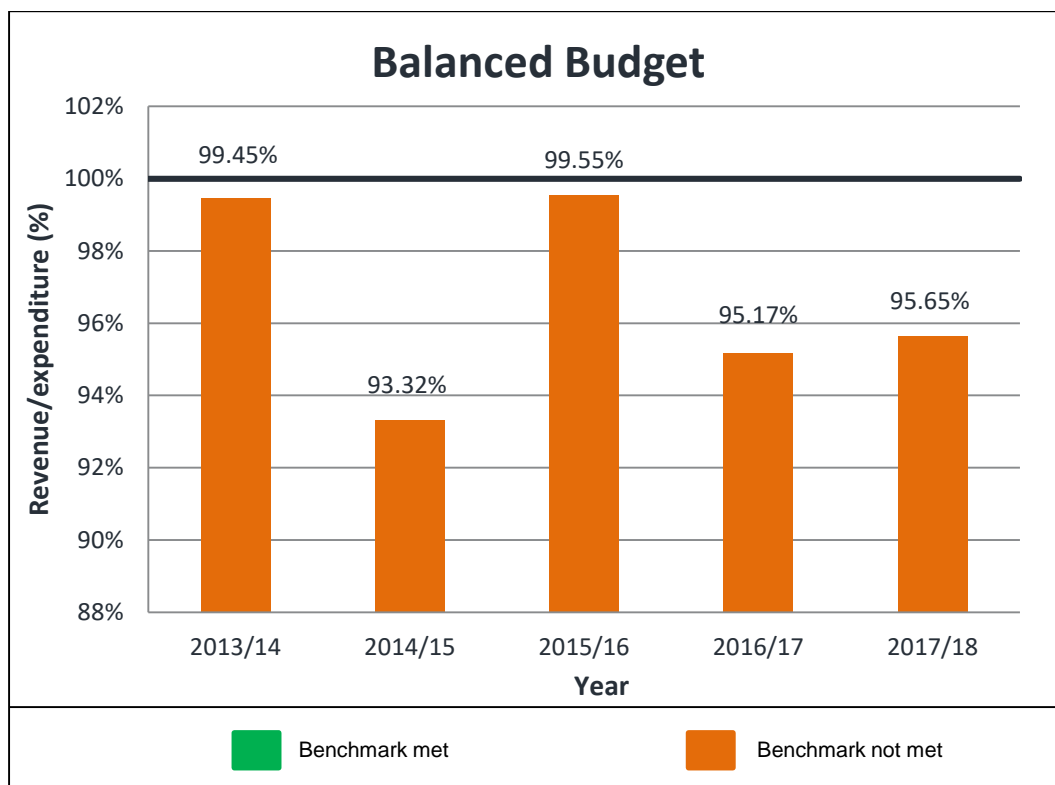




## Balanced budget benchmark

The following graph displays the Council's revenue excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment, as a proportion of operating expenses, excluding losses on derivative financial instruments and revaluations of property, plants or equipment.

The Council meets this benchmark if its revenue equals, or is greater than, its operating expenses.



### Explanation on balanced budget benchmark

In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only in the short-term. Council has been progressively increasing the funding of depreciation since the 2009/10 financial year. The major cause of Council's above inflation rate increases has been the need to increase depreciation funding. The underfunding of depreciation is the major reason for Council not meeting this benchmark.

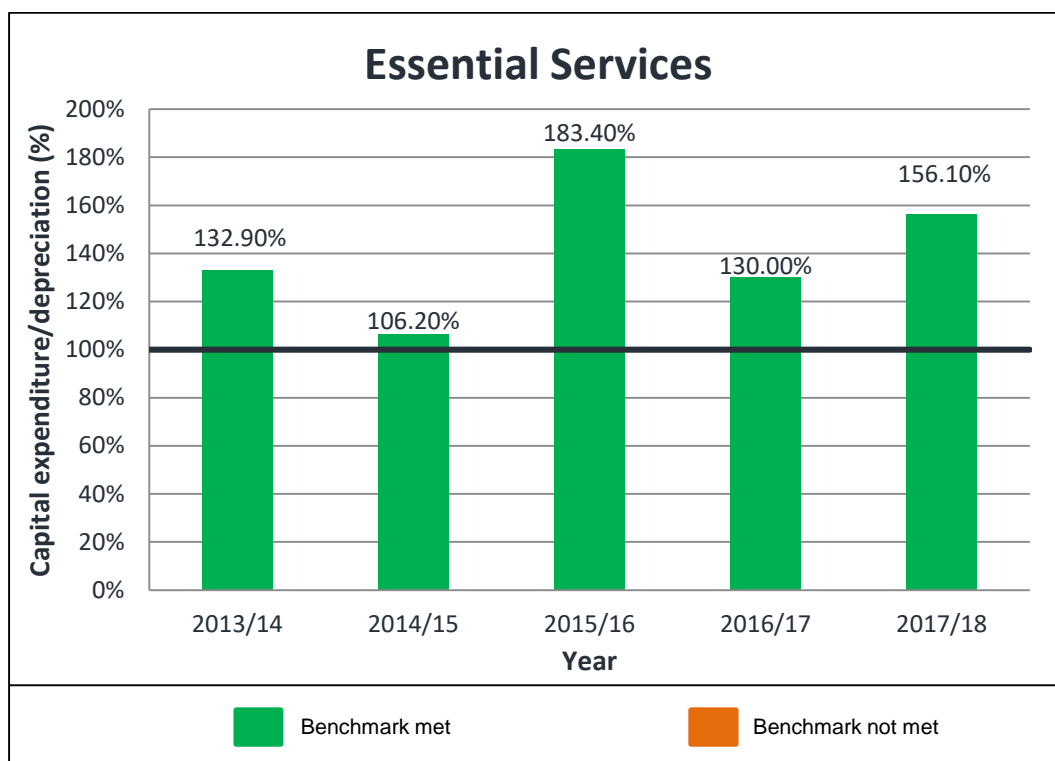


## Essential services benchmark

The following graph displays the Council's capital expenditure on network services as a proportion of depreciation on network services. Capital work includes both renewals of existing infrastructure and new capital works undertaken.

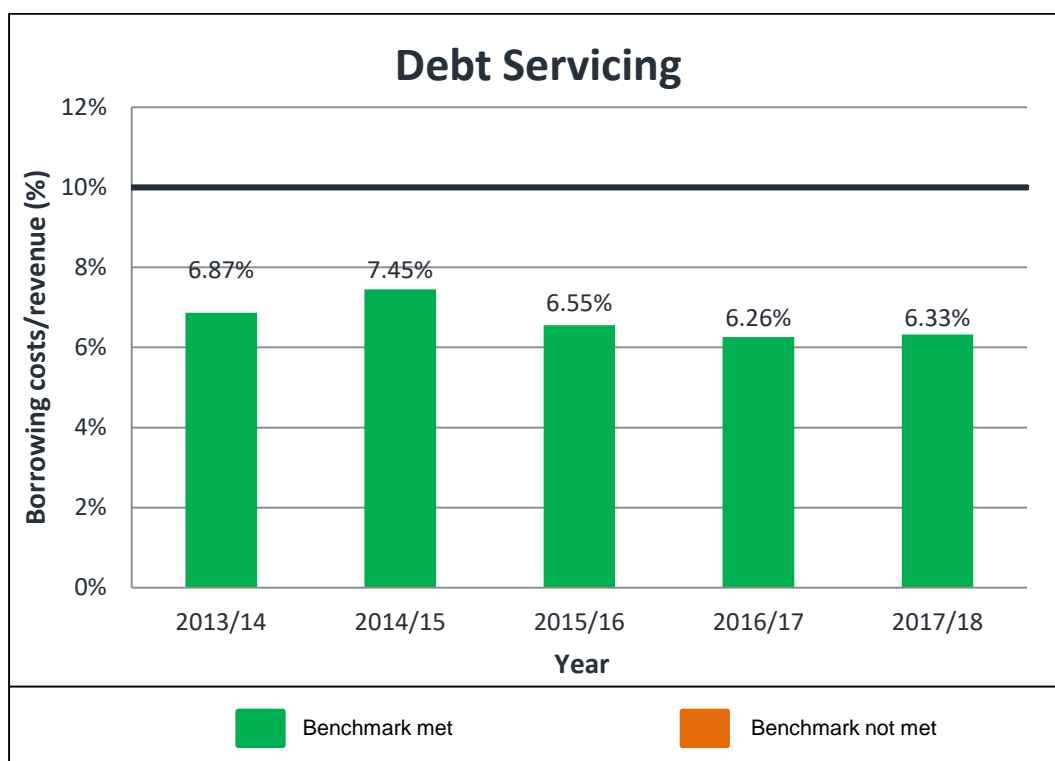
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Network services is defined in the regulations as infrastructure relating to water supply, sewage and the treatment and disposal of sewage, storm water drainage, flood protection and control works and the provision of roads and footpaths. The Council owns no infrastructure relating to flood protection and control work.



## Debt servicing benchmark

The following graph displays the Council's borrowing costs as a proportion of revenue excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment.



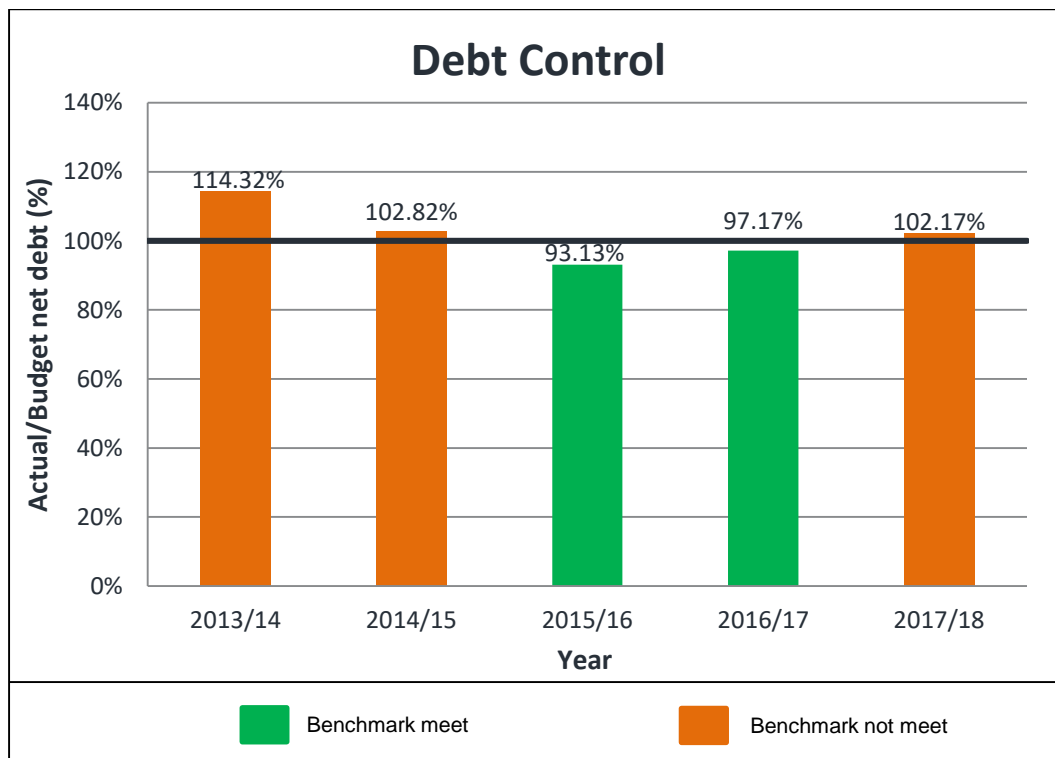
Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 10% of its revenue, (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment).

## Debt control benchmark

The following graph displays the Council's actual net debt as a proportion of planned net debt. In this statement, net debt is financial liabilities less financial assets (excluding trade and other receivables).

The Council meets the debt control benchmark if its actual net debt is less than or equal to the net debt planned for the year in its long term plan.

This benchmark has used the Long Term Plan 2012-2022 for 2013/14 and 2014/15 and the Long Term Plan 2015-2025 for 2015/16, 2016/17 and 2017/18.



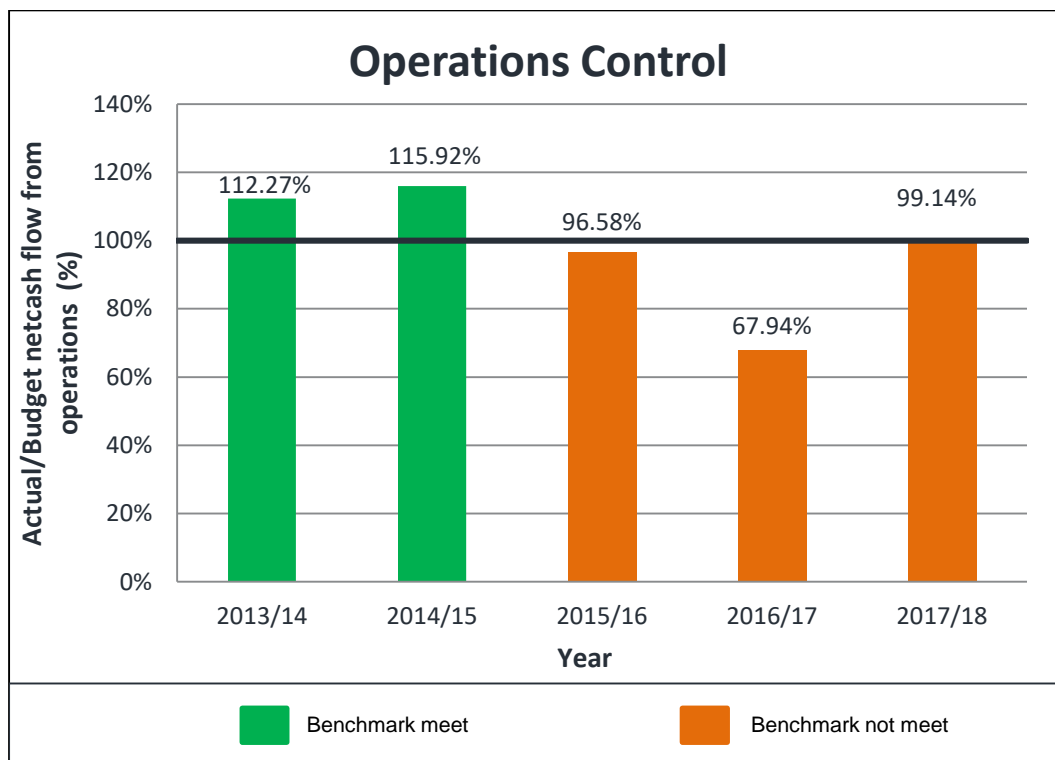
### Explanation on debt control benchmark

The reason for not meeting the benchmark in the 2013/14 & 2014/15 financial years is due to the purchase of the land for the Shannon wastewater treatment project. Council purchased this property ahead of when it was programmed, to take advantage of the property coming on the market. The benchmark was not met in the 2017/18 year due to lower than expected cash balance and higher payables balance as a result of increased capital work in the last two months of the financial year as more resources were employed to catch up with delayed projects.

## Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



### Explanation on operations control benchmark

The reason for not meeting the benchmark in the 2015/16 financial year is largely due the delay in the Te Awahou Nieuwe Stroom building project where the grants are dependent on building progressing in order for the cash to be released. In the 2016/17 financial year it is again the delay in receiving the Te Awahou Nieuwe Stroom grant but also a combination of unbudgeted spending on professional services for growth strategy work and a reduction of accounts payable. In the 2017/18 financial year the budget included contributions from the Te Awahou Nieuwe Stroom partners, however since these contributions were for assets they own, this amount should not have been budgeted.

# Accounting Policies

## REPORTING ENTITY

The Horowhenua District Council is a territorial local authority constituted under and governed by the Local Government Act 2002 and is domiciled in New Zealand. The relevant legislation governing the Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Horowhenua District Council Group consists of Horowhenua District Council and Shannon Community Development Trust. All have been incorporated in New Zealand.

The primary objective of Horowhenua District Council is to provide local infrastructure, local public service, and performs 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 financial statements of Horowhenua District Council are for the year ended 30 June 2018. The financial statements were authorised for issue by Council on 24 October 2018.

## BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies which materially affect the measurement of results and financial position set out below have been applied consistently to all periods presented in these financial statements.

### Statement of compliance

The financial statements of Horowhenua District Council have been prepared in accordance with the requirements of the Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards. Horowhenua District Council is a tier 1 reporting entity using the public sector PBE accounting standards, as it has expenses greater than \$30m, and is not publicly accountable.

These financial statements comply with PBE Standards.

### Measurement base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets which have been measured at fair value.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars. The functional currency of Horowhenua District Council is New Zealand Dollars. All values are rounded to the nearest thousand dollars (\$000).

### Standards issued and not yet effective and early adopted

#### *Impairment of Revalued Assets*

In April 2017, the XRB issued Impairment of Revalued Assets, which now scopes in revalued property, plant, and equipment into the impairment accounting standards. Previously, only property, plant, and equipment assets measured at cost were scoped into the impairment accounting standards. The Council and group has early adopted this amendment in preparing its 30 June 2018 financial statements. From the 30 June 2018 year onwards, the Council and group is required to assess at each reporting date whether there is any indication that an asset may be impaired. If any indication exists, the Council and group is required to assess the recoverable amount of that asset and recognise an impairment loss if the recoverable amount is less than the carrying amount. The Council and group are therefore to impair a revalued asset without having to revalue the entire class of asset to which the asset belongs.

### Standards issued and not yet effective and not early adopted

#### *Interests in other entities*

In January 2017, the XRB issued new standards for interests in other entities (PBE IPSAS 34 - 38). These new standards replace the existing standards for interests in other entities (PBE IPSAS 6 - 8). The new standards are effective for annual periods beginning on or after 1 January 2019, with early application permitted.

The Council plans to apply the new standards in preparing the 30 June 2020 financial statements. The Council and group has not yet assessed the effects of these new standards.

#### *Financial instruments*

In January 2017, the XRB issued PBE IFRS 9 Financial Instruments. PBE IFRS 9 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IFRS 9 is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The main changes under PBE IFRS 9 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.

- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses.
- Revised hedge accounting requirements to better reflect the management of risks.

The Council plans to apply this standard in preparing its 30 June 2022 financial statements. The Council and group has not yet assessed the effects of the new standard.

### **Other changes in accounting policies**

There have been no other changes in accounting policies.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **1. BASIS OF CONSOLIDATION**

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

#### **Subsidiaries**

Horowhenua District Council consolidates as 'subsidiaries', in the Group financial statements, all entities where Horowhenua District Council has the power to govern the financial and operating policies so as to obtain benefits from their activities. This power exists where Horowhenua District Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Horowhenua District Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Horowhenua District Council's investment in its subsidiary is carried at cost in the Horowhenua District Council's own 'parent entity' financial statements.

### **2. REVENUE**

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

#### **Rates revenue**

The following policies for rates have been applied:

- General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water by meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

#### **Development and financial contributions**

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

Development contributions are disclosed separately.

#### **Infringement fees revenue**

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

#### **Subsidised revenue**

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

#### **Grants revenue**

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

### **Rendering of services revenue**

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

### **Sale of goods revenue**

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

### **Vesting of assets revenue**

Revenue from vesting of physical assets is recognised for assets received for no or nominal consideration, the asset is recognised at fair value when Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

### **Commission revenue**

Commissions received or receivable that do not require the agent to render further service are recognised as revenue at the point of sale.

### **Interest and dividends revenue**

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

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

### **Building and resource consent revenue**

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

### **Landfill fees**

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

### **Lease revenue**

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

## **3. BORROWING COSTS**

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

## **4. INCOME TAX**

Income tax expense includes components relating to both current tax and deferred tax.

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

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

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

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



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

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

## **5. GRANT EXPENDITURE**

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

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision. The Council's grants awarded have no substantive conditions attached.

## **6. LEASES**

### **Finance leases**

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

At the commencement of the lease term, Horowhenua District Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

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

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

### **Operating leases**

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

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

## **7. CASH AND CASH EQUIVALENTS**

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

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

## **8. TRADE AND OTHER RECEIVABLES**

Trade and other receivables are initially measured at face value less any provision for impairment.

## **9. DERIVATIVE FINANCIAL INSTRUMENTS**

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

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

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

## **10. FINANCIAL ASSETS**

Horowhenua District Council classifies its financial assets into four categories:

- fair value through surplus or deficit;
- held-to-maturity investments;
- loans and receivables; and
- financial assets at fair value through other comprehensive revenue and expense.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial acquisition and re-evaluates this designation at every reporting date.

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

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

The categories of financial assets are:

### **Financial assets at fair value through surplus or deficit**

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

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

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

### **Held-to-maturity investments**

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

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

### **Loans and receivables**

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

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

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

### **Financial assets at fair value through other comprehensive revenue and expense**

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

After initial recognition these investments are measured at their fair value.

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

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised from equity to the surplus or deficit.

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

## Impairment of financial assets

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

### Loans and other receivables and held-to-maturity investments

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

### Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

## 11. NON-CURRENT ASSETS HELD FOR SALE

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

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

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

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

## 12. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

**Operational assets** - These include land, buildings, library collections, plant and equipment and motor vehicles.

**Restricted assets** - Restricted assets are parks and reserves cemeteries and endowment properties owned by Horowhenua District Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** - Infrastructure assets are the fixed utility systems owned by Horowhenua District Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

### Additions

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

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

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

### Disposals

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

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

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Horowhenua District Council and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### Depreciation

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

	Useful Life	Depreciation Rate
<b>Operational assets</b>		
<b>Land</b>	N/A	N/A
<b>Buildings:</b>		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
<b>Plant, equipment and vehicles</b>	4 to 25 years	4% to 25%
<b>Library assets</b>	10 years	10%
<b>Solid waste management:</b>		
Building structure	50 to 100 years	1% to 2%
Building roofing	40 years	2.5%
Roading	50 years	2%
Cell site works and earthworks	33 years	3%
Cell lining, drainage and irrigation	33 years	3%
Cell electricals	10 years	10%
<b>Restricted assets</b>		
<b>Land</b>	N/A	N/A
<b>Buildings:</b>		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
<b>Infrastructural assets</b>		
<b>Roading:</b> (average lives and depreciation rates of major components)		
Land	N/A	N/A
Formation	N/A	N/A
Berms	100 years	1%
Surface water channels	50 to 100 years	1% to 2%
Bridges and culverts	40 to 100 years	1% to 2.5%
Drainage	80 years	1.25%
Sealed pavement	78 years	1.29%
Basecourse	60 years	1.66%
Footpaths - concrete	60 years	1.66%
Footpaths - metal	100 years	1.0%
Footpaths - other	20 to 45 years	2.22% to 5%
Crossings	50 years	2.0%
Streetlights – poles	30 to 50 years	2% to 3.33%
Streetlights – lights	25 years	4.0%
Signage	12 years	8.33%
Surfacing	1 to 25 years	4% to 100%



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

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

Te Horowhenua Trust depreciation is provided on a diminishing value bases on all property, plant and equipment at rates that will write off the cost of these assets to their estimated residual values over their useful lives.

### Revaluation

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

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

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

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

Those asset classes that are revalued are valued on a three yearly valuation cycle on the basis described below. All other asset classes are carried at cost less accumulated depreciation and impairment losses.

#### Operational land and buildings:

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

#### Restricted land and buildings: parks, cemeteries and endowment land:

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

#### Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems:

At "fair value" was determined on a depreciated replacement cost basis by Council staff. At balance date Horowhenua District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

**Valuations completed by:**

The roading infrastructure, wastewater assets, water supply assets and stormwater assets were valued as at 1 July 2017 using unit rates reviewed by Ross Nicholson (Masters of Engineering Science, BE (Hons) Civil Engineering, BA and chartered professional engineer). The valuation calculations were performed by Council. Land and buildings associated with the water supply and wastewater activities was valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2017.

Land under the roads is no longer revalued; it is valued at deemed cost.

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

**13. INTANGIBLE ASSETS****Software acquisition and development**

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

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs that are directly associated with the development of software for internal use by Horowhenua District Council are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

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

**Easements**

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

**Amortisation**

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

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

Computer software: 10 years, 10%.

Te Horowhenua Trust's computer software licenses are amortised at 30% diminishing value including Koha software. Kete software is amortised at 60% diminishing value. Amortisation begins when the asset is available for use and ceases at the date that the asset is disposed of.

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

Kete Software – 4 years, 60%

Koha Software – 8 years, 30%

Other Software – 60% diminishing value

**14. FORESTRY ASSETS**

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

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

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

## **15. INVESTMENT PROPERTY**

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

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Horowhenua District Council measures all investment property at fair value as determined annually by an independent valuer.

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

## **16. IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS**

Intangible assets subsequently measured at cost that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised through the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

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

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

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

### **Value in use for cash generating assets**

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

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

## **17. EMPLOYEE BENEFITS**

### **Short-term benefits**

Employee benefits that Horowhenua District Council expects to be settled within 12 months after the end of period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

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

### **Long-term benefits**

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

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

## **18. Superannuation schemes**

### **Defined contribution schemes**

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

### **Defined benefit schemes**

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



## 19. CREDITORS AND OTHER PAYABLES

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

## 20. PROVISIONS

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

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

### Financial guarantee contracts

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

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

Financial guarantees are subsequently measured at the higher of:

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

## 21. BORROWINGS

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

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

## 22. EQUITY

Equity is the community's interest in Horowhenua District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- retained earnings;
- asset revaluation reserves; and
- other reserves.

### Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Horowhenua District Council. The details of the reserve funds are on pages 25 to 28.

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

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

### Asset revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

### 23. GOODS AND SERVICES TAX

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

### 24. BUDGET FIGURES

The budget figures are those approved by the Council in its 2017/18 annual plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Horowhenua District Council for the preparation of the financial statements.

### 25. COST ALLOCATION

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

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

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

### 26. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

#### Landfill aftercare provision

Note 16, discloses an analysis of the exposure of Horowhenua District Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

#### Infrastructural assets

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

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

Experienced independent valuers perform the Council's infrastructural asset revaluations.

Refer to Note 11 for the carrying value of these assets.

# SECTION C: SIGNIFICANT ACTIVITIES, SERVICE PERFORMANCE, AND FUNDING IMPACT STATEMENTS

A sustainable future for the Horowhenua District has five community outcomes specified in the Council's Strategic Plan:

## **A healthy local economy and a District that is growing**

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

## **A sustainable environment**

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

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

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

## **Safe, resilient and healthy communities**

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

## **Positive leadership and effective partnerships**

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

(Please note the outcomes and associated bullet points listed above are not intended to be read as a hierarchical list ordered by importance.)

Section C outlines the activities carried out by the Council in furthering community outcomes.

This part is prepared according to the requirements of the Local Government Act 2002 and the financial reporting standards issued by the External Reporting Board. It reports on the Council's policies, objectives, activities, performance targets, indicative costs and sources of funds as outlined in the 2015/25 LTP Year 3 2017/18. These are reported in the statements of service performance for each significant activity contained on the following pages.

In doing so, the report is a reflection of the Council's accountability to the Horowhenua community and indicates the success (or otherwise) of the Council in fulfilling its intended achievements as it had outlined in the 2015/25 LTP Year 3 2017/18.

The Council continues to strive to incorporate measures which are appropriate, which measure outcomes and which can be supported by relevant evidential material. Each significant activity area as a whole incorporates elements of quality, quantity, timeliness, cost and location (where applicable). Quality processes that affect the quality of the outputs are also a standard feature of the internal management control systems. In particular:

- Published planning documents including the District Plan, asset management plans, revenue and financing policy, investment policy, liability management policy, LTP, annual plans and annual reports are prepared in conjunction and consultation with the public and affected parties, internal peer review and in compliance with the requirements of relevant legislation.
- Internal reports are prepared by suitably qualified and experienced staff and significant reports are subject to peer review.
- Capital works are constructed to design specifications and are inspected by suitably qualified and experienced staff.
- Maintenance works are undertaken by employees or contractors under the supervision of suitably qualified and experienced engineers and are monitored in accordance with maintenance programmes.

The significant activities reported on are:

**Regulatory Services:** Regulatory Services is a delivery arm of Council that provides advice, consenting services, assessment, education, compliance, and enforcement. The activities that are undertaken within the Regulatory Services group of activities provide for the development and review 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 it lives in.

**Community Facilities and Services:** This group of activities involves the management of community centres, libraries, aquatic centres, reserves, sports grounds, public toilets, public halls and cemeteries as well as for the provision of street beautification within the District.

**Land Transport:** The Land Transport group of activities provides for pedestrians and vehicle to safely and efficiently move from place to place within the District or to pass through the District.

**Stormwater:** The Stormwater group of activities involves Council collecting stormwater from roads and diverting it away from the road surface into natural water courses or piped drain systems.

**Water Supply:** As part of the Water Supply group of activities the Council provides a safe and reliable supply of water to residential, industrial and commercial properties (primarily in urban areas). This supply also provides firefighting capability.

**Wastewater Disposal:** As part of its Wastewater group of activities the Council collects wastewater from residential, industrial and commercial properties (primarily in urban areas), Council then treats the wastewater, and discharges the treated (i.e. clean) wastewater onto land or into waterways.

**Solid Waste Management:** The Solid Waste group of activities consists of Council providing services to collect and safely dispose of residential and commercial solid waste.

**Community Support:** This group of activities comprises of activities that provide for the community's social and economic wellbeing including ensuring that the community will be able to respond to and recover from an emergency event, providing community support, providing grants and funding to community groups, providing visitor information, and encouraging economic development within this District.

**Properties:** Council owns a variety of community properties from which it delivers its functions whether community driven or by way of facilitating other outcomes e.g. pensioner flats, commercial property, endowment property.

**Representation and Community Leadership:** This group of activities comprises of how Council meets its responsibility to represent the community as well as to provide leadership for the community and to involve it in decision making processes and long term strategic planning.

For each group of activities it shows the levels of service provided, asset renewals and acquisitions, impacts on community outcomes and funding impact statements for 2017/18.



# Regulatory Services

## STATEMENT OF SERVICE PERFORMANCE

Regulatory Services is a delivery arm of Council that provides advice, consenting services, assessment, education, compliance, and enforcement. The activities that are undertaken within the Regulatory Services group of activities provide for the development and review 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 it lives in.

### 1. DESCRIPTION OF ACTIVITIES

#### 1.1. District planning

This activity principally involves various Council functions and obligations under the Resource Management Act 1991 designed to ensure the natural and physical resources of the District are sustainably managed.

Generally this activity can be broken down into two core areas being the preparation, review and monitoring of the District Plan and the processing and monitoring of resource consent and other applications made under the Resource Management Act (RMA) 1991.

#### What does this activity involve?

- Reviewing the District Plan.
- Preparing or processing plan changes/variations and notices of requirements.
- Monitoring the District's state of the environment.
- Monitoring the efficiency and effectiveness of the policies and rules in the District Plan and reporting the results of this monitoring at 5 yearly intervals.
- Processing resource consents and other applications made under the RMA.
- Monitoring and enforcing compliance with resource consent conditions.
- Responding to complaints relating to non-compliances with the District Plan or conditions of resource consents and taking appropriate action when non-compliance is observed.
- Providing advice to the public on the District Plan and RMA.

#### Rationale

Activity	Community outcome	Council role
Reviewing the District Plan, monitoring the effectiveness of the District Plan, and preparing or processing plan changes/variations.	<ul style="list-style-type: none"> <li>• A healthy local economy and a District that is growing</li> <li>• A sustainable environment</li> <li>• Safe, resilient and healthy communities</li> </ul>	Provider
Processing and monitoring of resource consents.	<ul style="list-style-type: none"> <li>• A healthy local economy and a District that is growing</li> <li>• A sustainable environment</li> </ul>	Regulator/provider

#### 1.2. Environment health

The environmental health activity has two distinct areas being; food safety, which ensures that food services used by the Community are healthy and safe; and general compliance, which ensures that other health legislative requirements are complied with.

#### What does this activity involve?

- Investigating health complaints and carry out associated enforcement action when necessary/appropriate.
- Inspecting and auditing food premises and premises licensed under the Health Act 1956 to ensure compliance with relevant legislation.
- Providing advice to people wanting to open businesses in this District that require licensing under the Health Act 1956.

#### Rationale

Activity	Community outcome	Council role
Processing applications for food premises and other premises and undertaking inspections/audits of these premises.	<ul style="list-style-type: none"> <li>• Safe, resilient and healthy communities</li> </ul>	Regulator/provider
Respond to health related complaints and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none"> <li>• A healthy local economy and a District that is growing</li> </ul>	Regulator

### 1.3. Liquor licensing

This activity involves the monitoring of all licensed premises to ensure that the sale and supply of alcohol is conducted in accordance with the Sale and Supply of Alcohol Act 2012 as well as monitoring licence conditions to ensure that the sale and supply of alcohol is conducted responsibly.

#### What does this activity involve?

- Processing applications for liquor licences and manager's certificates.
- Monitoring and inspection of all licensed premises to ensure compliance with both legislation and licence conditions.
- Joint undertakings such as "controlled purchase operations" are carried out in conjunction with partner agencies Mid-Central Public Health and New Zealand Police.
- Providing information and advice to customers on licensing requirements.

#### Rationale

Activity	Community outcome	Council role
Processing application for premises and undertaking inspections.	<ul style="list-style-type: none"><li>• Safe, resilient and healthy communities</li></ul>	Regulator/provider
Respond to complaints relating to non-compliance with liquor licensing requirements and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none"><li>• A healthy local economy and a District that is growing</li></ul>	Regulator

### 1.4. Building control

This activity is undertaken by the Council to ensure that buildings are safely constructed and so that people have confidence that they are safe to use. The Council has legislative responsibilities for implementing these requirements under the Building Act 2004.

#### What does this activity involve?

- Processing building consent applications by assessing their compliance with the building code.
- Undertaking inspections of the consented building work to ensure compliance with the approved building consent.
- Respond to complaints relating to non-compliances with the Building Act 2004 and take appropriate action when non-compliance is observed.
- Providing advice to the public on building consent applications and the Building Act 2004.
- Enforcing the provisions of the Building Act 2004 as it refers to pool safety.

#### Rationale

Activity	Community outcome	Council role
Processing building consent applications and undertaking inspections of the building work to ensure compliance with the consent.	<ul style="list-style-type: none"><li>• A healthy local economy and a District that is growing</li></ul>	Provider
Respond to complaints relating to non-compliances with the Building Act 2004 and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none"><li>• A healthy local economy and a District that is growing</li></ul>	Regulator

### 1.5. Animal control

This activity principally involves Council administering, implementing, and enforcing the Dog Control Act 1996 and implement or enforcing other relevant legislation from time to time as such the Impounding Act 1955. The Dog Control Act 1996 seeks to improve public safety by mitigating the risk of harm, injury, or nuisance from dogs in our community.

#### What does this activity involve?

- Registering dogs.
- Patrolling the District on the outlook for animal nuisances.
- Responding to complaints about dogs and livestock.
- Providing impounding facilities for dogs and livestock.
- Educating the public on the responsibilities of dog ownership.
- Protecting against damage to fragile areas.
- Re-homing or euthanizing unclaimed animals.

## Rationale

Activity	Community outcome	Council role
Provision of animal control services.	Safe, resilient and healthy communities	Regulator/provider

### 1.6. Parking enforcement

Council provides on and off-street parking in Levin, including metered and time restricted areas with a goal that people can access car parks. This activity involves the implementation and enforcement of the parking control measures specified in the Council's Traffic and Parking Bylaw 2007 replaced on 27 November 2017 by the Land Transport Bylaw 2017.

#### What does this activity involve?

- Enforcing the parking control measures of the Council's Land Transport Bylaw 2017 including issuing tickets for non-compliances.
- Policing expired vehicle registrations and warrants of fitness.

## Rationale

Activity	Community outcome	Council role
Operation of a parking enforcement scheme.	<ul style="list-style-type: none"><li>• Safe, resilient and healthy communities</li></ul>	Regulator

### General regulatory services

The General Regulatory Services Activity consists of a number sub-activities undertaken as part of Council's general regulatory functions including bylaw and policy reviews, inspection of non-food premises (such as hairdressers), dealing with abandoned vehicles, following up on noise and litter complaints, and gaming machine venue consents.

#### What does this activity involve?

- Review or develop relevant bylaws e.g. Council's Public Places Bylaw.
- Inspection of non-food premises for compliance with relevant legislation.
- Respond to general noise complaints Council receives and take appropriate action if noise is considered to be excessive. Note: Council's noise control functions are largely contracted externally.

## Rationale

Activity	Community outcome	Council role
Provide general regulatory services.	<ul style="list-style-type: none"><li>• Safe, resilient and healthy communities</li></ul>	Regulator/provider



## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>District planning:</b> Processing of applications under the Resource Management Act (RMA).	Applications under the RMA will be processed within statutory timeframes. Target 100%.	Applications under the RMA will be processed within statutory timeframes. Target 100%.	Achieved As of 30 June 2018: 183 applications have been received and 176 have been approved. 100% of applications were completed within statutory timeframes. Approved subdivisions have resulted in the creation of 142 new allotments. <b>Note:</b> It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.
<b>District planning:</b> Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken. Target 100% responded to within two working days.	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. Target 100% responded to within two working days.	Achieved As of 30 June 2018: 63 complaints were received. 100% were responded to within two working days.
	Resource consents are monitored for compliance with conditions. Target 100%*. * Interpreted to mean those that required monitoring.	Resource consents are monitored for compliance with conditions. Target 100%*. * Interpreted to mean those that required monitoring.	Not achieved As of 30 June 2018: 100% of consents issued in the 2017/18 year that required monitoring were monitored. 255 historical consents have been identified as requiring monitoring from previous years consents issued. Of the 255 historical consents 155 (61%) were monitored in the 2017/18 year.
<b>District planning:</b> The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents. Target <10%.	Percent of non-complying resource consents approved as a proportion of all approved consents. Target <10%.	Achieved As of 30 June 2018: Of the 176 consents that were approved, there were two non-complying resource consents approved (1.1%).

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Building control:</b> Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of building consent applications granted within 20 working days or less. Target 100% of applications.	Percent of building consent applications granted within 20 working days or less. Target 100% of applications.	Not achieved As of 30 June 2018: 732 consents were granted. 99.8% have been granted <21 days. One consent was processed outside of the timeframe as the application reached the consents team on day 24. Processes have been reviewed. <b>Note:</b> It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.
	Consent applications for new residential dwellings are processed in 18 days or less. Target 100% of applications.	Consent applications for new residential dwellings are processed in 18 days or less. Target 100% of applications.	Not achieved As of 30 June 2018: 223 new residential dwelling consents were granted. 79.8% have been granted within 18 days.
	Reported cases of illegal building work will be responded to within three working days. Target 100% of cases.	Reported cases of illegal building work will be responded to within three working days. Target 100% of cases.	Achieved As of 30 June 2018: There have been 10 reported instances received by Council. 100% have been responded to within three working days.
	Percent of private swimming pools on register inspected annually for compliance. Target is 33% of private swimming pools are inspected.	Percent of private swimming pools on register inspected annually for compliance. Target is 33% of private swimming pools are inspected.	Achieved As of 30 June 2018: There are 256 pools on the register (1/3rd = 86 inspections to be conducted before 30 June 2018). 92 have been inspected.
	Council will maintain its accredited status as a Building Consent Authority (BCA).	Council will maintain its accredited status as a Building Consent Authority (BCA).	Achieved Council is an accredited BCA. The latest assessment was held 26-28 April 2017 and the BCA received re-accreditation with one corrective action requirement which has subsequently been cleared. The next assessment is due in 2019.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Environmental health:</b> Monitoring of food services used by the Community to ensure that they are healthy and safe.	Percent of registered premises that are inspected/audited and graded. Target 100%	Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015. Target 100%.	Achieved As of 30 June 2018: 100% of businesses operating under the Food Act 2014 have been verified as required by regulation.
		Food premises operating under the Food Hygiene Regulations 1974 are inspected. Target 100%.	Achieved As of 30 June 2018: Seven premises are operating under the Food Hygiene Regulations. 100% have been inspected.
	Percent of food premises fitting the scope of templated Food Control Plans apply for exemption from the Food Hygiene Regulations 1974. Target 100%.	100% of businesses required to transition in Year 2 of the Act (by 31 March 2018) are provided with written information and access to training / mentoring activities.	Achieved As of 31 March 2018, 100% of food businesses that were required to transition onto the Food Act 2014 by 31 March 2018 have done so.
<b>Liquor licensing:</b> Monitoring of licensed premises to ensure compliance with relevant legislation.	Percent of premises that are inspected annually to check for compliance with their licence conditions. Target 100%.	Percent of premises that are inspected annually to check for compliance with their licence conditions. Target 100%.	Achieved As of 30 June 2018: 72 licensed premises holding 73 operative licences exist. 100% have been inspected during the year.
	Percent of applications for a licence that will be forwarded to public health and the police for comment. Target 100%.	Percent of applications for a licence that will be forwarded to public health and the police for comment. Target 100%.	Achieved As of 30 June 2018: 236 applications for licences or certificates have been received. 100% were forwarded as required.
<b>Animal control:</b> Reported instances of non-compliance and dog nuisance will be responded to.	Percent of reported instances of non-compliance and dog nuisance will be responded to. Target 100%	Percent of reported instances of non-compliance and dog nuisance will be responded to. Target 100%	Achieved As of 30 June 2018: 1,031 complaints have been received. 100% were responded to.
	An after-hours emergency response will be continuously provided.	An after-hours emergency response will be continuously provided.	Achieved The service is provided by staff on a weekly roster.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Animal control:</b> Registration and classification of all known dogs within the District.	Percent of known dogs that will be registered or accounted for annually by 31 October. Target 100%.	Percent of known dogs that will be registered or accounted for annually by 31 October. Target 100%.	Achieved As of 31 October 2017, of the 6,327 known dogs in the District: 6,148 (97%) have been registered. 179 (3%) remain unregistered – infringement notices have been issued. All dogs have now been accounted for as required by the performance measure. They are either registered or the owner has been issued with an infringement notice.
<b>Parking enforcement:</b> All parking restricted areas in Levin will be enforced under the provisions of Council's bylaw and the transport regulations.	Enforcement conducted each working day.	Enforcement conducted each working day.	Achieved Enforcement has been conducted each working day.
<b>General regulatory services:</b> Noise complaints response service will be provided	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieved As of 30 June 2018: 1,747 complaints have been received. 97% were responded to within 60 minutes.  This service is provided by way of Contract.
<b>General regulatory services:</b> Public safety bylaws and other legislation will be enforced.	Percent of reported non compliances and complaints that are responded to within five working days. Target 100%.	Percent of reported non compliances and complaints that are responded to within five working days. Target 100%.	Achieved As of 30 June 2018: 220 complaints have been received. 100% were responded to within five working days.  The breakdown of complaints is as follows: <ul style="list-style-type: none"> <li>• 72 Smoke complaints.</li> <li>• 8 Litter complaints (8 notices issued with 5 progressing to Court).</li> <li>• 114 Abandoned Vehicle reports (23 impounded).</li> <li>• 26 Health Act Nuisance complaints.</li> </ul>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>District planning:</b> Processing of applications under the Resource Management Act (RMA).	Applications under the RMA will be processed within statutory timeframes. Target 100%.	Applications under the RMA will be processed within statutory timeframes. Target 100%.	Not achieved 188 applications were received. 190 (99%) applications were completed within statutory timeframes, and 1 application was approved outside the statutory timeframes. This 1 consent was undertaken by a contractor.  Note: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.
<b>District planning:</b> Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken. Target 100% responded to within two working days.	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. Target 100% responded to within two working days.	Achieved 55 complaints were received. 100% were responded to within two working days.
	Resource consents are monitored for compliance with conditions. Target 100%*. * Interpreted to mean those that required monitoring.	Resource consents are monitored for compliance with conditions. Target 100%*. * Interpreted to mean those that required monitoring.	Achieved 104 consents required monitoring (2009 – 2016). 100% of consents were monitored. 124 consents were monitored. This total included some consents requiring further monitoring.
<b>District planning:</b> The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents. Target <10%.	Percent of non-complying resource consents approved as a proportion of all approved consents. Target <10%.	Achieved Of the 191 consents that were approved, there was one (<1%) of non-complying resource consents approved.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Building control:</b> Carry out Building Consent Authority accreditation functions including enforcement of legislation relating to construction of buildings and structures.	Percent of building consent applications granted within 20 working days or less. Target 100% of applications.	Percent of building consent applications granted within 20 working days or less. Target 100% of applications.	Not achieved 722 consents were granted. 86% were granted <21 days. A prolonged period of high activity and resource shortage contributed to this measure not being achieved.  External contracting is currently in place to assist with consent processing.  NOTE: It is possible that the total number of consents approved and still being processed may exceed the total number of applications that have been received. This is due to the fact that the number of applications received cover the period of 1 July in any one year to 30 June the following year, however consents approved or still being processed in the same period will include applications that may have been received in another year but were not completed from a processing perspective in that year.
	Consent applications for new residential dwellings are processed in 18 days or less. Target 95% of applications.	Consent applications for new residential dwellings are processed in 18 days or less. Target 95% of applications.	Not achieved 206 new residential dwelling consents were granted. 92% have been granted within 18 days. A prolonged period of high activity and resource shortage contributed to this measure not being achieved.
	Reported cases of illegal building work will be responded to within three working days. Target 100% of cases.	Reported cases of illegal building work will be responded to within three working days. Target 100% of cases.	Achieved Six 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. Target is 33% of private swimming pools are inspected.	Percent of private swimming pools on register inspected annually for compliance. Target is 33% of private swimming pools are inspected.	Achieved There are 210 pools are on the register, (1/3rd = 70 inspections to be conducted before 30 June 2017). 100% of the 70 pools required to be inspected have been inspected. The target was exceeded, as 83 pools were inspected during the year.
	Council will maintain its accredited status as a Building Consent Authority (BCA).	Council will maintain its accredited status as a Building Consent Authority (BCA).	Achieved Council is an accredited BCA. The latest assessment was held 26-28 April 2017 and the BCA received re-accreditation with one corrective action requirement.  The next assessment is due in 2019.
<b>Environmental health:</b> Monitoring of food services used by the Community to ensure that they are healthy and safe.	Percent of food premises fitting the scope of templated Food Control Plans apply for exemption from the Food Hygiene Regulations 1974. Target 10%.		The Food Act 2014 has now been fully implemented as of March 2016, as such; the previous performance measures associated with earlier legislation are no longer applicable and have been revised to reflect the legislated changes.



Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Environmental health:</b> Monitoring of food services used by the community to ensure that they are healthy and safe.		Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015. Target 100%.	Achieved 91 premises were operating under the Food Act 2014. 91% (83 premises) were verified.  Note: The 8 premises (9%) that were not audited, were not required to be audited in the 2016/17 year, but will be audited as outlined in the Food Regulations 2015. Therefore, based on the above, this measure is considered "Achieved".
	Percent of registered premises that are inspected/audited and graded. Target 100%	Food premises operating under the Food Hygiene Regulations 1974 are inspected. Target 100%.	Achieved 65 premises were operating under the Food Hygiene Regulations. 100% were inspected.
		100% of businesses required to transition in Year 1 of the Act (by 30 June 2017) are provided with written information and access to training / mentoring activities.	Achieved 100% of premises required to transition to the Food Act 2014 have now done so.
<b>Liquor licensing:</b> Monitoring of licensed premises to ensure compliance with relevant legislation.	Percent of premises that are inspected annually to check for compliance with their licence conditions. Target 100%.	Percent of premises that are inspected annually to check for compliance with their licence conditions. Target 100%.	Achieved 73 licensed premises holding 75 operative licences exist. 100% were inspected.
	Percent of applications for a licence that will be forwarded to public health and the police for comment. Target 100%.	Percent of applications for a licence that will be forwarded to public health and the police for comment. Target 100%.	Achieved 237 licence applications were received. 100% were forwarded.
<b>Animal control:</b> Reported instances of non-compliance and dog nuisance will be responded to.	Percent of reported instances of non-compliance and dog nuisance will be responded to. Target 100%	Percent of reported instances of non-compliance and dog nuisance will be responded to. Target 100%	Achieved 1,297 complaints were received. 100% were responded to.
	An after-hours emergency response will be continuously provided.	An after-hours emergency response will be continuously provided.	Achieved The service was provided by staff on a weekly roster.
<b>Animal control:</b> Registration and classification of all known dogs within the District.	Percent of known dogs that will be registered or accounted for annually by 31 October. Target 100%.	Percent of known dogs that will be registered or accounted for annually by 31 October. Target 100%.	Achieved 100% of known dogs in the District were accounted for. As at 30 June 2017, there were 6,093 registered dogs in the District.
<b>Parking enforcement:</b> All parking restricted areas in Levin will be enforced under the provisions of Council's bylaw and the transport regulations.	Enforcement conducted each working day.	Enforcement conducted each working day.	Achieved Enforcement has been conducted each working day.



Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>General regulatory services:</b> Noise complaints response service will be provided	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieved 1,732 complaints were received 99% were responded to within 60 minutes  This service is provided by way of Contract.
<b>General regulatory services:</b> Public safety bylaws and other legislation will be enforced.	Percent of reported non compliances and complaints that are responded to within five working days. Target 100%.	Percent of reported non compliances and complaints that are responded to within five working days. Target 100%.	Achieved 238 complaints were received. 100% were responded to within five working days  The breakdown of complaints is as follows: <ul style="list-style-type: none"> <li>• 78 Smoke complaints</li> <li>• 90 Abandoned vehicle reports (21 impounded)</li> <li>• 21 Litter notices</li> <li>• 46 Health Act nuisance complaints</li> <li>• 3 Solid Waste complaints</li> </ul>

### 3. ACQUISITION AND RENEWAL OF ASSETS

Regulatory Services	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of project</b>				
Vehicles	34	-	34	
Other renewal asset costs	2	-	2	
<b>Total renewal projects</b>	<b>36</b>	<b>-</b>	<b>36</b>	
<b>Level of service portion of project</b>				
Heritage Incentives	50	-	50	1
Other level of service asset costs	2	-	2	
<b>Total LOS projects</b>	<b>52</b>	<b>-</b>	<b>52</b>	
<b>Growth portion of project</b>				
Other growth asset costs	-	-	-	
<b>Total LOS projects</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Make up of above projects by % of type</b>				
Renewals - Replacing existing assets	36	-	36	
Improve level of service	52	-	52	
Growth - To meet additional demand	-	-	-	
<b>Total Regulatory Services projects</b>	<b>88</b>	<b>-</b>	<b>88</b>	

#### NOTES:

1. No claims on heritage incentives this year with the budgeted amount rolled over to next year as an operating expense.

### 4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2018 included:

Community outcomes	Effects of programmes in activity area
Health and safety	Continued delivery of all relevant services in relation to policies and bylaws contributed to the health and safety of the community. Implementation of the Building (Earthquake-prone Buildings) Amendment Act 2016. Review of the Dangerous & Insanitary Buildings Policy 2017 & Prevention of Spread of Fires Involving Vegetation Bylaw 2007.
Economic	Embracing the use of technology to ensure our services are delivered efficiently and within statutory time limits ensures that regulatory processes are not an impediment to economic progress whilst at the same time ensuring that due process is applied correctly. Positive industry engagement with Food businesses following the implementation of the Food Act 2014. Development and implementation of a Risk Management Policy which reduces uncertainty and promotes controlled risk taking for new opportunities.
Knowledge, culture and diversity	Close engagement with key stakeholders when reviewing bylaws and policies ensures community input. Industry engagement with the planning, building, health and liquor activities has produced significant benefits for the Council and the public. Public consultation completed for the Draft Local Alcohol Policy, Gambling Class 4 Venues Policy 2017, TAB Venues Policy 2017, and Dangerous & Insanitary Buildings Policy 2017.

# Regulatory Services

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

	Note	LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		2,008	1,974	1,934	1,937	3
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		3	3	4	13	9
Local authorities fuel tax, fines, infringement fees, and other receipts	1	2,313	2,395	2,657	2,471	(186)
Internal charges and overheads recovered		-	-	-	-	-
<b>Total operating funding (A)</b>		<b>4,324</b>	<b>4,372</b>	<b>4,595</b>	<b>4,421</b>	<b>(174)</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers		471	403	397	367	(30)
Finance costs		155	149	107	88	(19)
Internal charges and overheads applied	2	3,513	3,632	3,986	4,303	317
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>4,139</b>	<b>4,184</b>	<b>4,490</b>	<b>4,758</b>	<b>268</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>185</b>	<b>188</b>	<b>105</b>	<b>(337)</b>	<b>(442)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt		(100)	(65)	(17)	(80)	(63)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>(100)</b>	<b>(65)</b>	<b>(17)</b>	<b>(80)</b>	<b>(63)</b>
<b>Applications of capital funding</b>						
Capital expenditure		-	-	-	-	-
- to meet additional demand		-	-	-	-	-
- to improve the level of service		1	1	52	-	(52)
- to replace existing assets		2	36	36	-	(36)
Increase (decrease) in reserves	3	82	86	-	(417)	(417)
Increase (decrease) of investments		-	-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>85</b>	<b>123</b>	<b>88</b>	<b>(417)</b>	<b>(505)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>(185)</b>	<b>(188)</b>	<b>(105)</b>	<b>337</b>	<b>442</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		81	81	81	75	(6)
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2017		2,000	3	2,003		
Raised during year		-	20	20		
Repaid during year		(100)	-	(100)		
<b>Loans as at 30/06/2018</b>		<b>1,900</b>	<b>23</b>	<b>1,923</b>		
Interest expense		88	-	88		

**NOTES:**

1. This is predominantly due to parking income below budget by \$247k. The budget for parking income included the assumption that the mall car park would be metered. However, Council decided not to proceed with this project during the LTP consultation process.
2. Staff resources were increased for all activities to react to the growth the District is experiencing.
3. Increases above budget necessitate funding from internal resource including cash.

Activity Expenditure	LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
Animal Control	229	239	240	258	18
Building Consents	803	812	1,043	1,118	75
Building Policy	200	202	265	275	10
Dog Control	576	600	560	593	33
Environmental Health	232	239	264	323	59
Environmental Health Policy	50	51	67	87	20
Liquor Licensing	203	214	204	239	35
Liquor Policy	20	20	33	44	11
Parking	492	508	519	488	(31)
Planning Policy	649	581	548	542	(6)
Resource Management	547	570	585	648	63
Safety Licensing	220	229	242	219	(23)
<b>Total Expenditure</b>	<b>4,221</b>	<b>4,265</b>	<b>4,570</b>	<b>4,834</b>	<b>264</b>

# Community Facilities and Services

## STATEMENT OF SERVICE PERFORMANCE

This group of activities provides 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 casual participation through to clubs and associations organised on a national level. The ability to take part in social and sporting activities at these levels is important for the quality of life at a community level and for basic health at an individual level. Along with these benefits, the green and open nature of assets in this activity also provides great enhancement to the environment within the District.

### 1. DESCRIPTION OF ACTIVITIES

#### 1.1. Reserves and beautification

##### What does this activity involve?

Key to the provision of this activity is ownership of a large number of reserves and parks including (but not limited to) neighbourhood reserves, riverside and lakeside picnic areas, and public gardens. These have management and/or development plans, which have been developed with substantial community involvement. They also allow a diversity of pursuits important to the enjoyment of healthy lifestyles, and are an attraction to visitors. The Council owns 27 sets of public toilets throughout the District which are largely located on reserves.

##### Rationale

Activity	Community outcome	Council role
Maintain public reserves.	<ul style="list-style-type: none"> <li>A sustainable environment</li> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Safe, resilient and healthy communities</li> </ul>	Funder/provider/advocate
Manage a beautification programme across the District.	<ul style="list-style-type: none"> <li>A sustainable environment</li> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Safe, resilient and healthy communities</li> </ul>	Funder/provider

#### 1.2. Sports grounds

##### What does this activity involve?

Sports grounds function as reserves, with added facilities for more organised activities.

##### Rationale

Activity	Community outcome	Council role
Maintain sports grounds for public use.	<ul style="list-style-type: none"> <li>A healthy local economy and a District that is growing</li> <li>A sustainable environment</li> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Safe, resilient and healthy communities</li> <li>Positive leadership and effective partnerships</li> </ul>	Maintain sports grounds for public use.

#### 1.3. Cemeteries

##### What does this activity involve?

Cemeteries are subject to the Burial and Cremation Act 1964 which states that a local authority shall, where sufficient provision is not otherwise made, establish and maintain a suitable cemetery for the burial of those who die in its District. It is estimated that between 50% and 60% of the deaths registered in the Horowhenua result in interments in Council's cemeteries.

In recent years, there has been a trend towards lawn cemeteries, memorial parks, and cremation.

Cemetery	First burial	1 July 2017 – 30 June 2018	
		Burials	Ashes
Tiro Tiro	1894	5	7
The Avenue	1972	61	73
Foxton	1867	18	12
Shannon	1893	4	4
Manakau	1892	3	1
Koputaroa	1910	-	-

#### Rationale

Activity	Community outcome	Council role
Operate cemeteries	<ul style="list-style-type: none"> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Safe, resilient and healthy communities</li> <li>Positive leadership and effective partnerships</li> </ul>	Funder/provider

#### 1.4. Aquatic centres

Swimming pools provide recreational opportunities that play an important part in the promotion and opportunities for healthy and safe lifestyles in Horowhenua. As part of this activity the Council has two aquatic centres in Levin and Foxton and manages the Shannon school swimming pool during the summer. Aquatic centres provide for a wide range of activities including swim schools, fitness classes, and holiday and social events.

#### What does this activity involve?

- Providing public swimming pools for general use in Levin (all year round) and Foxton (between December and April) as well as managing the Shannon school swimming pool during the summer.
- Providing facilities for local clubs and organisations to utilise e.g. the Horowhenua Canoe Polo Club.
- Providing a certified swim school in Levin and Foxton.
- Supporting local recreation clubs and organisations to run events off site.
- Providing fitness classes both on and off site.

#### Rationale

Activity	Community outcome	Council role
Safe aquatic centres are available for community use.	<ul style="list-style-type: none"> <li>Safe, resilient and healthy communities</li> </ul>	Provider
Recreation opportunities are provided for the community.	<ul style="list-style-type: none"> <li>Safe, resilient and healthy communities</li> <li>Positive leadership and effective partnerships</li> </ul>	Provider/advocate

#### 1.5. Community centres and libraries

Community centres and libraries are an important educational, cultural, and recreational resource as they enrich the economic, social and intellectual life of the community. As part of this activity the Council owns the Levin Culture and Community Centre (Te Takeretanga o Kura-hau-pō) as well as the library buildings in Shannon and Foxton.

Previously library services were delivered by the Te Horowhenua Trust. As of 1 July 2016 this was delivered in house with Trust's assets vested back to Council.

Te Awahou Nieuwe Stroom opened to public in November 2017. The facility is a partnership between Horowhenua District Council, Te Taitoa Māori o Te Awahou Trust and the Dutch Connection Trust. It is a multi-cultural tourism and community facility that combines the local library and council services with museums dedicated to the three partner groups.

### What does this activity involve?

Council has decided to bring in the services provided by the Te Horowhenua Trust in-house as of 1 July 2016. Previously it delivered the following services in Te Takeretanga o Kura-hau-pō:

- Business support.
- Children's services and activities.
- Community support.
- Education and learning.
- Events, exhibitions and performances.
- Library services and activities (in Levin, Foxton and Shannon).
- Local and family history.
- Meetings functions and conventions.
- Council service centres.
- Services and facilities for older adults.
- Social lounges and café.
- Te Ao Māori.
- Technology resources and facilities.
- Youth services and activities.
- Visitor information.

### Rationale

Activity	Community outcome	Council role
Community centres and libraries operate within the District.	<ul style="list-style-type: none"><li>• A healthy local economy and a District that is growing</li><li>• A community of knowledge, culture and diversity where people are proud to live</li><li>• Safe, resilient and healthy communities</li><li>• Positive leadership and effective partnerships</li></ul>	Funder/provider



## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Reserves:</b> Reserves are available for community use.	Sufficient space is available (1 ha/1,000 pop). Target is one.	Sufficient space is available (1 ha/1,000 pop). Target is one.	Achieved As of 30 June 2018: Council has over 100 hectares of space available, which is 3.3 ha/1000 population.
<b>Reserves:</b> Playgrounds are safe for users.	Playground facilities comply with relevant standards. Target is 100%.	Playground facilities comply with relevant standards. Target is 100%.	Achieved As of 30 June 2018: 100% of playground facilities complied.
<b>Halls:</b> Community halls are available for public use.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls. Target is 10.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls. Target is 10.	Achieved As of 30 June 2018: Levin Memorial Hall was used 327 times. Shannon Memorial Hall was used 13 times. Foxton Memorial Hall was used 15 times. Total = 355 times (an average of 13.65 times per fortnight).
<b>Sports grounds:</b> Sports grounds are available for community use.	Percent of time that sport grounds are available for use during their opening hours. Target is 95%.	Percent of time that sport grounds are available for use during their opening hours. Target is 95%.	Achieved As of 30 June 2018: 100% of sports grounds were available for use during their opening hours.
<b>Cemeteries:</b> Cemeteries are managed and maintained to an appropriate standard.	Meet needs according to legal requirements.	Meet needs according to legal requirements.	Achieved As of 30 June 2018: There were no legal or regulatory non-compliance instances identified.
<b>Cemeteries:</b> Cemeteries operate to an acceptable level.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	Achieved As of 30 June 2018: 188 interment arrangements were completed satisfactorily before 24 hours from interment.
<b>Aquatic centres:</b> Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation. Target is 100%.	Compliance with relevant standards including Pool Safe Accreditation. Target is 100%.	Achieved As of 30 June 2018: Levin = 100% Foxton = 100% Both pools have received "Pool Safe" accreditation. "Pool Safe" certification for the year 2018/2019 was received in March 2018 and lasts until April 2019.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018						
<b>Aquatic centres:</b> Aquatics Centres meet customer needs.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey. Target is 90 % satisfied.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey. Target is 90 % satisfied.	Achieved The results of the most recent survey conducted in the 2017/2018 year are as follows: <table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>10%</td><td>90%</td></tr></table>	Dissatisfied %	Satisfied %	10%	90%		
Dissatisfied %	Satisfied %								
10%	90%								
<b>Aquatic centres:</b> A high quality Swim School operates at the Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes. Target is 400 per term.	Number of participants in Learn to Swim classes. Target is 400 per term.	Achieved 429 = Term Three 465 = Term Four (Foxton included) 509 = Term One (Foxton included) 452 = Term Two  As of 30 June 2018, there have been 1,855 out of 1,600 required enrolments in Learn to Swim classes.						
<b>Aquatic centres:</b> Local clubs are supported to deliver their own events.	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future. Target is five per year.	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future. Target is five per year.	Achieved As of 30 June 2018: There have been ten booked events by aquatics user Clubs/Schools at Levin Aquatics Centre this year.						
<b>Aquatic centres:</b> Growing existing events and developing new ones for the following areas; children, general public, and retirees.	Number of events per year for children, general public, and retirees. Target is three events per group each year.	Number of events per year for children, general public, and retirees. Target is three events per group each year.	Achieved The following events have taken place and been delivered by HDC at aquatic facilities this year. <table><tr><th>Children</th><th>General public</th><th>Retirees</th></tr><tr><td>9</td><td>9</td><td>3</td></tr></table>	Children	General public	Retirees	9	9	3
Children	General public	Retirees							
9	9	3							
<b>Libraries:</b> Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.	Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.	Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.	Achieved Library Services are delivered in Levin, Shannon and Foxton.						
	Percent of residents and non-residents satisfied with library and community services. Target is >85%.	Percent of residents and non-residents satisfied with library and community services. Target is >85%.	Achieved The results of the most recent survey conducted in the 2017/2018 year are as follows: <table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>8%</td><td>92%</td></tr></table>	Dissatisfied %	Satisfied %	8%	92%		
Dissatisfied %	Satisfied %								
8%	92%								

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018											
<b>Libraries:</b> Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.	Number of booking counts for community facilities. Target is 380.	Number of booking counts for community facilities. Target is 380.	Achieved As of 30 June: 1,098 bookings have been made for community facilities.											
	Number of visitor counts to Te Takeretanga o Kura-hau-pō, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.	Number of visitor counts to Te Takeretanga o Kura-hau-pō, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.	Not achieved As of 30 June: 555,455 people recorded as visited across all sites. However the door counter at Te Takeretanga o Kura-hau-pō was broken during November and December and at Shannon Library and Service Centre from November to January. All door counters have been replaced. The average monthly visitors have been calculated per site and conservatively applied to the months that where the door counters were not operating. The revised total after applying these figures is 642,733.											
<b>Libraries:</b> Customers have access to a range of current information in both print and digital format.	Number of items loaned from the Library across District, including books, magazines etc. Target is 350,000.	Number of items loaned from the Library across District, including books, magazines etc. Target is 350,000.	Not achieved As of 30 June 2018: The total number of issues was 289,679. This was due a large number of books being pulled from the shelves due to age and lack of issues. Next year with an increased budget a more vibrant collection will be available to loan.											
	Percent of increase in use of website. Target is +>1%.	Percent of increase in use of website. Target is +>1%.	Not achieved As of 30 June 2018: <table border="1"> <thead> <tr> <th></th><th>2017/18</th><th>2016/17</th><th>% change</th></tr> </thead> <tbody> <tr> <td>Unique users</td><td>32,987</td><td>56,506</td><td>-42%</td></tr> <tr> <td>Sessions</td><td>48,022</td><td>81,044</td><td>-41%</td></tr> </tbody> </table> <p><b>Note:</b> This measure is for Te Takeretanga o Kura-hau-pō website only. Last year was the launch of the brand new user friendly website which always spikes usage in that year. Also the Te Awahou Riverside Culture Park website was launched this year which may have led to web traffic from residents going to this site for information where previously it was contained only on the Te Takeretanga o Kura-hau-pō website.</p>		2017/18	2016/17	% change	Unique users	32,987	56,506	-42%	Sessions	48,022	81,044
	2017/18	2016/17	% change											
Unique users	32,987	56,506	-42%											
Sessions	48,022	81,044	-41%											
<b>Libraries:</b> Customers have access to programmes and initiatives that enhance wellbeing of the District.	Number of programmes delivered. Target is 100.	Number of programmes delivered. Target is 100.	Achieved As of 30 June 2018: 527 programmes have been delivered.											

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Reserves:</b> Reserves are available for community use.	Sufficient space is available (1 ha/1,000 pop). Target is one.	Sufficient space is available (1 ha/1,000 pop). Target is one.	Achieved Council has over 100 hectares of space available, which is 3.3 ha/1000 population.
<b>Reserves:</b> Playgrounds are safe for users.	Playground facilities comply with relevant standards. Target is 100%.	Playground facilities comply with relevant standards. Target is 100%.	Achieved 100% of playground facilities complied.
<b>Halls:</b> Community halls are available for public use.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls. Target is 10.	Number of uses per fortnight for the Levin, Foxton and Shannon Halls. Target is 10.	Achieved Levin Memorial Hall was used 388 times. Shannon Memorial Hall was used 20 times. Foxton Memorial Hall was used 55 times. Total = 463 times (an average of 17.81 times per fortnight).
<b>Sports grounds:</b> Sports grounds are available for community use.	Percent of time that sport grounds are available for use during their opening hours. Target is 95%.	Percent of time that sport grounds are available for use during their opening hours. Target is 95%.	Achieved 99.54% of sports grounds were available for use during their opening hours. One field at Shannon Domain was closed for 4 days.
<b>Cemeteries:</b> Cemeteries are managed and maintained to an appropriate standard.	Meet needs according to legal requirements.	Meet needs according to legal requirements.	Achieved There were no legal or regulatory non-compliance instances identified.
<b>Cemeteries:</b> Cemeteries operate to an acceptable level.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	All arrangements and interments at Council cemeteries are made satisfactorily before 24 hours from interment.	Achieved 202 interment arrangements were completed satisfactorily before 24 hours from interment.
<b>Aquatic centres:</b> Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation. Target is 100%.	Compliance with relevant standards including Pool Safe Accreditation. Target is 100%.	Achieved  Levin = 100% Foxton = 100%  Both pools have received "Pool Safe" accreditation. "Pool Safe" certification for the year 2017/2018 was received in February 2017 and lasts until April 2018.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017				
<b>Aquatic centres:</b> Aquatics Centres meet customer needs.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey. Target is 90 % satisfied.	Percent of customer satisfaction, based on the Annual Customer Satisfaction Survey. Target is 90 % satisfied.	<p>Not achieved</p> <p>The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows:</p> <table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>11.3%</td><td>88.7%</td></tr></table> <p>This result could be a reflection of the shutdown period as a result of the Levin Aquatics Centre Redevelopment.</p> <p>The next survey will take place in 2018.</p>	Dissatisfied %	Satisfied %	11.3%	88.7%
Dissatisfied %	Satisfied %						
11.3%	88.7%						
<b>Aquatic centres:</b> A high quality Swim School operates at the Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes. Target is 400 per term.	Number of participants in Learn to Swim classes. Target is 400 per term.	<p>Not achieved</p> <p>126 = Term Three (Foxton only)</p> <p>392 = Term Four</p> <p>533 = Term One (2017) being 489 Levin and 44 Foxton</p> <p>451 = Term Two (2017)</p> <p>There were 1,502 out of 1,600 potential participants in Learn to Swim Classes.</p> <p>It should be noted that the Levin Aquatic Centre Redevelopment contributed to the decrease in participants and offering of full swim school programmes.</p>				
<b>Aquatic centres:</b> Local clubs are supported to deliver their own events.	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future. Target is five per year.	Number of events per year held by clubs- clubs growing and taking ownership of their own events and future. Target is five per year.	<p>Achieved</p> <p>The following events were scheduled by Aquatics User Clubs/Schools at Levin Aquatics Centre this year:</p> <p>YTD</p> <ul style="list-style-type: none"><li>• Special Olympics – 10 September 2016</li><li>• Special Olympics – 11 September 2016</li><li>• Regional Canoe Polo U14 event – 25 September 2016</li><li>• Spring Carnival – Levin Swim Club – 8 October 2016</li><li>• Spring Carnival – Levin Swim Club – 9 October 2016</li><li>• Special Olympics NZ Swim Meet – 26 October 2016</li><li>• Autumn Swim Carnival – Levin Swim Club – 12 March 2017</li></ul> <p>Therefore the measure is reported as “Achieved”, as the target for the year 2016/2017 has been met.</p>				

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017				
<b>Aquatic centres:</b> Growing existing events and developing new ones for the following areas; children, general public, and retirees.	Number of events per year for children, general public, and retirees. Target is three events per group each year.	Number of events per year for children, general public, and retirees. Target is three events per group each year.	Achieved The following events have taken place, delivered by HDC at aquatic facilities this financial year: <ul style="list-style-type: none"><li>Opening Community Day – 24 September 2016</li><li>Aquathon (Aquacise classes 2hrs every day) – 10-14 October 2016</li><li>Foxton Christmas Pool Party – 17 December 2016</li><li>Levin Christmas Pool Party – 18 December 2016</li><li>Ageing Well Wellness Week – 20-24 February 2017</li><li>Go Active Kids TRYathlon – 11 March 2017 – Shannon</li><li>Go Active Kids TRYathlon – 18 March 2017 – Foxton</li><li>Go Active Kids TRYathlon – 25 March 2017 – Levin</li><li>Family Fun Day – 4 March 2017</li><li>April – Foxton and Levin Aquathon</li><li>April – School Holidays – Hydroslide and inflatable challenge</li><li>June – Mid- winter Pool Party</li></ul>				
<b>Libraries:</b> Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.	Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.	Communities with library and community facilities providing an integrated and District wider service. Target Levin, Foxton and Shannon.	Achieved Library Services are delivered in in Levin, Shannon and Foxton.				
	Percent of residents and non-residents satisfied with library and community services. Target is >85%.	Percent of residents and non-residents satisfied with library and community services. Target is >85%.	Achieved The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows: <table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>8.1%</td><td>91.9%</td></tr></table> The next survey will take place in 2018.	Dissatisfied %	Satisfied %	8.1%	91.9%
	Dissatisfied %	Satisfied %					
	8.1%	91.9%					
Number of booking counts for community facilities. Target is 380.	Number of booking counts for community facilities. Target is 380.	Achieved 1,292 bookings have been made for community facilities.					
Number of visitor counts to Te Takeretanga o Kura-hau-pō, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.	Number of visitor counts to Te Takeretanga o Kura-hau-pō, Foxton Library & Service Centre and Shannon Library. Target is 650,000 people across all sites annually.	Not achieved 638,119 people have visited across all sites.					

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Libraries:</b> Customers have access to a range of current information in both print and digital format.	Number of items loaned from the Library across District, including books, magazines etc. Target is 350,000.	Number of items loaned from the Library across District, including books, magazines etc. Target is 350,000.	<p>Not achieved Total number of issues was 346,169.</p> <p>The e-book issues are declining – this is in line with the global trend whereby physical book usage/purchase are on the increase with e-books slowly decreasing.</p> <p>NB: This measure includes e-books but not digital databases. The annual target of 350,000 items loaned, fell short by 3,831.</p>
	Percent of increase in use of website. Target is +>1%.	Percent of increase in use of website. Target is +>1%.	<p>Not achieved for unique users Achieved for total number of sessions.</p> <p>56,506 = unique users 81,044 = sessions</p> <p>The comparison between years for the total number of unique users is as follows:  Quarter 1: 16,162  Quarter 2: 14,936  Quarter 3: 13,492  Quarter 4: 11,916  2015/16 – 64,167  2016/17 – 56,506 (decrease of 12%)</p> <p>The comparison between years for the total number of sessions is as follows:  2015/16 – 77,832  2016/17 – 81,044 (increase of 4%)</p>
<b>Libraries:</b> Customers have access to programmes and initiatives that enhance wellbeing of the District.	Number of programmes delivered. Target is 100.	Number of programmes delivered. Target is 100.	<p>Achieved 626 programmes were delivered.</p>



### 3. ACQUISITION AND RENEWAL OF ASSETS

Community Facilities and Services	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Beautification south bound carriageway SH1	25	29	(4)	
Cemetery - Foxton land development	-	-	-	
Community Centre	567	1,329	(762)	1
Community Centre - Site works and museum fitout	812	-	812	2
Cousins Ave Reserve pathways improvement	25	24	1	
District play equipment	75	43	32	
District play equipment bark mulch	26	24	2	
District replacement of water heaters	1	-	1	
District replacement of water supply bore-pumps	16	2	14	
Driscoll Reserve beautification	25	24	1	
Engineering assessment Waikawa Bridge	15	46	(31)	
Foreshore improvement - Spinifex purchase Waitārere Beach	40	25	15	
Foxton Aquatic - Pool vacuum	4	2	2	
Foxton Aquatic Centre planned renewals	115	156	(41)	
Foxton Beach Reserves (FHA)	276	327	(51)	
Holben Sound Shell & repainting buildings	5	-	5	
Kimberley Reserve Toilets reroof and refit	16	19	(3)	
Levin Adventure Park Oak tree maintenance and renewal	15	-	15	
Levin Aquatic - IT equipment	-	3	(3)	
Levin Aquatic - Pool ladders	10	9	1	
Levin Aquatic - Pool sound system	10	-	10	
Levin Aquatic - Pool vacuum	6	5	1	
Levin Aquatic - Replace the hydro slide	120	-	120	3
Levin Aquatic Centre planned renewals	21	7	14	
Levin Aquatic Centre pump VSD	-	(27)	27	
Levin Reseal rear car park	10	1	9	
Library Books / E-books / Talking books / DVDs	200	210	(10)	
Net Ball Courts - replace posts Shannon Domain	10	9	1	
Pollard management Oxford Street	25	-	25	
Prouse bush noxious weed removal & revege (native land snail habitat protection with DOC support)	10	9	1	
Public Toilets programmed renewals	46	26	20	
Reserves renewals	159	43	116	4
Shannon Grandstand toilets	15	12	3	
Sportsgrounds renewals	21	21	-	
Te Takere - Additional tables across facility; repair and replace	2	2	-	
Te Takere - Couches and round seats across facility (x 50) in blue, yellow and black	25	22	3	
Te Takere - Exhibition cabinets replace broken and damaged ones	3	-	3	
Te Takere - Medium term restock children's team equipment with foam and leather cushions	2	1	1	
Te Takere - Office furniture, main desk, vin	5	5	-	
Te Takere - Recover squab seats along NW wall	2	3	(1)	
Te Takere - Replace boiler in Te Takere	25	-	25	
Te Takere - Urgent replacement couches and seats broken, missing feet	6	-	6	
Te Takere - IT urgent IT capital replacement including frameless TV				
Shannon, HPElite One, public computers	30	-	30	
Thompson house and gardens design and investigation	15	14	1	
Vehicles	29	-	29	
Waitārere Domain Improvement Plan	15	10	5	
Waitārere Dune management Dune management - flatten re-contour	103	-	103	5
Other renewal asset costs	145	-	145	
<b>Total renewal projects</b>	<b>3,128</b>	<b>2,435</b>	<b>693</b>	

Community Facilities and Services	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Level of service portion of projects</b>				
Authority and Trim licenses for new staff from Libraries And Community Centre	5	-	5	
Cario display panel system	-	7	(7)	
Cemetery - Avenue land development	9	-	9	
Cemetery - Avenue redevelop front entrance and update information signage	31	3	28	
Cemetery - Foxton ashes area	24	22	2	
Cemetery - Foxton land development	-	227	(227)	6
Cemetery - Shannon burial beams	10	-	10	
Community Centre	702	1,646	(944)	1
Community Centre - Site works and museum fitout	1,005	-	1,005	2
District fencing contingency	31	30	1	
Donnelly Park cricket fields extend turf block	18	18	-	
EFTPOS Terminals for Te Awahou Nieuwe Stroom	-	4	(4)	
Foxton Beach Coastal Reserve implement actions of FB Coastal Management Plan	15	9	6	
Foxton Beach Coastal Reserve revegetation programme	5	-	5	
Foxton plantroom miscellaneous	5	5	-	
Foxton River Loop walkway, viewing and recreation activities	11	(4)	15	
Ihakara Gardens landscaping	12	-	12	
Chrome books	-	2	(2)	
Trolley charger	-	2	(2)	
Miniglo table	-	6	(6)	
Projector for Rimu Room	-	6	(6)	
Cario display panels for Te Awahou Nieuwe Stroom	-	5	(5)	
Sunshade at Te Awahou Nieuwe Stroom	-	6	(6)	
Laptops for Te Takere	-	7	(7)	
Levin Aquatic - Fitness equipment	15	13	2	
Levin Aquatic - Hydrotherapy pool cover	2	-	2	
Levin Aquatic - People counting camera	-	4	(4)	
Levin Aquatic - Pool sound system	-	8	(8)	
Levin Aquatic Centre pumps	7	(15)	22	
Levin disable facilities upgrade, hydrotherapy pool	-	66	(66)	
Levin plantroom miscellaneous	1	1	-	
Levin supply and extract fans	7	(6)	13	
Levin UV disinfection investigation, and installation	44	-	44	
Para mobility wheelchair	-	4	(4)	
People counting cameras x3	-	7	(7)	
Redevelopment Donnelly Park	-	-	-	
Safe for Te Takere	-	1	(1)	
Shared pathways	250	-	250	7
Shannon Library - CCTV upgrade	-	4	(4)	
Shared pathways funding to raise profile of existing cycle ways on rural roads	40	-	40	
Tables for Library Services	-	16	(16)	
Te Awahou Nieuwe Stroom landscape project	-	123	(123)	8
Te Takere - CCTV upgrade	-	7	(7)	
Te Takere - Cupboard upgrade to improve tidiness provide storage	5	2	3	
Te Takere - Install sound system for functions and address H and S issues	10	-	10	
Te Takere Lifelong Education & Learning capital Items	-	8	(8)	
Tokomaru walkways	25	-	25	
Waitāreere Foreshore accretion	-	32	(32)	
Youth Space capital purchases	-	1	(1)	
Other level of service asset costs	72	-	72	
<b>Total level of service projects</b>	<b>2,361</b>	<b>2,277</b>	<b>84</b>	

Community Facilities and Services	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Growth portion of projects</b>				
Cemetery - Avenue extend burial and cremation sites	10	5	5	
Cemetery - Avenue land development	1	-	1	
Cemetery - Foxton ashes area	3	2	1	
Cemetery - Shannon burial beams	1	-	1	
Community Centre	51	120	(69)	
Community Centre - Site works and museum fit - out	116	-	116	2
Donnelly Park cricket fields extend turf block	2	2	-	
IT equipment Te Awahou Nieuwe Stroom	109	103	6	
Other growth asset costs	8	-	8	
<b>Total growth projects</b>	<b>301</b>	<b>232</b>	<b>69</b>	
<b>Make up of above projects by % of type</b>				
Renewals - Replacing existing assets	3,128	2,435	693	
Improve level of service	2,361	2,277	84	
Growth - To meet additional demand	301	232	69	
<b>Total Community Facilities and Services projects</b>	<b>5,790</b>	<b>4,944</b>	<b>846</b>	

**NOTES:**

1. The Te Awahou Nieuwe Stroom project is over budget as a result in design and consultants fees more than expected. This project was completed November 2017.
2. Site works and fit out actual costs not separated from Te Awahou Nieuwe Stroom build costs.
3. This project has been carried forward to 2018/19 with work to be undertaken following feasibility study of recreational and aquatic facilities.
4. Due to lack of contractor availability work has not progressed. Carried forward to 2018/19.
5. Expenditure is contingent on construction of new surf club. Carried forward to 2018/19.
6. This unbudgeted work is in response to the issue of flooding at the Foxton cemetery.
7. The budget was set under the Reserves activity but the work \$204k coded under Land Transport.
8. The planting component of the Te Awahou Nieuwe Stroom site works project coded to separate project.

#### 4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The majority of the Council's expenditure is in the nature of operating and maintenance costs. This is to provide parks and recreation activities at the stated levels of service and maintaining the integrity of important assets in accordance with the asset management plans.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2018 included:

Community outcomes	Effects of programmes in activity area
Economic	<p>Council has completed its residential housing stock transfer process to a registered CHP this resulted in a reduction of Council debt of approximately NZD5 million and the passing on of a contingent liability in the form of a suspensory loan of a further NZD5 million to the new provider.</p> <p>Council has completed a sub-division at its roe street site resulting in the relocation of a major manufacturer of pre-formed concrete panels. The relocation will bring somewhere in the region of 20-30 additional jobs to the region.</p> <p>Council has committed to reducing its debt associated with property ownership by reducing its building and land portfolio to core property only by 2038.</p>
Sustainability	<p>Council's cleaning contractors utilise organic/citrus based cleaning products to reduce potential damage to the environment. Council works with its energy provider to monitor energy use in its properties.</p>
A community of knowledge and culture	<p>Te Awahou Nieuwe Stroom has been completed providing a new cultural experience for residents and visitors to the district. The programmes delivered out of the Te Awahou Nieuwe Stroom, in partnership with Te Taitoa Māori o Te Awahou Trust and The Dutch Connection Trust will allow further reach of cultural knowledge and understanding through the district and beyond.</p>
Safe and resilient communities	<p>Council has sold the land that previously housed Jack Allen House to develop a new medical centre. The new medical centre will provide a significant primary health care facility for the area.</p> <p>Council has worked with the social providers from Jack Allen House to develop an upgraded community hub for the benefit of residents and the providers.</p> <p>Council has completed a stock transfer of its pensioner accommodation that will provide a wrap-round service for its senior residents.</p> <p>The Parks and Property team works with Police in 'at risk' communities to improve social outcomes e.g. Solway Park and Morgan Crescent. Council has provided a loan of 50K to assist with the installation of a pump track part funded with Police at Solway park.</p> <p>Council offers community leases to various organisations that facilitate services for the elderly and young. Council offers community rates on a number of its facilities to ensure access is affordable to its population.</p>
Positive leadership and partnerships	<p>The Parks and Property section works with stakeholders including local interest groups and residents associations to deliver community focused outcomes.</p>
Social, health and safety	<p>Aquatic and land based programmes have continued to be delivered district wide and a broad range of rehabilitation and recreation options are offered to the community. A number of programmes also reach out to provide water safety, learn to swim and fitness options to a wide range of the community, including offerings to rural schools and communities. A number of local and regional events have been hosted at the Levin Aquatic Centre, aiding club capacity building. Foxton and Levin Aquatic facilities both received PoolSafe accreditation.</p>

# Community Facilities and Services

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

		LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		4,736	4,974	4,853	4,860	7
Targeted rates		5,597	5,916	5,961	5,981	20
Subsidies and grants for operating purposes		7	8	72	76	4
Fees and charges		730	747	1,319	1,239	(80)
Local authorities fuel tax, fines, infringement fees, and other receipts		216	201	232	150	(82)
Internal charges and overheads recovered		-	-	-	-	-
<b>Total operating funding (A)</b>		<b>11,286</b>	<b>11,846</b>	<b>12,437</b>	<b>12,306</b>	<b>(131)</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1	7,608	7,794	8,012	7,648	(364)
Finance costs		866	1,026	859	802	(57)
Internal charges and overheads applied		1,583	1,654	2,299	2,311	12
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>10,057</b>	<b>10,474</b>	<b>11,170</b>	<b>10,761</b>	<b>(409)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>1,229</b>	<b>1,372</b>	<b>1,267</b>	<b>1,545</b>	<b>278</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure	2	2,327	-	3,096	1,299	(1,797)
Development and financial contributions		-	-	-	41	41
Increase (decrease) in debt		2,672	(47)	1,323	1,257	(66)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>4,999</b>	<b>(47)</b>	<b>4,419</b>	<b>2,597</b>	<b>(1,822)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- to meet additional demand		201	9	301	232	(69)
- to improve the level of service	3	3,678	326	2,361	2,277	(84)
- to replace existing assets	4	2,201	751	3,128	2,435	(693)
Increase (decrease) in reserves		148	239	(104)	(802)	(698)
Increase (decrease) of investments		-	-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>6,228</b>	<b>1,325</b>	<b>5,686</b>	<b>4,142</b>	<b>(1,544)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>(1,229)</b>	<b>(1,372)</b>	<b>(1,267)</b>	<b>(1,545)</b>	<b>(278)</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		994	1,151	932	1,478	546
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2017		17,850	324	18,174		
Raised during year		3,160	2,471	5,631		
Repaid during year		(3,010)	(1,364)	(4,374)		
<b>Loans as at 30/06/2018</b>		<b>18,000</b>	<b>1,431</b>	<b>19,431</b>		
Interest expense		793	9	802		

**NOTES:**

1. The below budget expenditure in this area was due to the delay in opening of the Te Awahou Nieuwe Stroom Community Centre
2. This was due to grants for Te Awahou Nieuwe Stroom Community Centres build \$1.52m
  - a. \$1m of the budget was for the Iwi and Dutch museum fit-outs. This was initially recognised in the budget as council income. However, as the fit-out asset is not a Council asset the grant was received on behalf of the partners and not Council Income and therefore not recognised as Council revenue.
  - b. \$500k was in the budget for 2017/18 but was actually recognised last financial year (2017/18) as an accrual.
3. Capital underspend due mainly to Te Awahou Nieuwe Stroom Community Centre fit-out project budget included fit-out costs that included assets that were not Council owned.
4. Apart from the Te Awahou Nieuwe Stroom project showing budget underspend there were a number of projects that were carried over to 2018/19. See the notes under the capital project list for more detail.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2017	2018	2018		
	\$000	\$000	\$000	\$000	\$000
Cemeteries	339	369	500	411	(89)
Public Toilets	341	353	339	324	(15)
Beautification	519	534	675	710	35
Reserves	2,033	2,109	1,811	1,958	147
Sportsgrounds	1,161	1,204	1,145	1,223	78
Halls	302	341	253	246	(7)
Libraries & Community Services	3,388	3,493	4,216	4,231	15
Aquatic Centres	2,640	2,888	2,782	2,782	-
Urban Cleaning	327	335	380	354	(26)
<b>Total Expenditure</b>	<b>11,050</b>	<b>11,626</b>	<b>12,101</b>	<b>12,239</b>	<b>138</b>

# Land Transport

## STATEMENT OF SERVICE PERFORMANCE

This group of activities provides for pedestrians and vehicles to safely and efficiently move from place to place within the District or to pass through the District. The land transport network of assets allows residents to move from work, school, social and recreation destinations by foot or by vehicle, and enables businesses to run by allowing the exchange of goods and services from location to location.

This network also provides links from local transport routes to national transport routes (i.e. State Highways). This enables the transport of goods and people not just within the District but also in and out of the District, thereby providing critical connections with both wider regional and national destinations.

### 1. DESCRIPTION OF ACTIVITIES

#### What does this group of activities involve?

- This group of activities provides the ability for pedestrians and vehicles to efficiently move within and outside of the District. This is achieved by providing a network of roads, footpaths, bridges, car parks, signs and markers, street lights and associated drainage systems in what is known as the 'Transport Corridor'. Most aspects the Land Transport activities are managed internally by Horowhenua District Council's Roading Team. However, the maintenance of the land transport assets is externally contracted.
- This group of activities is heavily influenced by the New Zealand Transport Agency (NZTA), which is Council's co-investment partner for roading and the optimised programme which is approved on a three yearly cycle in the Regional Land Transport Plan. The Council operates, maintains and improves its land transport assets, utilising the budgets set within this programme.
- Central Government provides a high level of direction and regulation for the transportation sector through legislation, strategies, plans, and policy statements. A large proportion of these documents are delivered through the NZTA. Relevant national strategies, legislation and plans are outlined in Council's Transportation Activity Management Plan.

#### Rationale

Activity	Community outcome	Council role
Maintain a safe and reliable road and footpath system to support private and business transport needs.	<ul style="list-style-type: none"><li>• A healthy local economy and a District that is growing</li><li>• Safe, resilient and healthy communities</li></ul>	Funder/provider



## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Roads:</b> A safe road network.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a five year average.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a five year average.	Not achieved The trend in serious injuries and fatalities as an average per year over the last five years is an increase of 0.2. The five year trend is from 2013/2014 to 2017/2018.
	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less.*		Not achieved The change in the number of fatalities and serious injury crashes on the local road network from the previous financial year is 11. There were four fatalities and 14 serious injuries for the 2017/18 year.
<b>Roads:</b> Roads in good condition.	The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is a minimum of 85%.	The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is a minimum of 85%.	Achieved The percentage of travel on roads smoother than the threshold for all traffic groupings is 94.7% as of 30 June 2018.
<b>Roads:</b> Roads that are maintained well.	The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.	The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.	Achieved 5.4% or 186,716 m2 of the sealed local road network that was resurfaced in the 2017/18 Annual Reseal Programme.
<b>Footpaths:</b> Footpaths are in an acceptable condition.	Target footpath condition rating (% compliant with Councils standards). Target is minimum of 30% in excellent condition and a maximum of 10% in poor condition.	Target footpath condition rating (% compliant with Councils standards). Target is minimum of 30% in excellent condition and a maximum of 10% in poor condition.	Not achieved The system for assessing footpath condition is based over a five year rotating cycle. The condition rating of the entire footpath network will not be completed until 2021. However, a poor condition rating has been determined based on the percentage of actual rating survey completed as at 30 June 2018. It is therefore determined there is no more than 4% in poor condition, 90% in average condition and 6% good to excellent condition. To achieve the 30% in excellent condition as an annual target we would need to complete 49km of renewals in one year. This is not possible as the renewal programme and current budget only allows for 5km of renewals per year.
<b>Land transport:</b> Good response to service requests.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.	Achieved As of 30 June 2018: 1,989 CRMs were received, with 95% of requests responded to within 15 working days.

\* Mandatory performance measure from the Department of Internal Affairs not included in LTP or annual plan.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Roads:</b> A safe road network.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a five year average.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network. Target is 0 change or less over a five year average.	<p>Achieved</p> <p>The total number of reported serious injuries and fatalities between 1/07/16 and 30/06/17 is seven. This calculates to a reduction of eight compared to the previous financial year 2015/16 which was 15.</p> <p>The five year average based on five years ending 2016/17 is a reduction of two serious injuries and fatalities.</p>
<b>Roads:</b> Roads in good condition.	The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is a minimum of 85%.	The average quality of ride on a sealed local road network measured by smooth travel exposure. Target is a minimum of 85%.	<p>Did not measure</p> <p>We have decided to move away from the traditional Annual Roughness and Condition Rating Survey. Instead we will be engaging Downers to carry out the network data collection utilising their 'Hawkeye' – a high speed data surveying vehicle. The 'Hawkeye' system is equipped with the latest digital camera technology that will provide high resolution video of our roading network, thus providing a virtual drive through of our roads.</p> <p>The benefits of this system will result in a more efficient analysis of the survey data that can be linked to chainage and GPS coordinates, simplifying location of data and features.</p> <p>However, the availability of the 'Hawkeye' is not until November 2017.</p> <p>Maintenance was carried throughout the year according to agreed upon schedules and road conditions were expected to remain constant.</p> <p>Last year's results were:  Smooth Travel Exposure measures the proportion (%) of vehicle kilometres travelled in a year (VKT) that occurs on 'smooth' sealed roads and indicates the ride quality experienced by motorists. A 'smooth' road is one smoother than a predetermined NAASRA roughness threshold. The thresholds used vary with traffic density and road location i.e. not all roads are calculated the same. Heavily trafficked roads have a lower (smoother) threshold. High volume urban roads have lower roughness thresholds than low volume rural roads. Our STE percentages are generated by running a report in RAMM.</p> <p>The Annual Roughness Survey for 2015/16 was completed by Shaw Consulting Ltd and covered half of the District. The two halves of the District are done in alternating years (half each year). The data is used to help with decision making when producing the 10yr Forward Works Plan.</p> <p>Urban Roads = 88%  Rural Roads = 97%  Both Roads = 92%</p>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Roads:</b> Roads that are maintained well.	The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.	The percentage of the sealed local road network that is resurfaced annually. Target is a minimum of 5% of total area.	Achieved The Reseal Programme for 2016/17 was confirmed with a total of 28.31km which equates to 185,025 m2. This represents 5.4% of the total sealed local road network. As at 30 June 2017, the actual amount sealed was 186,674m2, which exceeds the minimum 5% target.
<b>Footpaths:</b> Footpaths are in an acceptable condition.	Target footpath condition rating (% compliant with Councils standards). Target is minimum of 30% in excellent condition and a maximum of 10% in poor condition.	Target footpath condition rating (% compliant with Councils standards). Target is minimum of 30% in excellent condition and a maximum of 10% in poor condition.	Achieved This year a new system for assessing footpath condition was developed and will be based on a 5 year rotating cycle. A trial condition survey was carried out on 44,711 metres of footpath using our new rating system and this resulted in 77% of these footpaths rated as in excellent condition, 17% rated as average and 6% rated in poor condition. If these results were applied to the total footpath network, it would indicate that the minimum 30% in excellent condition and maximum of 10% in poor condition has been achieved for 2016/2017.
<b>Land transport:</b> Good response to service requests.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days. Target is >95%.	Achieved During the month of June 2017, the percentage of requests responded to within 15 days = 96%.  For the period 1st July 2016 to 30th June 2017, 2,250 CRMs were received, with 97% of requests responded to within 15 working days.

### 3. ACQUISITION AND RENEWAL OF ASSETS

Land Transport	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Subsidised - Renewals	4,008	3,848	160	1
Footpath renewals	400	383	17	
Other renewal asset costs	309	-	309	
<b>Total renewal projects</b>	<b>4,717</b>	<b>4,231</b>	<b>486</b>	
<b>Level of service portion of project</b>				
Foxton townscape Main Street upgrade	1,225	913	312	
Shared pathways	-	204	(204)	2
Waitārere Beach Kent Gloucester Roothing Upgrade	-	-	-	
New footpaths	100	108	(8)	
Subsidised - Road improvements	886	2,359	(1,473)	1
Other level of service asset costs	100	-	100	
<b>Total LOS projects</b>	<b>2,311</b>	<b>3,584</b>	<b>(1,273)</b>	
<b>Growth portion of project</b>				
Other growth asset costs	-	-	-	
<b>Total growth projects</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Make up of above projects by % of type</b>				
Renewals - Replacing existing assets	4,717	4,231	486	
Improve level of service	2,311	3,584	(1,273)	
Growth - To meet additional demand	-	-	-	
<b>Total Land Transport projects</b>	<b>7,028</b>	<b>7,815</b>	<b>(787)</b>	

#### NOTES:

- Budget reallocated towards more level of service projects relating to Bond street improvements in Foxton Beach.
- Shared pathway budget of \$250k was included under the Reserves activity.

### 4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2018 included:

Community outcomes	Effects of programmes in activity area
Safety	Safety is a major consideration in all road improvement and rehabilitation projects in line with the long term goal for road safety in New Zealand to have "A safe road system increasing free of death and serious injury". The footpaths renewal programme also contributes to pedestrian safety for our community.
Economic	The network is in good condition, fit for purpose and enables efficient travel around the District. There have been minimal road closures during the year due to occurrences such as slips or flooding. This has meant that the District has been able to function effectively from an economic viewpoint.

# Land Transport

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Note	LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		4,467	4,754	4,084	4,098	14
Subsidies and grants for operating purposes	1	1,236	1,260	1,486	1,333	(153)
Fees and charges		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		310	325	285	338	53
Internal charges and overheads recovered		-	-	-	-	-
<b>Total operating funding (A)</b>		<b>6,013</b>	<b>6,339</b>	<b>5,855</b>	<b>5,769</b>	<b>(86)</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	2	2,637	2,635	3,066	2,707	(359)
Finance costs		102	185	42	19	(23)
Internal charges and overheads applied	3	895	935	979	599	(380)
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>3,634</b>	<b>3,755</b>	<b>4,087</b>	<b>3,325</b>	<b>(762)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>2,379</b>	<b>2,584</b>	<b>1,768</b>	<b>2,444</b>	<b>676</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure	4	1,722	1,730	2,545	3,571	1,026
Development and financial contributions		-	-	-	67	67
Increase (decrease) in debt	5	1,374	558	1,845	747	(1,098)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>3,096</b>	<b>2,288</b>	<b>4,390</b>	<b>4,385</b>	<b>(5)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- to meet additional demand		160	161	-	-	-
- to improve the level of service	4	1,605	811	2,311	3,584	1,273
- to replace existing assets	6	3,332	3,342	4,717	4,231	(486)
Increase (decrease) in reserves		378	558	(870)	(986)	(116)
Increase (decrease) of investments		-	-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>5,475</b>	<b>4,872</b>	<b>6,158</b>	<b>6,829</b>	<b>671</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>(2,379)</b>	<b>(2,584)</b>	<b>(1,768)</b>	<b>(2,444)</b>	<b>(676)</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		4,697	4,801	4,778	4,998	220
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2017		300	135	435		
Raised during year		480	352	832		
Repaid during year		(80)	(4)	(84)		
<b>Loans as at 30/06/2018</b>		<b>700</b>	<b>483</b>	<b>1,183</b>		
Interest expense		15	4	19		

**NOTES:**

1. Less NZTA subsidy is the result of less work than expected due to delays through weather and lack of contractor resources.
2. This reduced payments to suppliers is directly related to item one above is largely the result of the delay due to weather and contractor resources.
3. Overhead allocations were reduced due to the effect of the Horowhenua Alliance reducing the overall overhead allocated to Roding.
4. More level of service projects relating to Bond street improvements in Foxton Beach were done attracting more capital subsidies.
5. Foxton Beach main Street and shared pathways projects earmarked to be funded from debt were underspent while other projects in Foxton beach were funded from the Foxton Beach Freeholding account and development contribution derived from the Foxton beach subdivision sales.
6. Renewal projects budget reorganised to do more level of service projects.

Activity Expenditure	LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
Subsidised Roding	6,973	7,097	7,626	7,134	(492)
Footpaths	985	1,004	1,007	993	(14)
Unsubsidised Roding	373	456	232	195	(37)
<b>Total Expenditure</b>	<b>8,331</b>	<b>8,557</b>	<b>8,865</b>	<b>8,322</b>	<b>(543)</b>

# Stormwater

## STATEMENT OF SERVICE PERFORMANCE

The Stormwater group of activities involves Council collecting stormwater from roads and diverting it away from the road surface into natural water courses or piped drain systems.

The provision of stormwater disposal helps to prevent the occurrence of flooding in urban areas during rainfall events by draining water from roads and private property and conveying it to larger natural water courses.

### 1. DESCRIPTION OF ACTIVITIES

#### What does this group of activities involve?

- This group of activities provides a system of piped and open drains sufficient to allow the diversion of stormwater away from road surfaces. This is to keep roads in a safe and trafficable condition during rainfall events and to also help reduce the risk of flooding for private properties.
- To provide this group of activities the Council owns piped collection networks, pumping stations, and stormwater detention areas. Stormwater is closely aligned in both location and function with the Land Transport group of activities (more specifically the roading network). This group of activities are managed internally, with the operation and maintenance being contracted out externally.
- Prepare, apply for, and obtain any relevant resource consents Council requires to continue to discharge stormwater or to upgrade assets associated with the Council's stormwater activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding stormwater.
- Council provides this group of activities in accordance with the requirements set out by the following pieces of legislation:
  - The Local Government Act 2002 which requires Council to provide water (including stormwater) services and to maintain its capacity to do so; and
  - The Health Act 1956 which requires Council to provide sanitary works including works for stormwater disposal.

#### Rationale

Activity	Community outcome	Council role
Maintain a system to divert stormwater away from the road and to protect residential and business properties.	<ul style="list-style-type: none"><li>• A healthy local economy and a District that is growing</li></ul>	Funder/provider
Provide a means of ensuring minimal contamination of the receiving water course.	<ul style="list-style-type: none"><li>• A sustainable environment</li></ul>	Funder/provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	<ul style="list-style-type: none"><li>• Safe, resilient and healthy communities</li></ul>	Funder/provider



## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018			
<b>Stormwater:</b> An adequate stormwater system.	The number of flooding events that occur in the District is less than five per year.	The number of flooding events that occur in the District is less than five per year.	Achieved As of 30 June 2018, there have been zero reported flooding events. There was one instance where flooding entered a garage which was attached to a house but as there is no internal access to the house from the garage the risk of damage to the living areas of the home was minimal			
<b>Stormwater:</b> Response to faults.	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks. Target is two or less.	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks. Target is two or less.	Achieved As of 30 June 2018, there have been zero habitable floors affected, which equates to 0.00 per 1,000 connections. There were 12,686 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. Target is one hour.	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. Target is one hour.	Achieved As of 30 June 2018, the median response time to get to site is 0hrs 00mins, due to no flooding events.			
<b>Stormwater:</b> A sustainable stormwater service.	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"><li>Abatement notices;</li><li>Infringement notices;</li><li>Enforcement orders; and</li><li>Convictions.</li></ul>	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"><li>Abatement notices;</li><li>Infringement notices;</li><li>Enforcement orders; and</li><li>Convictions.</li></ul>	Achieved As of 30 June 2018: <ul style="list-style-type: none"><li>Abatement Notices = 0</li><li>Infringement Notices = 0</li><li>Enforcement Orders = 0</li><li>Convictions = 0</li></ul>			
<b>Stormwater:</b> Customer satisfaction.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system. Target <10 per year.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system. Target <10 per year.	Achieved As of 30 June 2018, six complaints were received, which equates to 0.48 per 1,000 connections regarding the performance of our stormwater system. There were 12,686 connections.			
	Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey. Target is 80%.	Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey. Target is 80%.	Not achieved The results of the most recent survey conducted in the 2017/2018 year are as follows: <table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>40%</td><td>60%</td></tr></table>	Dissatisfied %	Satisfied %	40%
Dissatisfied %	Satisfied %					
40%	60%					

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017			
<b>Stormwater:</b> An adequate stormwater system.	The number of flooding events that occur in the District is less than five per year.	The number of flooding events that occur in the District is less than five per year.	Achieved There has been one reported flooding event.			
<b>Stormwater:</b> Response to faults.	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks. Target is 2 or less.	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks. Target is 2 or less.	Achieved There have been three habitable floors affected, which equates to 0.25 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. Target is one hour.	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. Target is one hour.	Achieved The median response time to get to site is 0hrs 00mins.  For the one reported flooding event contractors were already on site when Council received notification so there was no response time.			
<b>Stormwater:</b> A sustainable stormwater service.	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"><li>Abatement notices;</li><li>Infringement notices;</li><li>Enforcement orders; and</li><li>Convictions.</li></ul>	To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"><li>Abatement notices;</li><li>Infringement notices;</li><li>Enforcement orders; and</li><li>Convictions.</li></ul>	Achieved For the period 1st July to 30th June 2017: <ul style="list-style-type: none"><li>Abatement Notices = 0</li><li>Infringement Notices = 0</li><li>Enforcement Orders = 0</li><li>Convictions = 0</li></ul>			
<b>Stormwater:</b> Customer satisfaction.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system. Target <10 per year.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system. Target <10 per year.	Achieved There were eight 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. Target is 80%.	Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey. Target is 80%.	Not achieved The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows: <table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>39.9%</td><td>60.1%</td></tr></table>	Dissatisfied %	Satisfied %	39.9%
Dissatisfied %	Satisfied %					
39.9%	60.1%					

### 3. ACQUISITION AND RENEWAL OF ASSETS

Stormwater	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Districtwide reticulation - Unplanned renewals	53	14	39	
Other renewal asset costs	5	-	5	
<b>Total renewal projects</b>	<b>58</b>	<b>14</b>	<b>44</b>	
<b>Level of service portion of project</b>				
Development Planning Foxton Beach	8	-	8	
Development Planning North East Levin	-	-	-	
District Wide improvement works	508	347	161	1
Foxton catchment management plan	-	30	(30)	
Hokio Beach catchment management plan	56	-	56	
New stormwater connections	-	5	(5)	
Improvements NE Levin	123	74	49	
124 Fairfield Levin	-	10	(10)	
Levin catchment management plan	62	5	57	
Levin Queen Street	150	6	144	1
Ohau catchment management plan	56	-	56	
Shannon catchment management plan	3	-	3	
Stormwater District wide capex new	-	1	(1)	
Stormwater telemetry	-	33	(33)	
Tokomaru catchment management plan	56	-	56	
Waikawa Beach catchment management plan	56	-	56	
Other level of service asset costs	64	-	64	
<b>Total LOS projects</b>	<b>1,142</b>	<b>511</b>	<b>631</b>	
<b>Growth portion of project</b>				
Development planning Foxton Beach	148	-	148	
Development planning North East Levin	-	5	(5)	
District wide improvement works	27	18	9	
Foxton catchment management plan	-	2	(2)	
Hokio Beach catchment management plan	3	-	3	
Improvements NE Levin	2,340	1,406	934	1
124 Fairfield Levin	-	191	(191)	2
Levin catchment management plan	3	-	3	
Levin Tararua industrial development	24	-	24	
Ohau catchment management plan	3	-	3	
Shannon catchment management plan	51	-	51	
Tokomaru catchment management plan	3	-	3	
Waikawa Beach catchment management plan	3	-	3	
Other growth asset costs	81	-	81	
<b>Total growth projects</b>	<b>2,686</b>	<b>1,622</b>	<b>1,064</b>	
<b>Make up of above projects by % of type</b>				
Renewals - Replacing existing assets	58	14	44	
Improve level of service	1,142	511	631	
Growth - To meet additional demand	2,686	1,622	1,064	
<b>Total Stormwater projects</b>	<b>3,886</b>	<b>2,147</b>	<b>1,739</b>	

#### NOTES:

1. Projects not completed in the 2017/18 year and were carried over to 2018/19.
2. Part of the Improvements NE Levin project but coded to a separate project.

**4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).**

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2018 included:

Community outcomes	Effects of programmes in activity area
Environmental and safety	Improvements to stormwater drainage contributed to the environment and safety of the people in the community.

# Stormwater

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

		LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		970	1,470	1,099	1,103	4
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		-	-	21	5	(16)
Local authorities fuel tax, fines, infringement fees, and other receipts		99	104	84	68	(16)
Internal charges and overheads recovered		-	-	-	-	-
<b>Total operating funding (A)</b>		<b>1,069</b>	<b>1,574</b>	<b>1,204</b>	<b>1,176</b>	<b>(28)</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers		394	408	408	333	(75)
Finance costs		207	283	247	207	(40)
Internal charges and overheads applied		145	152	164	122	(42)
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>746</b>	<b>843</b>	<b>819</b>	<b>662</b>	<b>(157)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>323</b>	<b>731</b>	<b>385</b>	<b>514</b>	<b>129</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	1	1,266	649	3,630	1,945	(1,685)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>1,266</b>	<b>649</b>	<b>3,630</b>	<b>1,945</b>	<b>(1,685)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- to meet additional demand	2	981	67	2,686	1,622	(1,064)
- to improve the level of service	2	423	770	1,142	511	(631)
- to replace existing assets		77	60	58	14	(44)
Increase (decrease) in reserves		108	483	129	312	183
Increase (decrease) of investments		-	-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>1,589</b>	<b>1,380</b>	<b>4,015</b>	<b>2,459</b>	<b>(1,556)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>(323)</b>	<b>(731)</b>	<b>(385)</b>	<b>(514)</b>	<b>(129)</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		545	673	500	620	120
<b>Loans</b>						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2017		4,600	99	4,699		
Raised during year		2,180	-	2,180		
Repaid during year		(180)	(55)	(235)		
<b>Loans as at 30/06/2018</b>		<b>6,600</b>	<b>44</b>	<b>6,644</b>		
Interest expense		204	3	207		

**NOTES:**

1. Less than expected loans required due to a number of projects extending into the 2018/19 year.
2. A number of projects not completed in 2017/18 and carried over into 2018/19.

Activity Expenditure	LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
Stormwater Drainage	1,292	1,515	1,320	1,282	(38)
<b>Total Expenditure</b>	<b>1,292</b>	<b>1,515</b>	<b>1,320</b>	<b>1,282</b>	<b>(38)</b>

# Water Supply

## STATEMENT OF SERVICE PERFORMANCE

As part of the Water Supply group of activities the Council provides a safe and reliable supply of water to residential, industrial and commercial properties (primarily in urban areas). This supply also provides fire-fighting capability.

An uninterrupted water supply ensures that residential areas have access to clean domestic water essential for basic health and hygiene. For most commercial and industrial business owners a reliable water supply is an essential component that enables their business to run.

### 1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Source	Average (m <sup>3</sup> per day)	peak demand (m <sup>3</sup> per day)
Levin	Ohau River	9,492	12,147
Shannon	Mangaore Stream	874	1,141
Foxton	Bore	1,732	2,546
Foxton Beach	Bore	563	1,096
Tokomaru	Tokomaru River	177	263

None of the supplies are fluoridated. They are operated and maintained under contract.

All properties in Foxton Beach are metered. In other schemes only selected consumers are metered, to equitably charge the larger users.

#### What does this group of activities involve?

- Providing water to defined urban and rural areas in (and land immediately adjoining) Levin, Foxton Beach, Foxton, Shannon and Tokomaru. These urban and rural areas and the controls and standards within them are defined in the Horowhenua District Council Water Supply Bylaw 2014.
- Council owns river intakes, groundwater bores, water treatment plants and storage facilities, pump stations, and underground pipe networks. Council's water supply is managed internally with operation and maintenance work being contracted externally.
- Prepare, apply for and obtain any relevant resource consents that are required to continue to take water from various water sources or to upgrade assets associated with the Water Supply group of activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding its water supply.
- Council provides this group of activities in accordance with the requirements set out by the following pieces of legislation:
  - The Local Government Act 2002 (section 130) which requires Council to continue to provide water services and maintain its capacity to do so;
  - The Health (Drinking Water) Amendment Act 2007 which sets out the legal requirements for water supplies;
  - The Fire Service Act 1975 which sets out conditions of legal access to the public supply for firefighting purposes, and
  - The New Zealand Fire Service Firefighting Water Supplies Code of Practice SNZ PAS 4509:2008 which sets out minimum standards to which the fire-fighting supply is to be provided.

#### Rationale

Activity	Community outcome	Council role
Maintain a safe and reliable water supply for domestic and business activity use.	<ul style="list-style-type: none"> <li>• A healthy local economy and a District that is growing</li> </ul>	Funder/provider
Ensure that resource consents restricting how much water is used are adhered to through demand management.	<ul style="list-style-type: none"> <li>• A sustainable environment</li> </ul>	Funder/provider
Deliver education to the community to encourage sustainable use of the natural water resource.	<ul style="list-style-type: none"> <li>• A sustainable environment</li> </ul>	Provider/advocate
Ensure that the water supply is safe to drink.	<ul style="list-style-type: none"> <li>• Safe, resilient and healthy communities</li> </ul>	Funder/provider
Ensure that there is adequate supply of water for firefighting.	<ul style="list-style-type: none"> <li>• Safe, resilient and healthy communities</li> </ul>	Funder/provider
Ensure that the water supply can be quickly restored following a natural disaster event.	<ul style="list-style-type: none"> <li>• Safe, resilient and healthy communities</li> </ul>	Funder/provider



## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018												
<b>Water supply:</b> To provide a reliable supply of safe water.	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 as below: <ul style="list-style-type: none"><li>Levin</li><li>Shannon</li><li>Foxton</li><li>Foxton Beach</li><li>Tokomaru</li></ul>	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 as below: <ul style="list-style-type: none"><li>Levin</li><li>Shannon</li><li>Foxton</li><li>Foxton Beach</li><li>Tokomaru</li></ul>	Not achieved  As of 30 June 2018 1,335 of 1,337 (99.85%) of analysed samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli.  Samples taken at the Levin reservoir on the 9th of September 2017 and the 5th of May 2018 returned positive E.coli results, however subsequent samples taken three consecutive days after were all clear of E.coli for the reservoir.												
	b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time as below: <ul style="list-style-type: none"><li>Levin</li><li>Shannon</li><li>Foxton</li><li>Foxton Beach</li><li>Tokomaru</li></ul>	b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time as below: <ul style="list-style-type: none"><li>Levin</li><li>Shannon</li><li>Foxton</li><li>Foxton Beach</li><li>Tokomaru</li></ul>	Not achieved*  <ul style="list-style-type: none"><li>Levin: 80.5% **</li><li>Shannon: 99.2%</li><li>Foxton: 100%</li><li>Foxton Beach: 100%</li><li>Tokomaru: 89.3%</li></ul>  ** Protozoa compliance for Levin included the time that commissioning and handover processes were being completed. The next financial year's results will not have these disruption.												
<b>Demand management:</b> To ensure the water supply is sustainable.	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).	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).	Not achieved <table><tr><th>Supply</th><th>YTD</th></tr><tr><td>Levin</td><td>482</td></tr><tr><td>Foxton</td><td>456</td></tr><tr><td>Foxton Beach</td><td>332</td></tr><tr><td>Shannon/Mangaore</td><td>681</td></tr><tr><td>Tokomaru</td><td>269</td></tr></table>	Supply	YTD	Levin	482	Foxton	456	Foxton Beach	332	Shannon/Mangaore	681	Tokomaru	269
Supply	YTD														
Levin	482														
Foxton	456														
Foxton Beach	332														
Shannon/Mangaore	681														
Tokomaru	269														

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018		
<b>Customer satisfaction:</b> To have drinking water that tastes and looks satisfactory.	The total number of complaints received about any of the following (expressed per 1,000 connections) is no more than four complaints about each of the following: <ul style="list-style-type: none"><li>• Drinking water clarity</li><li>• Drinking water taste</li><li>• Drinking water odour</li><li>• Drinking water pressure or flow</li><li>• Continuity of supply; and</li><li>• The Council's response to any of these issues.</li></ul>	The total number of complaints received about any of the following (expressed per 1,000 connections) is no more than four complaints about each of the following: <ul style="list-style-type: none"><li>• Drinking water clarity</li><li>• Drinking water taste</li><li>• Drinking water odour</li><li>• Drinking water pressure or flow</li><li>• Continuity of supply; and</li><li>• The Council's response to any of these issues.</li></ul>	Not achieved		
			As of 30 June 2018:		
				Number per 1,000 connections	Number of Complaints
			Total	9.31	121
			Clarity	2.69	35
			Taste	1.46	19
			Odour	0.23	3
			Pressure or Flow	2.62	34
			Continuity of Supply	2.23	29
			Council Response	0.08	1
Total number of connections as of 30 June 2018 = 13,000					
Non achievement is due to an increased number of complaints for taste and clarity received in November and December from Foxton Beach and Levin. Scarification works in Levin due to low inflow into the plant resulted in taste issues for both months while the cessation of the weekly flushing at Foxton Beach due to high demand caused the increased complaints on clarity.					

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018															
<b>Fault response:</b>	<p>The median time from the time that Council received notification to the time that service personnel:</p> <ul style="list-style-type: none"><li>Attendance for urgent call-outs; from the time that Council receives notification to the time that service personnel reach the site is one hour or less.</li><li>Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is eight hours or less.</li><li>Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is three days or less.</li><li>Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is three days or less.</li></ul>	<p>The median time from the time that Council received notification to the time that service personnel:</p> <ul style="list-style-type: none"><li>Attendance for urgent call-outs; from the time that Council receives notification to the time that service personnel reach the site is one hour or less.</li><li>Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is eight hours or less.</li><li>Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is three days or less.</li><li>Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is three days or less.</li></ul>	<p>Achieved</p> <p>As of 30 June 2018:</p> <table><tr><th>Item</th><th>Result</th><th>Comment</th></tr><tr><td>Median Time to reach the site for urgent call-outs</td><td>0hrs 31mins</td><td>Received 28 urgent call-outs and attended to 22 within one hour or less</td></tr><tr><td>Median Time for resolution of the fault or interruption of urgent call-outs</td><td>1hr 51mins</td><td>Received 28 urgent call-outs and resolved 24 within eight hours or less</td></tr><tr><td>The median time to reach the site for non-urgent call-outs</td><td>15hrs 02mins</td><td>Received 582 non-urgent call-outs and attended to 548 within three days or less.</td></tr><tr><td>The median time for resolution of the fault or interruption of non-urgent call-outs</td><td>17hrs 13mins</td><td>Received 582 non-urgent call-outs and resolved 536 in three days or less.</td></tr></table>	Item	Result	Comment	Median Time to reach the site for urgent call-outs	0hrs 31mins	Received 28 urgent call-outs and attended to 22 within one hour or less	Median Time for resolution of the fault or interruption of urgent call-outs	1hr 51mins	Received 28 urgent call-outs and resolved 24 within eight hours or less	The median time to reach the site for non-urgent call-outs	15hrs 02mins	Received 582 non-urgent call-outs and attended to 548 within three days or less.	The median time for resolution of the fault or interruption of non-urgent call-outs	17hrs 13mins	Received 582 non-urgent call-outs and resolved 536 in three days or less.
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<b>Shutdowns:</b> To ensure water supply is continual.	To ensure the total number of unplanned water shutdowns is less than 30 per year.	To ensure the total number of unplanned water shutdowns is less than 30 per year.	<p>Achieved</p> <p>Number of unplanned water shut downs for the year = 13</p> <p>See table below for breakdown:</p> <table><tr><th></th><th>Result</th></tr><tr><td>Total shutdowns reported</td><td>20</td></tr><tr><td>Total unplanned shut downs</td><td>13</td></tr><tr><td>Average unplanned shutdown length in hours</td><td>3.70</td></tr><tr><td>Reasons for shutdown (most of)</td><td>Burst Main</td></tr><tr><td>Average # of homes affected</td><td>25</td></tr></table>		Result	Total shutdowns reported	20	Total unplanned shut downs	13	Average unplanned shutdown length in hours	3.70	Reasons for shutdown (most of)	Burst Main	Average # of homes affected	25			
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Reasons for shutdown (most of)	Burst Main																	
Average # of homes affected	25																	

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Firefighting:</b> To ensure firefighting needs are met.	To ensure 80% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.	To ensure 80% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.	Not measured The firefighting standard requires fire hydrants to be tested every five years. Previously all hydrants were tested annually. During the 2017-18 year no hydrants were tested. Last financial year 93% of all hydrants were compliant. During the next financial year 20% of hydrants will be tested with all hydrants to be tested during the next five years.
<b>Supply pressure:</b> To ensure water supply has adequate flow and pressure.	To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.	To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.	Not achieved 98.95% (660 out of 667) of all water connections checked across the district up to 30 June 2018 exceeded pressures of 250kPa at the property boundary. Of the seven readings which were less than 250 kPa, five were taken from two properties with internal leaks.  Note: For properties connected as a restricted connection, a certain pressure is required for those properties to be able to get their required number of units. With no complaints about reduction in units it implies that the required pressures are being achieved at the boundaries of properties served by restrictors.
<b>Water take:</b> To ensure consent conditions are met.	To ensure 100% compliance with water take limits of resource consents.	To ensure 100% compliance with water take limits of resource consents.	Achieved As of 30 June 2018, 100% of water take consents complied with limits.
<b>Water conservation:</b> To provide water conservation education to the public.	To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.	To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.	Achieved As part of the water restrictions that were imposed across the district from November 2017 to February 2018 water conservation education was provided in the communications with the public.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Water loss:</b> Minimal water losses.	To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 15% or less.	To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 15% or less.	<p>Not achieved</p> <p>Percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method doesn't make sense; the ILI is not a % measurement. The ILI is a dimensionless performance indicator that relates the current level of real water loss to the unavoidable level of real water loss in a system, taking into account the length of pipes, number of connections and average operating pressure. As such it is a metric benchmarking for performance comparison with other water suppliers.</p> <p>With reference to the recommendation in the NZ Water Loss Guidelines (p18), this measurement can be changed to the IWA Performance Indicator Litres/service connection/day (Op 27). This is the preferable process benchmarking of progress towards reaching target for reductions in real losses, and should be the basis for ongoing monitoring.</p> <p>Based on ILI the target for all supplies will be to achieve a WBI Band B – between two and four.</p> <p>Using Litres/service connection/day will have different targets for each supply</p> <p>A water loss study was in September 2017 for all supplies, the results are as follows:</p>

							Snapshot Daily Leakage					Snapshot Infrastructure Leakage Index		
Supply	Number of connections	Length of mains (kms)	Conn/km	AZNP (Meters)	NDF (Hours/Day)	% Water loss*	M³ / day	Conn/km>20: Litres/connection s/ day	Conn/km>20 : M³/ km/ day	95% Conf. Limits	Night Leakage Rate (M³ / hour)	Unavoidable Annual Real Losses (m³/hr)	ILI (dimensionless)	WBI Band
Foxton	1,180	29.3	40	35.9	22.6	25.8%	464.4	393.58		6.2%	20.55	2.20	9.34	D
Foxton Beach	1,600	26.4	61	39.1	23.5	6.9%	30.6	19.09		62.3%	1.30	2.86	0.45	A
Shannon	727	23.3	31	48.3	23.9	61.2%	427.4	587.88		5.8%	17.88	2.01	8.88	D
Mangaore	35	2.6	14	50.8	24.1	54.2%	24.4	-	9.48	54.6%	1.01	0.16	6.43	C
Tokomaru	206	6.0	34	30.7	23.9	34.5%	51.7	251.18		7.3%	2.17	0.35	6.19	C
Levin	8,415	215.2	39	75.9	23.7	44.0%	3,957.0	470.23		10.6%	166.96	33.54	4.98	C

\*Note that the % Water Loss is shown as indicative only and should not be used as a performance indicator. When losses are expressed as a % of System Input (or Water Supplied) volume, the resulting figure is heavily influenced by the consumption. I.e. when consumption per service connection changes (lower in winter) the % real losses changes (increases) even if Real Losses volume per day remains the same.

Leak detection was performed in Shannon on the Mangaore supply network and repairs to the leaks identified have already achieved a 20% reduction in daily consumption. Further leak detection activities will be planned for problem areas

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Water supply:</b> To provide a reliable supply of safe water.	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 as below: <ul style="list-style-type: none"> <li>Levin</li> <li>Shannon</li> <li>Foxton</li> <li>Foxton Beach</li> <li>Tokomaru</li> </ul>	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 as below: <ul style="list-style-type: none"> <li>Levin</li> <li>Shannon</li> <li>Foxton</li> <li>Foxton Beach</li> <li>Tokomaru</li> </ul>	Achieved 100% compliance based on explanation detailed below:  1,327 samples were collected, of which 1,326 (99%) were analysed. 99% of analysed samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli.  The report for the Levin reservoir sample that was taken on the 18th of April 2017 cannot be found by the lab, although all other samples taken on the same day were tested. We cannot provide an explanation for the missed result and the Drinking Water Assessors have been notified. They are happy to accept results on the same day for FAC, pH and turbidity at the Levin plant. All three results for the 18th of April 2017 are good.  *These results are provisional pending the assessment of compliance by the independent assessor.
	b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time as below: <ul style="list-style-type: none"> <li>Levin</li> <li>Shannon</li> <li>Foxton</li> <li>Foxton Beach</li> <li>Tokomaru</li> </ul>	b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time as below: <ul style="list-style-type: none"> <li>Levin</li> <li>Shannon</li> <li>Foxton</li> <li>Foxton Beach</li> <li>Tokomaru</li> </ul>	Not achieved  <ul style="list-style-type: none"> <li>Levin: 0% **</li> <li>Shannon: 100%</li> <li>Foxton: 100%</li> <li>Foxton Beach: 100%</li> <li>Tokomaru: 100%</li> </ul> ** Protozoa compliance for Levin can only be achieved after the completion of the upgrade project that includes the installation of a clarifier and a UV unit in June 2017.  Some breaches showed up on the data for June 2017, but these were due to maintenance activities that have been evidenced in Infrastructure data.  *These results are provisional pending the assessment of compliance by the independent drinking water assessor.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017																								
<b>Demand management:</b> To ensure the water supply is sustainable.	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).	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).	<p>Not achieved</p> <p>The average consumption for all supplies except Levin is 346lt/per person/day.</p> <p>Individual supplies are shown in the table below:</p> <table><tr><th>Supply</th><th>Results</th></tr><tr><td>Foxton</td><td>465</td></tr><tr><td>Foxton Beach</td><td>302</td></tr><tr><td>Levin</td><td>422</td></tr><tr><td>Shannon/Mangaore</td><td>389</td></tr><tr><td>Tokomaru</td><td>230</td></tr></table>	Supply	Results	Foxton	465	Foxton Beach	302	Levin	422	Shannon/Mangaore	389	Tokomaru	230												
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<b>Customer satisfaction:</b> To have drinking water that tastes and looks satisfactory.	<p>The total number of complaints received about any of the following (expressed per 1,000 connections) is no more than five complaints about each of the following:</p> <ul style="list-style-type: none"><li>• Drinking water clarity</li><li>• Drinking water taste</li><li>• Drinking water odour</li><li>• Drinking water pressure or flow</li><li>• Continuity of supply; and</li><li>• The Council's response to any of these issues.</li></ul>	<p>The total number of complaints received about any of the following (expressed per 1,000 connections) is no more than five complaints about each of the following:</p> <ul style="list-style-type: none"><li>• Drinking water clarity</li><li>• Drinking water taste</li><li>• Drinking water odour</li><li>• Drinking water pressure or flow</li><li>• Continuity of supply; and</li><li>• The Council's response to any of these issues.</li></ul>	<p>Not achieved</p> <p>As at 30 June 2017.</p> <table><tr><th>Issue</th><th>Number per 1,000 connection</th><th>Number of complaints</th></tr><tr><td>Clarity</td><td>2.22</td><td>29</td></tr><tr><td>Taste</td><td>1.15</td><td>15</td></tr><tr><td>Odour</td><td>0</td><td>0</td></tr><tr><td>Pressure flow</td><td>1.07</td><td>14</td></tr><tr><td>Continuity of supply</td><td>2.9</td><td>38</td></tr><tr><td>Council response</td><td>0.0</td><td>0</td></tr><tr><td><b>Total</b></td><td><b>7.38</b></td><td><b>96</b></td></tr></table> <p>Total number of connection as of 30 June 2017 = 12,995</p>	Issue	Number per 1,000 connection	Number of complaints	Clarity	2.22	29	Taste	1.15	15	Odour	0	0	Pressure flow	1.07	14	Continuity of supply	2.9	38	Council response	0.0	0	<b>Total</b>	<b>7.38</b>	<b>96</b>
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<b>Total</b>	<b>7.38</b>	<b>96</b>																									



Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017															
<b>Fault response:</b>	<p>The median time from the time that Council received notification to the time that service personnel:</p> <ul style="list-style-type: none"><li>Attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is one hour or less.</li><li>Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is eight hours or less.</li><li>Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is three days or less.</li><li>Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is three days or less.</li></ul>	<p>The median time from the time that Council received notification to the time that service personnel:</p> <ul style="list-style-type: none"><li>Attendance for urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is one hour or less.</li><li>Resolution of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is eight hours or less.</li><li>Attendance for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site is three days or less.</li><li>Resolution of non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption is three days or less.</li></ul>	<p>Achieved As at 30 June 2017.</p> <table><tr><th>Item</th><th>Results</th><th>Comment</th></tr><tr><td>Median time to reach the site for urgent call-outs</td><td>0hrs 20mins</td><td>Received 25 urgent call-outs and attended to 22 within one hour or less</td></tr><tr><td>Median Time for resolution of the fault or interruption of urgent call-outs</td><td>0hrs 46mins</td><td>Received 25 urgent call- outs and resolved 24 within eight hours or less</td></tr><tr><td>The median time to reach the site for non-urgent call-outs</td><td>4hrs 03mins</td><td>Received 577 non-urgent call-outs and attended to 552 within three days or less.</td></tr><tr><td>The median time for resolution of the fault or interruption of non-urgent call-outs</td><td>6hrs 12mins</td><td>Received 577 non-urgent call-outs and resolved 541 in three days or less.</td></tr></table>	Item	Results	Comment	Median time to reach the site for urgent call-outs	0hrs 20mins	Received 25 urgent call-outs and attended to 22 within one hour or less	Median Time for resolution of the fault or interruption of urgent call-outs	0hrs 46mins	Received 25 urgent call- outs and resolved 24 within eight hours or less	The median time to reach the site for non-urgent call-outs	4hrs 03mins	Received 577 non-urgent call-outs and attended to 552 within three days or less.	The median time for resolution of the fault or interruption of non-urgent call-outs	6hrs 12mins	Received 577 non-urgent call-outs and resolved 541 in three days or less.
Item	Results	Comment																
Median time to reach the site for urgent call-outs	0hrs 20mins	Received 25 urgent call-outs and attended to 22 within one hour or less																
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The median time for resolution of the fault or interruption of non-urgent call-outs	6hrs 12mins	Received 577 non-urgent call-outs and resolved 541 in three days or less.																
<b>Shutdowns:</b> To ensure water supply is continual.	To ensure the total number of unplanned water shutdowns is less than 30 per year.	To ensure the total number of unplanned water shutdowns is less than 30 per year.	<p>Achieved Number of unplanned water shut downs for the year-to-date = 24 See table below for breakdown:</p> <table><tr><th>Supply</th><th>Result</th></tr><tr><td>Total shutdowns reported</td><td>53</td></tr><tr><td>Total unplanned shut downs</td><td>24</td></tr><tr><td>Average unplanned shutdown length in hours</td><td>2.70</td></tr><tr><td>Reasons for shutdown (most of)</td><td>Burst Mains</td></tr><tr><td>Average # of homes affected</td><td>22</td></tr></table>	Supply	Result	Total shutdowns reported	53	Total unplanned shut downs	24	Average unplanned shutdown length in hours	2.70	Reasons for shutdown (most of)	Burst Mains	Average # of homes affected	22			
Supply	Result																	
Total shutdowns reported	53																	
Total unplanned shut downs	24																	
Average unplanned shutdown length in hours	2.70																	
Reasons for shutdown (most of)	Burst Mains																	
Average # of homes affected	22																	

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Firefighting:</b> To ensure firefighting needs are met.	To ensure 76% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.	To ensure 76% of the network where firefighting flows in urban residential areas meet the NZ Fire Service Fire Fighting Water Supplies Code of Practice SNZ 4509:2008.	Achieved Hydrant testing is now complete for the whole district. The total number of hydrants tested across the district was 1,962 and 129 were below the required firefighting flow of 12.5L/s, bringing the percentage of compliant hydrants for 2016/17 to 93%.
<b>Supply pressure:</b> To ensure water supply has adequate flow and pressure.	To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.	To ensure 100% of the network where supply pressure at the property boundary is not less than 250KPa for on demand connections and 150KPa for restricted flow connections.	Achieved 100% of all water connections checked across the district exceeded pressures of 250kPa at the property boundary.  Note – for properties connected as a restricted connection, a certain pressure is required for those properties to be able to get their required number of units. With no complaints about reduction in units it implies that the required pressures are being achieved at the boundaries of properties served by restrictors.
<b>Water take:</b> To ensure consent conditions are met.	To ensure 100% compliance with water take limits of resource consents.	To ensure 100% compliance with water take limits of resource consents.	Achieved The percentage of water take which complied with limits of resource consent = 100%
<b>Water conservation:</b> To provide water conservation education to the public.	To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.	To provide water conservation education to the public as provided in the Water Demand Management Plan 2014.	Achieved Water meter/leak checks pamphlets have been mailed out with water billing invoices generated in June 2017.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Water loss:</b> Minimal water losses.	To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 15% or less.	To ensure the percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method is 15% or less.	<p>Not achieved</p> <p>Percentage of real water loss from the network as measured by the standard Infrastructure Leakage Index method doesn't make sense; the ILI is not a % measurement. The ILI is a dimensionless performance indicator that relates the current level of real water loss to the unavoidable level of real water loss in a system, taking into account the length of pipes, number of connections and average operating pressure. As such it is a metric benchmarking for performance comparison with other water suppliers.</p> <p>With reference to the recommendation in the NZ Water Loss Guidelines (p18), this measurement can be changed to the IWA Performance Indicator Litres/service connection/day (Op 27). This is the preferable process benchmarking of progress towards reaching target for reductions in real losses, and should be the basis for ongoing monitoring.</p> <p>Based on ILI the target for all supplies will be to achieve a WBI Band B – between two and four.</p> <p>Using Litres/service connection/day will have different targets for each supply</p> <p>A water loss study was completed for the Levin supply in January 2017 and for all other supplies in June 2017, the results are as follows:</p>

							Snapshot Daily Leakage					Snapshot Infrastructure Leakage Index		
Supply	Number of connections	Length of mains (kms)	Conn/km	AZNP (Meters)	NDF (Hours/Day)	% Water loss*	M <sup>3</sup> / day	Conn/km>20: Litres/connection s/ day	Conn/km>20 : M <sup>3</sup> / km/ day	95% Conf. Limits	Night Leakage Rate (M <sup>3</sup> / hour)	Unavoidable Annual Real Losses (m <sup>3</sup> /hr)	ILI (dimensionless)	WBI Band
Foxton	1,180	29.3	40	35.9	22.6	29.0%	464.4	393.58		6.2%	20.55	2.20	9.34	D
Foxton Beach	1,600	26.4	61	39.1	23.5	6.7%	35.3	22.03		54.1%	1.50	2.86	0.52	A
Shannon	727	23.3	31	48.3	23.9	44.9%	305.5	420.22		6.2%	12.78	2.01	6.35	C
Mangaore	35	2.6	14	50.8	24.1	44.0%	22.0	-	8.54	55.1%	0.91	0.16	5.8	C
Tokomaru	206	6.0	34	30.7	23.9	24.3%	37.2	180.41		8.7%	1.56	0.35	4.44	C
Levin	8,415	215.2	39	75.9	23.7	42.4%	3,601.5	427.99		10.6%	151.96	33.54	4.53	C

\*Note that the % Water Loss is shown as indicative only and should not be used as a performance indicator. When losses are expressed as a % of System Input (or Water Supplied) volume, the resulting figure is heavily influenced by the consumption. I.e. when consumption per service connection changes (lower in winter) the % real losses changes (increases) even if Real Losses volume per day remains the same.

Leak detection was performed in Shannon on the Mangaore supply network and repairs to the leaks identified have already achieved a 20% reduction in daily consumption. Further leak detection activities will be planned for problem areas

### 3. ACQUISITION AND RENEWAL OF ASSETS

Water Supply	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Foxton Beach consents - Renewal	53	25	28	
Foxton Beach Edingburg Terrace Bore- Renewal	-	83	(83)	
Foxton Beach green sand filters	-	354	(354)	1
Foxton Beach Treatment Plant - Renewal	28	25	3	
Foxton reticulation - Renewal	36	-	36	
Foxton Water Treatment Plant - Renewal	31	61	(30)	
Levin reticulation - Renewal	1,070	2,186	(1,116)	2
Levin Treatment Plant - Renewals	53	36	17	
Reactive renewals - District wide	160	249	(89)	
Shannon - Mangaore consents - Renewal	107	18	89	
Shannon - Mangaore reticulation - Renewal	12	-	12	
Shannon Treatment Plant - Renewals	38	48	(10)	
Tokomaru consents - Renewal	107	-	107	3
Tokomaru Treatment Plant - Renewal	8	293	(285)	4
Other renewal asset costs	159	-	159	
<b>Total renewal projects</b>	<b>1,862</b>	<b>3,378</b>	<b>(1,516)</b>	
<b>Level of service portion of project</b>				
Foxton Beach new water connections	-	9	(9)	
Foxton new water connections	-	4	(4)	
Loggers and PRV control systems	-	59	(59)	
Shannon new water connections	-	4	(4)	
Foxton water new reservoir	-	185	(185)	1
Levin treatment plant upgrade	600	354	246	5
Levin bore exploration, new reservoir, treatment plant upgrade	-	-	-	
Levin clarifier installation	250	91	159	6
Levin new water connections	-	88	(88)	
Levin Tararua Industrial development	30	-	30	
Tokomaru new water connections	-	1	(1)	
Other level of service asset costs	32	-	32	
<b>Total LOS projects</b>	<b>912</b>	<b>795</b>	<b>117</b>	
<b>Growth portion of project</b>				
Foxton Beach development plan	83	2	81	
Other growth asset costs	39	-	39	
<b>Total growth projects</b>	<b>122</b>	<b>2</b>	<b>120</b>	
<b>Make up of above projects by % of type</b>				
Renewals - Replacing existing assets	1,862	3,378	(1,516)	
Improve level of service	912	795	117	
Growth - To meet additional demand	122	2	120	
<b>Total Water projects</b>	<b>2,896</b>	<b>4,175</b>	<b>(1,279)</b>	

#### NOTES:

1. Not originally included in the 2017/18 annual plan but the underspent budget for the Levin treatment plant upgrade reallocated for the work.
2. The overspend a result of significant change in project scope by continuing renewals along Weraroa Road.
3. Work towards Tokomaru consents carried over to 2018/19.
4. The overspend relates to the unbudgeted spend on the new timber reservoir at Tokomaru.
5. The carryover from 2016/17 used for other water supply projects.
6. Additional costs to come so the budget has been carried over to 2018/19.

**4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).**

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes being as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2018 included:

Community outcomes	Effects of programmes in activity area
Health, economic and safety	The purpose of the water supply activity is to provide a safe and reliable water supply to residential, industrial, commercial and rural properties within serviced areas. Council owns and runs water networks to ensure that public health is protected at low cost. In addition, provision of water supply supports growth and economy of the community.

# Water Supply

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

		LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		5,682	6,230	5,713	5,779	66
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		-	-	26	142	116
Local authorities fuel tax, fines, infringement fees, and other receipts		151	170	122	123	1
Internal charges and overheads recovered		-	-	-	-	-
<b>Total operating funding (A)</b>		<b>5,833</b>	<b>6,400</b>	<b>5,861</b>	<b>6,044</b>	<b>183</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1	1,991	2,120	2,131	3,094	963
Finance costs		640	859	645	557	(88)
Internal charges and overheads applied	1	963	1,002	1,054	782	(272)
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>3,594</b>	<b>3,981</b>	<b>3,830</b>	<b>4,433</b>	<b>603</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>2,239</b>	<b>2,419</b>	<b>2,031</b>	<b>1,611</b>	<b>(420)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	16	16
Increase (decrease) in debt	2	3,641	(356)	466	277	(189)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>3,641</b>	<b>(356)</b>	<b>466</b>	<b>293</b>	<b>(173)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- to meet additional demand		123	24	122	2	(120)
- to improve the level of service		3,945	192	912	795	(117)
- to replace existing assets	3	1,329	1,584	1,862	3,378	1,516
Increase (decrease) in reserves	4	483	263	(399)	(2,271)	(1,872)
Increase (decrease) of investments		-	-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>5,880</b>	<b>2,063</b>	<b>2,497</b>	<b>1,904</b>	<b>(593)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>(2,239)</b>	<b>(2,419)</b>	<b>(2,031)</b>	<b>(1,611)</b>	<b>420</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		2,037	2,250	1,996	2,558	562
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2017		12,300	310	12,610		
Raised during year		720	584	1,304		
Repaid during year		(1,020)	(7)	(1,027)		
<b>Loans as at 30/06/2018</b>		<b>12,000</b>	<b>887</b>	<b>12,887</b>		
Interest expense		549	8	557		

**NOTES:**

1. Changing to using the Horowhenua Alliance as contractor has moved costs that were previously overhead to payments to suppliers. There is also more accuracy in allocating costs through the Alliance invoicing.
2. Budget underspend for level of service projects resulted in less debt required.
3. More renewal projects completed with budget allocated from level of service project.
4. More depreciation fund used to fund the more than budgeted renewal projects.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2017	2018	2018	2018	2018
	\$000	\$000	\$000	\$000	\$000
Foxton Water	703	727	755	1,211	456
Foxton Beach Water	695	731	765	750	(15)
Levin Water	3,255	3,748	3,269	3,847	578
Shannon Water	717	744	736	803	67
Tokomaru Water	262	280	300	380	80
<b>Total Expenditure</b>	<b>5,632</b>	<b>6,230</b>	<b>5,825</b>	<b>6,991</b>	<b>1,166</b>



# Wastewater

## STATEMENT OF SERVICE PERFORMANCE

As part of its Wastewater group of activities the Council collects wastewater from residential, industrial and commercial properties (primarily in urban areas), Council then treats the wastewater, and discharges the treated (i.e. clean) wastewater onto land or into waterways.

The collection, transportation, treatment, and safe discharge of wastewater from urban properties ensures a basic level of health; by continually removing potentially hazardous waste from populated urban environments and cleaning this waste before discharging it into a receiving environment.

### 1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Treatment	Disposal
Levin	Screening, sedimentation, biological filtration and oxidation	To land (pine plantation)
Waitārere Beach	Oxidation ditch	To land (pine plantation)
Shannon	Oxidation pond	To land (Velvaleen farm)
Foxton	Oxidation pond	To Manawatū River loop
Foxton Beach	Oxidation pond	To land (pasture)
Tokomaru	Oxidation pond	To land (wetland)

The wastewater systems are operated and maintained under contract.

### What does this group of activities involve?

- This group of activities provides for the collection, transportation, treatment, and disposal of residential, commercial, and industrial wastewater through urban schemes in Levin, Foxton, Foxton Beach, Shannon, Tokomaru and Waitārere Beach.
- Council owns piped collection networks, pumping stations throughout each network, treatment plants, and discharge facilities which includes land. The Council's wastewater network is managed internally with the operation and maintenance of each scheme being externally contracted.
- Prepare, apply for and obtain any relevant resource consents that are required to continue to discharge treated waste to land and water or to upgrade assets associated with the Wastewater group of activities.
- Respond to and resolve (if possible) any complaints that Council receives regarding its wastewater network.
- This group of activities is provided in accordance with the requirements set out by the following pieces of legislation:
  - The Local Government Act 2002 which requires Council to provide water (including wastewater) services and maintaining its capacity to do so;
  - The Health Act 1956 which requires Council to provide sanitary works including works for sewage (i.e. wastewater) disposal; and
  - The Resource Management Act 1991 which places the specific requirement on Council to incorporate Tangata Whenua interests into its decision making processes.

### Rationale

Activity	Community outcome	Council role
Maintain the safe collection, treatment, and disposal of wastewater produced by residential and business activities.	<ul style="list-style-type: none"> <li>• A healthy local economy and a District that is growing.</li> </ul>	Funder/provider
Ensure that resource consent conditions on the quality of discharges are met.	<ul style="list-style-type: none"> <li>• A sustainable environment.</li> </ul>	Funder/provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	<ul style="list-style-type: none"> <li>• Safe, resilient and healthy communities.</li> </ul>	Funder/provider

## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018																					
<b>Wastewater:</b> To provide a reliable system of wastewater collection and disposal.	To ensure the number of dry weather overflows from the wastewater system is less than two per 1,000 connections.	To ensure the number of dry weather overflows from the wastewater system is less than two per 1,000 connections.	Achieved As of 30 June 2018, there have been 0.65 (per 1,000 connections) dry weather overflows, which equates to eight events. There were 12,312 connections.																					
<b>Fault response:</b> To ensure Council provides a good response to faults reported.	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.	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.	Achieved As of 30 June 2018, the median response time to overflows was 11 minutes. As of 30 June 2018, the median response time to overflows and blockages was 27 minutes.																					
	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.	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.	Achieved As of 30 June 2018, the median resolution time to overflows was 2 hours 22 minutes. As of 30 June 2018, the median resolution time to overflows, faults and blockages was 2 hours 5 minutes.																					
<b>Customer satisfaction:</b> To ensure the service is satisfactory for its customers.	To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: <ul style="list-style-type: none"><li>Wastewater odour, target is &lt; five.</li><li>Wastewater systems faults, target is &lt; eight.</li><li>Wastewater system blockages, target is eight.</li><li>The Council's response to issues with its wastewater system, target is eight</li><li>Total number of complaints received about any of the above, target is &lt; 29.</li></ul>	To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: <ul style="list-style-type: none"><li>Wastewater odour, target is &lt; five</li><li>Wastewater systems faults, target is &lt; eight</li><li>Wastewater system blockages, target is eight</li><li>The Council's response to issues with its wastewater system, target is eight</li><li>Total number of complaints received about any of the above, target is &lt; 29.</li></ul>	Achieved As at 30 June 2018. <table><tr><th>Issue</th><th>Number per 1,000 connection</th><th>Number of complaints</th></tr><tr><td>Total</td><td>7.56</td><td>93</td></tr><tr><td>Odour</td><td>0.41</td><td>5</td></tr><tr><td>System faults</td><td>1.71</td><td>21</td></tr><tr><td>System blockages</td><td>5.36</td><td>66</td></tr><tr><td>Council response</td><td>0.08</td><td>1</td></tr><tr><td colspan="3">Total number of connection as of 30 June 2017 = 12,312</td></tr></table>	Issue	Number per 1,000 connection	Number of complaints	Total	7.56	93	Odour	0.41	5	System faults	1.71	21	System blockages	5.36	66	Council response	0.08	1	Total number of connection as of 30 June 2017 = 12,312		
Issue	Number per 1,000 connection	Number of complaints																						
Total	7.56	93																						
Odour	0.41	5																						
System faults	1.71	21																						
System blockages	5.36	66																						
Council response	0.08	1																						
Total number of connection as of 30 June 2017 = 12,312																								
<b>Customer satisfaction:</b> To ensure the service is satisfactory for its customers.	To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 84%.	To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 84%.	Achieved The results of the most recent survey conducted in the 2017/2018 year are as follows: <table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>16%</td><td>84%</td></tr></table>	Dissatisfied %	Satisfied %	16%	84%																	
Dissatisfied %	Satisfied %																							
16%	84%																							

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Discharge compliance:</b> To ensure safe disposal of wastewater.	To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below: <ul style="list-style-type: none"> <li>• Abatement notices;</li> <li>• Infringement notices;</li> <li>• Enforcement orders; and</li> <li>• Convictions</li> </ul>	To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below: <ul style="list-style-type: none"> <li>• Abatement notices;</li> <li>• Infringement notices;</li> <li>• Enforcement orders; and</li> <li>• Convictions</li> </ul>	Achieved As of 30 June 2018: <ul style="list-style-type: none"> <li>• Abatement Notices = 0</li> <li>• Infringement Notices = 0</li> <li>• Enforcement Orders = 0</li> <li>• Convictions = 0</li> </ul>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017																		
<b>Wastewater:</b> To provide a reliable system of wastewater collection and disposal.	To ensure the number of dry weather overflows from the wastewater system is less than two per 1,000 connections.	To ensure the number of dry weather overflows from the wastewater system is less than two per 1,000 connections.	Achieved																		
			<table><tr><th>Issue</th><th>Number per 1,000 connection</th><th>Number of overflows</th></tr><tr><td>Dry weather overflows</td><td>0.89</td><td>11</td></tr><tr><td colspan="3">Total number of connection as of 30 June 2017 =12,312</td></tr></table>	Issue	Number per 1,000 connection	Number of overflows	Dry weather overflows	0.89	11	Total number of connection as of 30 June 2017 =12,312											
			Issue	Number per 1,000 connection	Number of overflows																
Dry weather overflows	0.89	11																			
Total number of connection as of 30 June 2017 =12,312																					
<b>Fault response:</b> To ensure Council provides a good response to faults reported.	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.	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.	Achieved																		
			<table><tr><th>Median time for:</th><th>Result</th></tr><tr><td>Overflows only</td><td>0hrs 30mins</td></tr><tr><td>Wastewater blockages</td><td>0hrs 18 mins</td></tr></table>	Median time for:	Result	Overflows only	0hrs 30mins	Wastewater blockages	0hrs 18 mins												
	Median time for:	Result																			
	Overflows only	0hrs 30mins																			
Wastewater blockages	0hrs 18 mins																				
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.	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.	Achieved																			
		<table><tr><th>Median time for:</th><th>Result</th></tr><tr><td>Overflows only</td><td>2hrs 06mins</td></tr><tr><td>Wastewater blockages</td><td>1hrs 30 mins</td></tr></table>	Median time for:	Result	Overflows only	2hrs 06mins	Wastewater blockages	1hrs 30 mins													
Median time for:	Result																				
Overflows only	2hrs 06mins																				
Wastewater blockages	1hrs 30 mins																				
<b>Customer satisfaction:</b> To ensure the service is satisfactory for its customers.	To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: <ul style="list-style-type: none"><li>Wastewater odour, target is &lt; eight.</li><li>Wastewater systems faults, target is &lt; eight.</li><li>Wastewater system blockages, target is eight.</li><li>The Council's response to issues with its wastewater system, target is eight.</li><li>Total number of complaints received about any of the above, target is &lt;32.</li></ul>	To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: <ul style="list-style-type: none"><li>Wastewater odour, target is &lt; eight</li><li>Wastewater systems faults, target is &lt; eight.</li><li>Wastewater system blockages, target is eight.</li><li>The Council's response to issues with its wastewater system, target is eight.</li><li>Total number of complaints received about any of the above, target is &lt;32.</li></ul>	Achieved																		
			<table><tr><th>Issue</th><th>Number per 1,000 connection</th><th>Number of complaints</th></tr><tr><td>Odour</td><td>0.33</td><td>4</td></tr><tr><td>System faults</td><td>3.77</td><td>46</td></tr><tr><td>System blockages</td><td>5.00</td><td>61</td></tr><tr><td>Councils response</td><td>0.08</td><td>1</td></tr><tr><td><b>Total</b></td><td><b>9.10</b></td><td><b>112</b></td></tr><tr><td colspan="3">Total number of connection as of 30 June 2017 = 12,312</td></tr></table>	Issue	Number per 1,000 connection	Number of complaints	Odour	0.33	4	System faults	3.77	46	System blockages	5.00	61	Councils response	0.08	1	<b>Total</b>	<b>9.10</b>	<b>112</b>
Issue	Number per 1,000 connection	Number of complaints																			
Odour	0.33	4																			
System faults	3.77	46																			
System blockages	5.00	61																			
Councils response	0.08	1																			
<b>Total</b>	<b>9.10</b>	<b>112</b>																			
Total number of connection as of 30 June 2017 = 12,312																					
<b>Customer satisfaction:</b> To ensure the service is satisfactory for its customers.	To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 82%.	To ensure the percentage of customers satisfied with their wastewater service, based on the Annual Customer Satisfaction Survey is at least 82%.	Unable to report  The question about customer satisfaction with their wastewater service was not asked in the Annual Customer Satisfaction Survey.																		

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Discharge compliance:</b> To ensure safe disposal of wastewater.	To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below: <ul style="list-style-type: none"> <li>• Abatement notices;</li> <li>• Infringement notices;</li> <li>• Enforcement orders; and</li> <li>• Convictions</li> </ul>	To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving none of the below: <ul style="list-style-type: none"> <li>• Abatement notices;</li> <li>• Infringement notices;</li> <li>• Enforcement orders; and</li> <li>• Convictions</li> </ul>	Achieved  Abatement Notices = 0 Infringement Notices = 0 Enforcement Orders = 0 Convictions = 0

### 3. ACQUISITION AND RENEWAL OF ASSETS

Wastewater	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Foxton Wastewater Treatment Plant - Pond desludge	360	106	254	1
Foxton Wastewater Treatment Plant - Unplanned renewals	19	10	9	
Foxton Beach Wastewater Treatment Plant - Strategic upgrade	13	6	7	
Foxton Beach Wastewater Treatment Plant - Planned renewals	142	-	142	1
Foxton Beach Wastewater Treatment Plant - Unplanned renewals	18	-	18	
Shannon Wastewater Treatment Plant - Unplanned renewals	25	41	(16)	
Tokomaru Wastewater Treatment Plant - Consent renewal	65	58	7	
Tokomaru Wastewater Treatment Plant - Unplanned renewals	6	1	5	
Waitāre Wastewater Treatment Plant - Strategic upgrade	27	2	25	
Waitāre Wastewater Treatment Plant - Planned renewals	24	103	(79)	
Waitāre Wastewater Treatment Plant - Unplanned renewals	9	9	-	
Ministry trial of native ecosystem planting	-	230	(230)	2
Forestry at the POT	-	29	(29)	
Foxton Reticulation - Renewals	167	-	167	1
Levin Reticulation - Renewals	434	892	(458)	3
Districtwide - Reticulation unplanned renewals	193	40	153	1
Levin Treatment Plant - Planned renewals	1,827	258	1,569	4
Levin Treatment Plant - Unplanned renewals	95	39	56	
Other renewal asset costs	207	-	207	
<b>Total renewal projects</b>	<b>3,631</b>	<b>1,824</b>	<b>1,807</b>	
<b>Level of service portion of project</b>				
District Reticulation - Planned pump renewals	29	11	18	
Foxton Beach Wastewater Treatment Plant - Strategic upgrade	254	138	116	5
Foxton Wastewater Treatment Plant - Pond desludge	90	27	63	
Foxton Wastewater Treatment Plant - Strategic upgrade	2,093	264	1,829	5
Levin new sewer connections	-	88	(88)	
Levin Wastewater Treatment Plant - Strategic upgrade	545	493	52	
Foxton new sewer connections	-	4	(4)	
Foxton Beach new sewer connections	-	15	(15)	
Purchase - 28 Harbour Street, Foxton	-	79	(79)	
Shannon new sewer connections	-	7	(7)	
Shannon WW disposal system	-	35	(35)	
Telemetry system	-	(2)	2	
Tokomaru new sewer connections	-	1	(1)	
Tokomaru wastewater to land project	-	70	(70)	
Waitāre new sewer connections	-	6	(6)	
Waitāre Wastewater Treatment Plant - Strategic upgrade	241	17	224	6
Other level of service asset costs	276	-	276	
<b>Total LOS projects</b>	<b>3,528</b>	<b>1,253</b>	<b>2,275</b>	
<b>Growth portion of project</b>				
Development planning Foxton Beach	145	8	137	1
Development work - North East Levin	246	413	(167)	7
Development planning Waitāre Beach	160	-	160	1
Levin Tararua industrial development	88	-	88	
Wastewater development planning - North East Levin	-	-	-	
Other growth asset costs	44	-	44	
<b>Total growth projects</b>	<b>683</b>	<b>421</b>	<b>262</b>	
<b>Make up of above projects by % of type</b>				
Renewals - Replacing existing assets	3,631	1,824	1,807	
Improve level of service	3,528	1,253	2,275	
Growth - To meet additional demand	683	421	262	
<b>Total Wastewater projects</b>	<b>7,842</b>	<b>3,498</b>	<b>4,344</b>	

**NOTES:**

1. Unspent budget carried over to 2018/19.
2. Ministry trial of native ecosystem planting was Ministry for the Environment funded.
3. Increase in scope funded lower renewals elsewhere.
4. Renewal works on the pump and treatment plant barrier were not required and other works could not be progressed in 2017/18 due to uncontrollable circumstances and delayed works the result of skilled labour shortage.
5. The projects are at consent stage and are carried over to 2018/19.
6. Waiting for the consent to progress the project so is carried over to 2018/19.
7. Preliminary work on this project to lead into the LTP

**4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).**

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2018 included:

Community outcomes	Effects of programmes in activity area
Health and safety	Greater public awareness of the wastewater activity through public consultation. Investigations for disposal options and upgrades include consultation and consideration of cultural issues
Environmental	Maintenance and operational improvements to treatment facilities resulting in improvements to effluent quality. Ongoing monitoring of the receiving environment results in better understanding and proactive intervention where required to protect the environment. Improvements to discharges through capital upgrade projects.
Safety	Wastewater treated in an effective way to minimise harm to the community.
Economic	Levels of service were maintained during 2017/18 to the community.



# Wastewater

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

		LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		6,421	6,721	6,375	6,414	39
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		1,030	1,275	1,193	1,280	87
Local authorities fuel tax, fines, infringement fees, and other receipts		43	56	53	137	84
Internal charges and overheads recovered		-	-	-	-	-
<b>Total operating funding (A)</b>		<b>7,494</b>	<b>8,052</b>	<b>7,621</b>	<b>7,831</b>	<b>210</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1	2,380	2,495	2,505	2,155	(350)
Finance costs		1,452	1,649	1,081	923	(158)
Internal charges and overheads applied		685	711	726	745	19
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>4,517</b>	<b>4,855</b>	<b>4,312</b>	<b>3,823</b>	<b>(489)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>2,977</b>	<b>3,197</b>	<b>3,309</b>	<b>4,008</b>	<b>699</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	73	73
Increase (decrease) in debt	2	3,285	5,506	4,650	765	(3,885)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>3,285</b>	<b>5,506</b>	<b>4,650</b>	<b>838</b>	<b>(3,812)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- to meet additional demand		177	429	683	421	(262)
- to improve the level of service	3	3,270	4,654	3,528	1,253	(2,275)
- to replace existing assets	3	2,493	3,345	3,631	1,824	(1,807)
Increase (decrease) in reserves	4	322	275	117	1,348	1,231
Increase (decrease) of investments		-	-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>6,262</b>	<b>8,703</b>	<b>7,959</b>	<b>4,846</b>	<b>(3,113)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>(2,977)</b>	<b>(3,197)</b>	<b>(3,309)</b>	<b>(4,008)</b>	<b>(699)</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		2,623	2,956	2,264	3,119	855
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2017		20,600	311	20,911		
Raised during year		1,770	478	2,248		
Repaid during year		(1,070)	(413)	(1,483)		
<b>Loans as at 30/06/2018</b>		<b>21,300</b>	<b>376</b>	<b>21,676</b>		
Interest expense		915	8	923		

**NOTES:**

1. A shift in costs from Wastewater to water supply from a shift in emphasis through the Horowhenua Alliance contract.
2. Less loans required due to delays on loan funded projects.
3. Some big value projects carried over to next year due to delays in getting consents.
4. Depreciation reserve increased more than expected due to a combination of less funding of renewal projects required and more depreciation funded.

Activity Expenditure	LTP	LTP	Annual	Actual	Variance
	Forecast	Forecast	Plan		
	2017	2018	2018	2018	2018
	\$000	\$000	\$000	\$000	\$000
Foxton Wastewater	754	1,045	673	635	(38)
Foxton Beach Wastewater	578	638	605	536	(69)
Levin Wastewater	3,908	4,158	3,620	3,959	339
Shannon Wastewater	1,299	1,329	1,089	1,243	154
Tokomaru Wastewater	183	191	221	184	(37)
Waitāre Beach Wastewater	419	450	369	385	16
<b>Total Expenditure</b>	<b>7,141</b>	<b>7,811</b>	<b>6,577</b>	<b>6,942</b>	<b>365</b>

# Solid Waste

## STATEMENT OF SERVICE PERFORMANCE

The Solid Waste group of activities consists of Council providing services to collect and safely dispose of residential and commercial solid waste. Council also provides education to the community on how to reduce total solid waste output.

### 1. DESCRIPTION OF ACTIVITIES

#### What does this group of activities involve?

- Council provides for the collection and disposal of solid waste produced in the Horowhenua and Kapiti Coast Districts. To provide for the disposal of solid waste Council manages kerbside recycling and refuse bag collection at specified times each week for urban areas in the District, it also operates waste transfer stations (for disposal of general and green waste as well as recycling), and it operates numerous static and temporary recycling stations (for recycling only).
- Council owns a landfill and associated assets, waste transfer stations, and recycling stations. Council also undertakes public education (on an ad hoc basis) in waste minimisation at local primary and intermediate schools in the District. The operation and maintenance of this group of activities is externally contracted.
- Council also ensures that the Levin Landfill is managed in a way that it complies with resource consents and so that it has sufficient air and land space available for the future requirements.
- Legislative requirements that this group of activities operates within include, but are not limited to:
  - The Health Act 1956, which requires Council to provide for sanitary works including the collection and disposal of refuse;
  - The Waste Minimisation Act 2008;
  - The Hazardous Substances and Noxious Organisms (HSNO) 2004; and
  - The Climate Change (Emissions Trading) Amendment Act 2008.

#### Rationale

Activity	Community outcome	Council role
Provision of landfill and static recycling stations. These help reduce waste and minimise its negative environmental effects.	<ul style="list-style-type: none"> <li>• A sustainable environment</li> <li>• Safe, resilient and healthy communities</li> </ul>	Provider
Provision of waste transfer stations, recycling, and refuse collection. These help reduce waste and minimise its negative environmental effects.	<ul style="list-style-type: none"> <li>• A sustainable environment</li> <li>• Safe, resilient and healthy communities</li> </ul>	Provider
Provision of waste minimisation education to the community.	<ul style="list-style-type: none"> <li>• A sustainable environment</li> </ul>	Provider/advocate

## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018									
<b>Waste transfer stations:</b> To ensure Waste Transfer Stations are available at convenient times.	To ensure waste transfer stations are available on agreed days at agreed times.	To ensure waste transfer stations are available on agreed days at agreed times.	Achieved As of 30 June 2018, transfer stations have been available on agreed days.									
<b>Solid waste:</b> To ensure Solid Waste Activities are undertaken in a healthy and safe manner.	To ensure no reported incidences of injury or illness attributable to use of the Council's waste transfer or recycling station facilities.	To ensure no reported incidences of injury or illness attributable to use of the Council's waste transfer or recycling station facilities.	Achieved As of 30 June 2018, no reports of incidences or injuries from the transfer or recycling stations.									
<b>Waste transfer and recycling stations:</b> To ensure Waste Transfer and Recycling Stations have a minimal impact on the immediate and surrounding environment.	To ensure the number of odour complaints and reports of solid waste are minimal in or around: <ul style="list-style-type: none"><li>Waste transfer stations: Less than three per month</li><li>Recycling stations: Less than three per month</li></ul>	To ensure the number of odour complaints and reports of solid waste are minimal in or around: <ul style="list-style-type: none"><li>Waste transfer stations: Less than three per month</li><li>Recycling stations: Less than three per month</li></ul>	Achieved As of 30 June 2018 the results are as follows: <table><tr><th>Complaint type</th><th>Transfer Station</th><th>Recycling Station</th></tr><tr><td>Odour</td><td>0</td><td>1</td></tr><tr><td>Solid waste in or around</td><td>0</td><td>6</td></tr></table>	Complaint type	Transfer Station	Recycling Station	Odour	0	1	Solid waste in or around	0	6
Complaint type	Transfer Station	Recycling Station										
Odour	0	1										
Solid waste in or around	0	6										
<b>Response times:</b> To ensure response to service requests regarding Council's Solid Waste Activities is timely.	To ensure that all requests are responded to within three days.	To ensure that all requests are responded to within three days.	Not achieved As of 30 June 2018, 355 service requests were received. 231 (65%) of these were responded to within three days. It must be noted that despite the fact that some CRMs do not have a close out date or have been closed out well outside the three day period, this does not mean that the requests were not responded to within the three day timeframe. Some close out dates longer than the three actual day period, include weekends and public holidays. The contractors also tend to close resolved CRM's in bulk at the end of the month, instead of as they go, leaving many open or outside the three day period. Significantly more than is stated were actually responded to within three days, or will vary results month to month.									

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018									
<b>Levin landfill:</b>	The Levin Landfill will be fully compliant with the annual resource consent inspection report.	The Levin Landfill will be fully compliant with the annual resource consent inspection report.	Not achieved As of 30 June 2018: 80%. Council received one abatement notice and one infringement from Horizons regarding one of the consent conditions.									
<b>Kerbside recycling:</b> To ensure Kerbside recycling and refuse collection service is available.	Kerbside recycling shall be offered to 91% of all serviceable households.	Kerbside recycling shall be offered to 91% of all serviceable households.	Achieved As of 30 June 2018: 95%. We are currently servicing approximately 95% of households based on the serviceable areas within the District.									
<b>Recycling:</b> To ensure recycling and refuse is collected on time and in a sanitary manner.	To ensure the number of complaints about non-collection of: <ul style="list-style-type: none"><li>Kerbside recycling: Less than five per month.</li><li>Kerbside refuse: Less than five per month.</li></ul>	To ensure the number of complaints about non-collection of: <ul style="list-style-type: none"><li>Kerbside recycling: Less than five per month.</li><li>Kerbside refuse: Less than five per month.</li></ul>	Not achieved As of 30 June 2018 the results are as follows: <table><tr><th>Complaint type</th><th>Kerbside recycling</th><th>Kerbside refuse</th></tr><tr><td>Number of complaints</td><td>86</td><td>39</td></tr><tr><td>Monthly average</td><td>7.2</td><td>3.63</td></tr></table>	Complaint type	Kerbside recycling	Kerbside refuse	Number of complaints	86	39	Monthly average	7.2	3.63
Complaint type	Kerbside recycling	Kerbside refuse										
Number of complaints	86	39										
Monthly average	7.2	3.63										
<b>Recycling stations:</b> To ensure recycling and refuse is collected on time and in a sanitary manner.	To ensure recycling stations are available at the agreed locations on the agreed days and times.	To ensure recycling stations are available at the agreed locations on the agreed days and times.	Achieved As of 30 June 2018, recycling stations are available at all agreeable locations.									
<b>Solid Waste Information:</b> To ensure information on Council’s recycling and refuse services is available from service centres and on the website.	Up-to-date brochures will be available at all offices and on the HDC website.	Up-to-date brochures will be available at all offices and on the HDC website.	Achieved Brochures are handed out by the recycling collectors when their recycling crates contain non-recyclables and are available through Council. Fridge magnets have also been made available, in addition to upgrades to the website									
<b>Affordability:</b> To ensure an affordable recycling service is available.	No user charge is set.	No user charge is set.	Achieved									

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018				
<b>Customer Satisfaction:</b> To ensure customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.	To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.	Achieved The results of the most recent survey conducted in the 2017/2018 year are as follows: <table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>22%</td><td>78%</td></tr></table>	Dissatisfied %	Satisfied %	22%	78%
Dissatisfied %	Satisfied %						
22%	78%						
<b>Education:</b> To ensure customers are educated on waste minimisation practices.	To ensure that education services are provided in local schools.	To ensure that education services are provided in local schools.	Achieved Waste education was provided in local schools through the Zero Waste education programme.				

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Waste transfer stations:</b> To ensure Waste Transfer Stations are available at convenient times.	To ensure waste transfer stations are available on agreed days at agreed times.	To ensure waste transfer stations are available on agreed days at agreed times.	Not achieved  95 % – One early closure occurred in Shannon on the 11th October 2016 due to the fact that the bins were full.
<b>Solid waste:</b> To ensure Solid Waste Activities are undertaken in a healthy and safe manner.	To ensure no reported incidences of injury or illness attributable to use of the Council's waste transfer or recycling station facilities.	To ensure no reported incidences of injury or illness attributable to use of the Council's waste transfer or recycling station facilities.	Achieved
<b>Waste transfer and recycling stations:</b> To ensure Waste Transfer and Recycling Stations have a minimal impact on the immediate and surrounding environment.	To ensure the number of odour complaints and reports of solid waste are minimal in or around: <ul style="list-style-type: none"> <li>Waste transfer stations: Less than three per month.</li> <li>Recycling stations: Less than three per month.</li> </ul>	To ensure the number of odour complaints and reports of solid waste are minimal in or around: <ul style="list-style-type: none"> <li>Waste transfer stations: Less than three per month.</li> <li>Recycling stations: Less than three per month.</li> </ul>	Not achieved  The breakdown is as follows: One odour complaints. Eight reports of solid waste in or around waste transfer/recycling stations.
<b>Response times:</b> To ensure response to service requests regarding Council's Solid Waste Activities is timely.	To ensure that all requests are responded to within three days.	To ensure that all requests are responded to within three days.	Not achieved  317 service requests received. 244 (77%) of these were responded to within three days.  It must be noted that despite the fact that some CRMs do not have a close out date or have been closed out well outside the three day period, this does not mean that the requests were not responded to within the three day timeframe. Some close out dates longer than the three actual day period, include weekends and public holidays. The contractors also tend to close resolved CRM's in bulk, leaving many open or outside the three day period.



Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Levin landfill:</b>	The Levin Landfill will be fully compliant with the annual resource consent inspection report.	The Levin Landfill will be fully compliant with the annual resource consent inspection report.	<p>Not achieved</p> <p>As at 30 June 2017: 50%.</p> <p>Only received three reports from Horizons (One for the month of August 2016, one for the month of February 2017 and one for the month of June 2017).</p> <p>In the August 2016 report a total of five consent conditions were monitored across two consents. Of the five conditions monitored, three were graded as non-complying.</p> <p>In the February 2017 report, one was graded as significantly non-compliant.</p> <p>On 27 June an abatement notice was issued regarding odour discharge into the air. This has been appealed in the Environment Court.</p> <p>The latest quarterly report from MWH shows the leachate groundwater consents are all compliant.</p>
<b>Kerbside recycling:</b> To ensure Kerbside recycling and refuse collection service is available.	Kerbside recycling shall be offered to 91% of all serviceable households.	Kerbside recycling shall be offered to 91% of all serviceable households.	<p>Achieved</p> <p>We are currently servicing approximately 95% of households based on the serviceable areas within the District.</p>
<b>Recycling:</b> To ensure recycling and refuse is collected on time and in a sanitary manner.	<p>To ensure the number of complaints about non-collection of:</p> <ul style="list-style-type: none"> <li>• Kerbside recycling: Less than five per month.</li> <li>• Kerbside refuse: Less than five per month.</li> </ul>	<p>To ensure the number of complaints about non-collection of:</p> <ul style="list-style-type: none"> <li>• Kerbside recycling: Less than five per month.</li> <li>• Kerbside refuse: Less than five per month.</li> </ul>	<p>Achieved</p> <p>53 complaints were received regarding Kerbside recycling (equates to 4.42 per month). Many of these confused the refuse truck for the recycling truck and reported it erroneously</p> <p>33 complaints were received regarding Kerbside refuse (equates to 2.75 per month).</p>
<b>Recycling stations:</b> To ensure recycling and refuse is collected on time and in a sanitary manner.	To ensure recycling stations are available at the agreed locations on the agreed days and times.	To ensure recycling stations are available at the agreed locations on the agreed days and times.	<p>Achieved</p> <p>Recycling stations are available at all agreeable locations.</p>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017	
<b>Solid Waste Information:</b> To ensure information on Council’s recycling and refuse services is available from service centres and on the website.	Up-to-date brochures will be available at all offices and on the HDC website.	Up-to-date brochures will be available at all offices and on the HDC website.	Not achieved  Brochures are handed out by the recycling collectors when their recycling crates contain non-recyclables. However, these are not currently available at the offices. Additionally, other means of information dispersion are being looked into such as fridge magnets or stickers for the recycling crates/wheelie bins. Council is utilising other communication mediums as brochures are not proving to be an effective method of information dissemination. This performance measure will be reviewed as part of the 2017/18 Annual Plan process as it is no longer considered appropriate.	
<b>Affordability:</b> To ensure an affordable recycling service is available.	No user charge is set.	No user charge is set.	Achieved	
<b>Customer Satisfaction:</b> To ensure customers are content with Council’s transfer stations, recycling collection, and refuse collection services offered.	To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.	To ensure the percentage of customers satisfied with their solid waste service, based on the Annual Customer Satisfaction Survey is at least 75%.	Achieved  The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows:	
			<b>Dissatisfied %</b> 16.0%	<b>Satisfied %</b> 84.0%
<b>Education:</b> To ensure customers are educated on waste minimisation practices.	To ensure that education services are provided in local schools.	To ensure that education services are provided in local schools.	Achieved  Waste Education is provided in local schools through Zero Waste Education.	

### 3. ACQUISITION AND RENEWAL OF ASSETS

Solid Waste	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Cap shape correction	62	50	12	
Landfill plant & equipment replacement	-	3	(3)	
Other renewal asset costs	4	-	4	
<b>Total renewal projects</b>	<b>66</b>	<b>53</b>	<b>13</b>	
<b>Level of service portion of project</b>				
Other level of service asset costs	-	-	-	
<b>Total LOS projects</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Growth portion of project</b>				
Landfill development	330	80	250	1
Other growth asset costs	10	-	10	
<b>Total growth projects</b>	<b>340</b>	<b>80</b>	<b>260</b>	
<b>Make up of above projects by % of type</b>				
Renewals - Replacing existing assets	66	53	13	
Improve level of service	-	-	-	
Growth - To meet additional demand	340	80	260	
<b>Total Solid Waste projects</b>	<b>406</b>	<b>133</b>	<b>273</b>	

#### NOTES:

- Unspent budget to be carried over to next year and will be spent on installing a cut-off drain, changing the final landfill design to allow more space and to install new gas wells.

**4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).**

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in Part one above.

Programmes that had identifiable impacts on the community outcomes during the year ended 30 June 2018 included:

Community outcomes	Effects of programmes in activity area
Environmental	Ongoing kerbside recycling has had a significant effect on the amount of waste being transferred to the Levin landfill.
Environmental	Operation of the Levin landfill minimises greenhouse gas emissions by reducing trucking distances to a waste disposal facility in addition to the capture and destruction of methane produced onsite.
Knowledge	Waste reduction is taught in various schools throughout the year.

# Solid Waste

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

		LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		356	342	328	329	1
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		1,785	1,832	1,859	1,835	(24)
Local authorities fuel tax, fines, infringement fees, and other receipts		18	17	13	13	-
Internal charges and overheads recovered		-	-	-	-	-
<b>Total operating funding (A)</b>		<b>2,159</b>	<b>2,191</b>	<b>2,200</b>	<b>2,177</b>	<b>(23)</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1	1,415	1,454	1,554	1,859	305
Finance costs		324	316	240	216	(24)
Internal charges and overheads applied		220	227	245	153	(92)
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>1,959</b>	<b>1,997</b>	<b>2,039</b>	<b>2,228</b>	<b>189</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>200</b>	<b>194</b>	<b>161</b>	<b>(51)</b>	<b>(212)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	2	(143)	(58)	149	(117)	(266)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>(143)</b>	<b>(58)</b>	<b>149</b>	<b>(117)</b>	<b>(266)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- to meet additional demand	3	71	146	340	80	(260)
- to improve the level of service		10	11	-	-	-
- to replace existing assets		3	66	66	53	(13)
Increase (decrease) in reserves	4	(27)	(87)	(96)	(301)	(205)
Increase (decrease) of investments		-	-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>57</b>	<b>136</b>	<b>310</b>	<b>(168)</b>	<b>(478)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>(200)</b>	<b>(194)</b>	<b>(161)</b>	<b>51</b>	<b>212</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		327	328	268	310	42
<b>Loans</b>						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2017		4,800	90	4,890		
Raised during year		90	-	90		
Repaid during year		(190)	(16)	(206)		
<b>Loans as at 30/06/2018</b>		<b>4,700</b>	<b>74</b>	<b>4,774</b>		
Interest expense		214	2	216		

1. Increased costs were incurred in developing a new Waste Minimisation and Management Plan, contracts renegotiation and strategic planning related to solid waste activities.
2. Debt decreased as a result of less loan funded projects being completed during the year.
3. Less than expected capital works completed with the unspent budget carried over to next year.
4. Unexpected increase in operating deficits funded from reserves.

Activity Expenditure	LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
Roadside Collection Bags	200	206	211	138	(73)
Landfill	1,107	1,115	1,103	1,375	272
Recycling Centres	689	707	703	773	70
Waste Transfer Stations	290	297	289	251	(38)
<b>Total Expenditure</b>	<b>2,286</b>	<b>2,325</b>	<b>2,306</b>	<b>2,537</b>	<b>231</b>

# Community Support

## STATEMENT OF SERVICE PERFORMANCE

This group of activities comprises of activities that provide for the community's social and economic wellbeing including ensuring that the community will be able to respond to and recover from an emergency event, providing community support, providing grants and funding to community groups, providing visitor information, and encouraging economic development within this District.

### 1. DESCRIPTION OF ACTIVITIES

#### 1.1. Emergency management

As part of this activity Council is an active member of the Manawatū-Whanganui Civil Defence Emergency Management Group. This group is a consortium of local authorities in the region with a vision to build a resilient and safer region for our communities in the event a civil defence emergency.

#### What does this activity involve?

- Ensuring that the community is properly prepared for and educated about emergency events.
- Providing a fully functional Emergency Operating Centre (EOC) and ensuring that trained staff are available and ready to assist our community to respond to/recover from emergency events.

#### Rationale

Activity	Community outcome	Council role
Emergency management are provided for the community.	<ul style="list-style-type: none"><li>• Safe, resilient and healthy communities</li><li>• Positive leadership and effective partnerships</li></ul>	Provider

#### 1.2. Community engagement

The Community Engagement Activity helps to provide a platform for community engagement and social wellbeing within the Horowhenua District. This includes the implementation of Council's community wellbeing strategies, grants and funding schemes, public communications, media engagement, and District marketing.

#### What does this activity involve?

- Council leading the development and implementation of the Horowhenua Community Wellbeing Strategy as well as the education, youth, access and inclusion, arts culture and heritage, pride and vibrancy, and positive ageing action plans.
- Council taking a lead role in advocating, facilitating and coordinating on behalf of the community to assist community groups or find solutions to respond to local needs.
- Advocating on behalf of the community for better health, transport and social outcomes through the Community Wellbeing Committee.
- Providing funding support to surf lifesaving, Waitāre and Foxton Beach wardens, Levin crime prevention camera and community patrol and neighbourhood support, on contract.
- Funding and operating several small contestable grant schemes which are:
  - Community development grant.
  - Community consultation grant.
  - International representation grant.
  - Rural halls grant.
  - Vibrant communities fund.
- Administering or providing administrative support to externally funded contestable grant schemes which are:
  - Horowhenua creative communities scheme.
  - Shannon Community Development Trust.
- Facilitating a community capacity building programme, providing free or subsidised training to the not-for-profit sector with the aim to increase the capability at a governance and operational level.
- Produce and distribute Council publications.
- Produce sector specific publications, such as resource consent guides.
- Monitor and update social and traditional media.
- Provide communications support to internal staff and departments.
- Maintain and update Council's website presence, namely [www.horowhenua.govt.nz](http://www.horowhenua.govt.nz).
- Respond and provide information to media outlets, as required.



## Rationale

Activity	Community outcome	Council role
Facilitate a youth council and community networks and forums.	<ul style="list-style-type: none"> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Positive leadership and effective partnerships</li> </ul>	Provider
Advocate for transport, health and community wellbeing.	<ul style="list-style-type: none"> <li>A healthy local economy and a District that is growing</li> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Safe, resilient and healthy communities</li> <li>Positive leadership and effective partnerships</li> </ul>	Advocate
Contestable grant schemes are provided.	<ul style="list-style-type: none"> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Safe, resilient and healthy communities</li> </ul>	Funder
Administration of externally funded grant schemes.	<ul style="list-style-type: none"> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Safe, resilient and healthy communities</li> <li>Positive leadership and effective partnerships</li> </ul>	Provider
Contracted services are managed.	<ul style="list-style-type: none"> <li>Safe, resilient and healthy communities</li> <li>Positive leadership and effective partnerships</li> </ul>	Funder
Capabilities training for the non-profit sector is provided.	<ul style="list-style-type: none"> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Safe, resilient and healthy communities</li> <li>Positive leadership and effective partnerships</li> </ul>	Funder
Perform Council's communication function.	<ul style="list-style-type: none"> <li>A healthy local economy and a District that is growing</li> <li>A sustainable environment</li> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Safe, resilient and healthy communities</li> <li>Positive leadership and effective partnerships</li> </ul>	Provider

### 1.3. Visitor information

As part of this activity the Council's manages the provision of visitor information services in Levin, Foxton, and Shannon.

#### What does this activity involve?

As part of this activity the Council manages contracts which provide the following services:

- Domestic travel ticketing;
- Horowhenua attraction, activity and accommodation bookings;
- Local and regional visitor information, travel maps and resources; and
- Integrated communications and working partnerships with local service providers.

## Rationale

Activity	Community outcome	Council role
Visitor information services are offered throughout the District.	<ul style="list-style-type: none"> <li>A healthy local economy and a District that is growing</li> <li>A community of knowledge, culture and diversity where people are proud to live</li> <li>Positive leadership and effective partnerships</li> </ul>	Funder

### 1.4. Economic development

The purpose of this activity is to facilitate economic growth and improved social and economic wellbeing in the Horowhenua District through the support and implementation of strategies targeting increased investment, job growth, skill growth, income growth and an enhanced reputation for the District. Horowhenua District is poised for significant change and has the opportunity to considerably advance its economy wellbeing and prosperity over the next 10 years.

#### What does this activity involve?

Economic development advocacy, support and facilitation across the following service areas:

- Business sector growth and performance;
- Sustainable natural resource utilisation;
- Infrastructure and policy development/implementation;
- Workforce skill development, training and education; and
- Horowhenua as a vibrant and sustainable place to live and visit.

## Rationale

Activity	Community outcome	Council role
Business sector support and advocacy.	<ul style="list-style-type: none"> <li>• A healthy local economy and a District that is growing</li> <li>• Positive leadership and effective partnerships</li> </ul>	Provider/advocate
Sustainable natural resource utilisation.	<ul style="list-style-type: none"> <li>• A sustainable environment</li> <li>• Positive leadership and effective partnerships</li> <li>• A healthy local economy and a District that is growing</li> </ul>	Advocate
Infrastructure and policy development/implementation.	<ul style="list-style-type: none"> <li>• A healthy local economy and a District that is growing</li> <li>• A sustainable environment</li> <li>• Safe, resilient and healthy communities</li> <li>• Positive leadership and effective partnerships</li> </ul>	Advocate
Workforce skill development, training and education.	<ul style="list-style-type: none"> <li>• A healthy local economy and a District that is growing</li> <li>• A community of knowledge, culture and diversity where people are proud to live</li> <li>• Safe, resilient and healthy communities</li> <li>• Positive leadership and effective partnerships</li> </ul>	Advocate
Horowhenua as a vibrant and sustainable place to live and visit.	<ul style="list-style-type: none"> <li>• A healthy local economy and a District that is growing</li> <li>• A community of knowledge, culture and diversity where people are proud to live</li> <li>• Safe, resilient and healthy communities</li> <li>• Positive leadership and effective partnerships</li> </ul>	Provider/advocate/funder

## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Emergency management:</b> To promote and encourage community awareness.	Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieved As of 30 June 2018 the total number of media messages promoting preparedness for an emergency was 18.
<b>Emergency management:</b> Council maintains a functional EOC and trained staff.	To ensure Civil defence and emergency management assessment of readiness and capability of 100% of Council staff.	To ensure Civil defence and emergency management assessment of readiness and capability of 100% of Council staff.	Not achieved As of 30 June 2018 98 of the 139 full time employees (72%) have received CDEM training.
<b>Emergency management &amp; rural fires:</b> To ensure rural fire services are provided.	To ensure 100% of call outs are responded to.	To ensure 100% of call outs are responded to.	No longer relevant This service now sits with Fire and Emergency New Zealand (FENZ).
<b>Community engagement:</b> To ensure Council provides effective leadership in advocating, co-ordinating and facilitating on behalf of community needs.	There are to be five Community Wellbeing Committee meetings per year. (Note: the schedule for 2015 onwards has changed from six weekly to bi-monthly).	There are to be five Community Wellbeing Committee meetings per year. (Note: the schedule for 2015 onwards has changed from six weekly to bi-monthly).	Achieved As of 30 June 2018, five Community Wellbeing Committee meetings have been held.
<b>Community engagement:</b> Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Voice meetings per year. Target is eight.	Number of Youth Voice meetings per year. Target is eight.	Achieved As of 30 June 2018, 13 Youth Voice meetings have been held.
	Number of programmes or projects implemented by Youth Voice. Target is four.	Number of programmes or projects implemented by Youth Voice. Target is four.	Achieved As of 30 June 2018, four programmes/projects have been implemented by Youth Voice as follows: <ul style="list-style-type: none"> <li>Electoral Commission Youth Programme Development</li> <li>Contact Youth Space Youth Hui</li> <li>Zeal Inflatable Challenge</li> <li>Jimi Hunt – Youth Mental Health speaker</li> </ul>
	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is six.	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is six.	Achieved As of 30 June 2018, eight Youth Network meetings have been held.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Community engagement:</b> Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Persons Network meetings per year. Target is 10.	Number of Older Persons Network meetings per year. Target is 10.	Achieved As of 30 June 2018, 10 Older Persons Network meetings have been held.
	Number of Elderberries magazine publications annually. Target is four.	Number of Elderberries magazine publications annually. Target is four.	Achieved As of 30 June 2018, four Elderberries Magazines have been published. The latest issue can be found at: <a href="http://www.horowhenua.govt.nz/Community/Positive-Ageing/Elderberries">http://www.horowhenua.govt.nz/Community/Positive-Ageing/Elderberries</a>
<b>Community engagement:</b> Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year. Target is two.	Number of Creative Communities funding rounds per year. Target is two.	Achieved As of 30 June 2018, two Horowhenua Creative Communities Scheme funding rounds have been completed; and all funds have been allocated.
<b>Community engagement:</b> Council supports the vision that Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is four.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is four.	Achieved As of 30 June 2018, six Education Horowhenua meetings have been held.
<b>Community engagement:</b> Council supports the vision that the Horowhenua is fully accessible to all people.	Number of Access and Inclusion forums per year. Target is four.	Number of Access and Inclusion forums per year. Target is four.	Achieved As of 30 June 2018, four Access and Inclusion forums have been held.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Community engagement:</b> Council promotes community empowerment and provides opportunities for community driven initiatives and projects.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.	Achieved As of 30 June 2018 all available Community Grants and Funding Schemes have been administered over two funding rounds. All other grants continue to be operated as per their grant criteria.
<b>Community engagement:</b> Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.	Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.	Achieved As of 30 June 2018, 17 Community Capacity and Capability Building workshops/trainings have been held, and are as follows: <ul style="list-style-type: none"> <li>• 4 Community Funding Workshop Programmes</li> <li>• 4 Mental Health Series workshops</li> <li>• Community Hub Collaboration Capacity Building Workshop</li> <li>• SAMS "Care Matters" Course</li> <li>• First Aid Full Course</li> <li>• First Aid Refresher</li> <li>• 4 Governance Series by Accounting for Charities workshops</li> <li>• Enduring Power of Attorney workshop</li> </ul>
<b>Community engagement:</b> Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.	Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.	Achieved In the 2017/2018 survey of participants, 100% of respondents have indicated that they were 'Satisfied' with the Community Capacity Building Programmes, with 87% of respondents indicating that they were 'Extremely Satisfied'.
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.	Achieved As of 30 June 2018, 256 individuals have participated in Community Capacity and Capability Building Programme workshops or training.
<b>Community engagement:</b> Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitāre Beaches. Target is six.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitāre Beaches. Target is six.	Achieved As of 30 June 2018, the funding related to the service agreement for the 2017/2018 summer season was agreed upon, and delivery of the summer season service was provided. The service provision schedule for the six weeks was: Monday to Friday, 11am to 6pm. Starting: Monday, 18 December 2017. Finishing: Friday, 26 January 2018.

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Community engagement:</b> Council effectively communicates with its ratepayers and residents.	Number of Council "Community Connections" newsletters published annually. Target is 10.	Number of Council "Community Connections" newsletters published annually. Target is 10.	Achieved As of 30 June 2018, 11 Community Connections have been published. Copies can be found at: <a href="http://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection">http://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection</a>
	Number of media releases published annually. Target is 100.	Number of media releases published annually. Target is 100.	Achieved As of 30 June 2018, 127 Media Releases have been published.
	Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.	Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.	Achieved Council's 06 366 0999 telephone number is operational 24/7.
<b>Visitor information:</b> Council supports the promotion of Horowhenua as a tourism destination.	To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.	To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.	Achieved Levin: A Visitor information service is provided through Te Takeretanga o Kura-hau-pō. Foxton and Shannon: A contract has been established with De Molen Foxton and Shannon Progressive Association to deliver Visitor Information in Foxton and Shannon.
<b>Visitor information:</b> Council supports the promotion of Horowhenua as a tourism destination.	Percent of key performance indicators achieved by providers of visitor information as set out in annual service level agreement. Target is >85%.	Percent of key performance indicators achieved by providers of visitor information as set out in annual service level agreement. Target is >85%.	Achieved Visitor Information centres are being supported and kept up to date through the Visitor Information Centre group which consists of Council representatives, Foxton, Shannon and Levin Visitor information representatives, with occasional presentations from local Tourism groups. Key Performance Indicators are being delivered as required. Quarterly updates are provided to convey what they are doing in meeting their contract.
	Percent of key performance indicators achieved by Destination Manawatū (regional tourism organisation) as set out in annual service level agreement. Target is >85%.	Percent of key performance indicators achieved by Destination Manawatū (regional tourism organisation) as set out in annual service level agreement. Target is >85%.	No longer relevant The contract with CEDA (formally Destination Manawatū) ended on 30 June 2017, and will not be renewed. They are no longer the regional tourism organisation for Horowhenua.
<b>Economic development:</b> Council provides strategic leadership in coordinating economic	Council's economic development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy. Target is 100% of annual work plan is completed.	Council's economic development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy. Target is 100% of annual work plan is completed.	Achieved As of 30 June 2018, the annual work plan has been completed.



Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018				
development activities across the District.	Number of Economic Development Board meetings held per year. Target is 10.	Number of Economic Development Board meetings held per year. Target is 10.	Achieved As of 30 June 2018, 11 Economic Development Board meetings have been held.				
<b>Economic development:</b> Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings held per year. Target is 10.	Number of business networking meetings held per year. Target is 10.	Achieved As of 30 June 2018, 10 Business Networking meetings have been held.				
<b>Economic development:</b> Council advocates for and facilitates business development and new business investment in the Horowhenua.	Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the economic development activity. Target is >75%.	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. Target is >75%.	Not achieved The results of the customer satisfaction survey conducted in the 2017/18 financial year are as follows: <table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>23%</td><td>67%</td></tr></table>	Dissatisfied %	Satisfied %	23%	67%
Dissatisfied %	Satisfied %						
23%	67%						



Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Emergency management &amp; rural fires:</b> To promote and encourage community awareness.	Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Five media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	<p>Achieved</p> <p>21 media releases / public advertising promoting preparedness for an emergency.</p> <p>The year-to-date is broken down as follows:</p> <ul style="list-style-type: none"> <li>• Emergency Planning Facebook post 03/01/2017</li> <li>• How to Get Ready Facebook post 03/01/2017</li> <li>• Get Ready Facebook post 30/12/2016</li> <li>• Drop Cover Hold Facebook post 27/12/2016</li> <li>• Get Thru Facebook post 23/12/2016</li> <li>• Tsunami Evacuation Information Facebook post 19/12/2016</li> <li>• Getaway Kit Facebook Post 14/12/2016</li> <li>• Tsunami Information sign instalment Community Connection 07/12/2016</li> <li>• Drop, Cover, Hold Facebook post 05/12/2016</li> <li>• Never Happens, Happens Facebook post 24/11/2016</li> <li>• Drop, Cover Hold Facebook post 16/11/2016</li> <li>• What would you do Facebook post 14/11/2016</li> <li>• World Tsunami Awareness Day Facebook post 05/11/2016</li> <li>• Promoting World Tsunami Awareness Day Facebook post 01/11/2016</li> <li>• What would you do? Facebook post 19/10/2016</li> <li>• Get Ready Week Facebook post 13/10/2016</li> <li>• Never happens? Happens Facebook post 12/10/2016</li> <li>• What's the plan Stan? Facebook post 11/10/2016</li> <li>• Get Ready Week Community Connection 05/10/2016</li> <li>• What would you do? Facebook post 3/09/2016</li> <li>• Exercise Tangaroa media release 01/09/2016</li> </ul>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Emergency management &amp; rural fires:</b> Council maintains a functional EOC and trained staff.	To ensure Civil defence and emergency management assessment of readiness and capability of 95% of Council staff.	To ensure Civil defence and emergency management assessment of readiness and capability of 95% of Council staff.	<p>EMIS TRAINING (Emergency Management Information Systems)  92 current staff members are trained to at least the Foundation level of EMIS.  2 external agency staff have participated in EMIS.</p> <p>ITF TRAINING (Integrated Training Framework)  77 current staff members are trained to the Foundational level of EMIS.  Three staff members are trained to the Intermediate level.  No external agency staff have participated in ITF training.</p> <p>OTHER CIVIL DEFENCE AND EMERGENCY MANAGEMENT TRAINING  55 HDC staff have participated in other CDEM Training (Exercise Tangaroa).  12 external agency staff have participated in other CDEM Training year-to-date: 12 (Exercise Tangaroa).</p> <p>A Section 17A (Local Government Act 2002) Review is currently taking place investigation cost effectiveness and efficiency of the current delivery of civil defence emergency services and the fit of the current model for the future. This Review is being undertaken in partnership with Rangitikei and Manawātū Councils.</p>
<b>Emergency management &amp; rural fires:</b> To ensure rural fire services are provided.	To ensure 100% of call outs are responded to.	To ensure 100% of call outs are responded to.	<p>Achieved</p> <p>Total Rural Fire Service Callouts for the year: 113</p> <p>All fires were responded to in a timely manner.  Nil claims on the National Rural Fire Fighting Fund have been made over the reporting period.</p> <p>Rural Fire Activity:  Structure: 9  Vegetation: 29  Vehicle: 20  Rubbish: 34  False Alarm: 8  Other: 13</p> <p>HDC Permits issued: 23  HDC Horo VRFF: 1  HDC Tanker: 6</p>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Community engagement:</b> To ensure Council provides effective leadership in advocating, co-ordinating and facilitating on behalf of community needs.	There are to be five Community Wellbeing Committee meetings per year. (Note: the schedule for 2015 onwards has changed from six weekly to bi-monthly).	There are to be five Community Wellbeing Committee meetings per year. (Note: the schedule for 2015 onwards has changed from six weekly to bi-monthly).	Achieved  Five Community Wellbeing Committee meetings were held.
<b>Community engagement:</b> Council supports the vision that young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Voice meetings per year. Target is eight.	Number of Youth Voice meetings per year. Target is eight.	Achieved  10 Youth Voice meetings were held.
	Number of programmes or projects implemented by Youth Voice. Target is four.	Number of programmes or projects implemented by Youth Voice. Target is four.	Achieved  Seven programmes/projects have been implemented by Youth Voice as follows: <ul style="list-style-type: none"> <li>• Young Leaders Day in August 2016</li> <li>• Canteen Fundraising in September 2016</li> <li>• Reverse Colour Run as part of White Ribbon Horowhenua in November 2016</li> <li>• Consultations with Kāpiti and Wellington Youth Councils on Youth Spaces and Programmes for Youth Councils in December 2016</li> <li>• The Wall of Voices in May 2017</li> <li>• Youth Week in June 2017</li> <li>• Foxton Reserve Management Plan Youth Consultation in June 2017</li> </ul> Youth Voice also contributed to five events: a fundraiser for Delhi Slum Schools; the Amazing Race; the kids TRYathlon, ANZAC Day celebrations and the mid-winter pool party.
	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is six.	Number of Youth Network meetings per year. (Note: the schedule for 2015 onwards has changed from monthly to bi-monthly). Target is six.	Achieved  Eight Youth Network meetings were held.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Community engagement:</b> Council supports the vision that Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Persons Network meetings per year. Target is 10.	Number of Older Persons Network meetings per year. Target is 10.	Achieved  10 Older Persons Network meetings were held.
	Number of Elderberries magazine publications annually. Target is four.	Number of Elderberries magazine publications annually. Target is four.	Achieved  Four issues were published. The latest issue can be found at: <a href="http://www.horowhenua.govt.nz/Community/Positive-Ageing/Elderberries">http://www.horowhenua.govt.nz/Community/Positive-Ageing/Elderberries</a>
<b>Community engagement:</b> Council supports the vision that Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year. Target is two.	Number of Creative Communities funding rounds per year. Target is two.	Achieved  The Creative Communities Grant Committee met mid-September for Round one, which awarded \$12,549.  The Creative Communities Grant Committee met again in late March for Round two, which allocated the remaining \$14,451.  Therefore the measure is reported as "Achieved", as the target for the year 2016/2017 has been met.
<b>Community engagement:</b> Council supports the vision that Horowhenua is New Zealand's foremost region in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is four.	Number of Education Horowhenua meetings per year. (Note: the schedule for 2015 onwards has changed from ad-hoc to quarterly). Target is four.	Achieved  Six Education Horowhenua meetings were held.
<b>Community engagement:</b> Council supports the vision that the Horowhenua is fully accessible to all people.	Number of Access and Inclusion forums per year. Target is four.	Number of Access and Inclusion forums per year. Target is four.	Achieved  Four Access and Inclusion forums were held.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Community engagement:</b> Council promotes community empowerment and provides opportunities for community driven initiatives and projects.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.	Percent of funds distributed through contestable Community Grants and Funding schemes that comply with grant criteria. Target is 100%.	<p>Achieved</p> <p>The Community Development Grant Round 1 had 36 successful applicants, totalling \$44,122.20, and of those 36 applicants, 100% have been notified of their success.</p> <p>The Community Development Grant round 2 of 2016/17 closed on 28 February 2017. A total of \$25,887.80 was available for distribution.</p> <p>20 Community Development Applications were received and were considered. Of the 20 applications, 14 were approved; 3 were given partial funding and 3 were declined.</p> <p>The total allocated was \$25,130.12. The decisions were ratified by Council on 6 April 2017.</p> <p>A total of 53 organisations have been beneficiaries of Community Development Funding in Rounds one and two.</p>
<b>Community engagement:</b> Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.	Number of Community Capacity and Capability Building Programme workshops or trainings offered. Target is 10.	<p>Achieved</p> <p>As at 30 June 2017, seventeen (17) Community Capacity and Capability Building workshops/trainings have been held YTD. These are as follows:</p> <ul style="list-style-type: none"> <li>• Professional Speaking Course – September 2016 – 15 attendees</li> <li>• Treasurer 101 Training – October 2016 – 12 attendees</li> <li>• Secretary Training (Minute Taking) – November 2016 – 10 attendees</li> <li>• Chairpersons Training – December 2016</li> <li>• St John's First Aid Refresher Course – February 2017 – 10 Attendees</li> <li>• St John's First Aid Level 1 Course – February 2017 – 20 Attendees</li> <li>• Kiwisport Workshop – February 2017 – 26 Attendees</li> <li>• Public Speaking Workshop – February 2017 – 10 Attendees</li> <li>• Social Media Workshop – March 2017 – 9 Attendees</li> <li>• Youth Engagement Toolkit – March 2017 – 12 Attendees</li> <li>• Youth Engagement Strategies &amp; Principles – March 2017 – 10 Attendees</li> <li>• Customer Service – April 2017 – 16 Attendees</li> <li>• Child Protection in Sport – April 2017 – 14 Attendees</li> <li>• Team Development – April 2017 – 8 Attendees</li> <li>• History/Heritage Funding Clinic – May 2017 – 13 Attendees</li> <li>• One-on-one Community Funding Clinics – May 2017 – 26 Attendees</li> <li>• Kiwisport Workshop – May 2017 – 12 Attendees</li> </ul>

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Community engagement:</b> Council promotes community group empowerment, and provides opportunity for community groups to grow and develop.	Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.	Percent of satisfaction with Capacity and Capability Building Programme workshops or training. Target is 80%.	Achieved  In the 2016/2017 survey of participants, 100% of respondents have indicated that they were 'Satisfied' with the Community Capacity Building Programmes, with 72% of respondents indicating that they were 'Extremely Satisfied'. Note: Surveys are distributed to participants after every 2nd programme.
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year. Target is 100.	Achieved  236 individuals have participated in Capacity and Capability Building Programme workshops or training.
<b>Community engagement:</b> Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitāre Beaches. Target is six.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitāre Beaches. Target is six.	Achieved  The funding related to the service agreement for the 2016/2017 summer season was paid.  The Schedule for the six weeks was: Monday to Friday, 11am to 6pm. Starting: Monday, 19 December 2016 Finishing: Friday, 27 Jan 2017.  The six week contract has now concluded. An end of season report has been provided by the Club, and contract discussions are underway for possible contract renewal.
<b>Community engagement:</b> Council effectively communicates with its ratepayers and residents.	Number of Council "Community Connections" newsletters published annually. Target is 10.	Number of Council "Community Connections" newsletters published annually. Target is 10.	Achieved  Thirteen Community Connections have been published. Copies can be found at: <a href="http://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection">http://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection</a>
	Number of media releases published annually. Target is 100.	Number of media releases published annually. Target is 100.	Achieved  143 Media Releases have been published.
	Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.	Council provides a 24/7 telephone contact centre operation for people to phone. Target is 100%.	Achieved  Council's 06 366 0999 telephone number is operational 24/7.

Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Visitor information:</b> Council supports the promotion of Horowhenua as a tourism destination.	To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.	To ensure the Levin, Shannon, Foxton and Foxton Beach Communities with Visitor Information are financially supported.	Achieved  Levin: A Visitor information service is provided through Te Takeretanga o Kura-hau-pō.  Foxton and Shannon: A contract has been established with De Molen Foxton and Shannon Progressive Association to deliver Visitor Information in Foxton and Shannon.
<b>Visitor information:</b> Council supports the promotion of Horowhenua as a tourism destination.	Percent of key performance indicators achieved by providers of visitor information as set out in annual service level agreement. Target is >85%.	Percent of key performance indicators achieved by providers of visitor information as set out in annual service level agreement. Target is >85%.	Achieved  Visitor Information centres are being supported and kept up to date through the Visitor Information Centre group which consists of Council representatives, Foxton, Shannon and Levin Visitor information representatives, with occasional presentations from local Tourism groups.  All centres provided quarterly reports, apart from one that was missed by DeMolen due to staff turnover.
	Percent of key performance indicators achieved by Destination Manawatū (regional tourism organisation) as set out in annual service level agreement. Target is >85%.	Percent of key performance indicators achieved by Destination Manawatū (regional tourism organisation) as set out in annual service level agreement. Target is >85%.	Achieved  Destination Manawatū attended 2 Visitor Information meetings and provided advice and support onsite to the Shannon Visitor Information Centre; particularly in regards to merchandise and venue layout.  Advice was also provided in regards to creating the best practice model for the Levin Visitor Information Centre and Te Awahou Nieuwe Stroom Visitor Information Centre.  Minimal guidelines were provided on operations, policies, procedures and staff management. However when applying for an i-site in Foxton, support and guidelines were provided to make this happen.  85% of performance measures were achieved.



Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017		
<b>Economic development:</b> Council provides strategic leadership in coordinating economic development activities across the District.	Council's economic development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy. Target is 90% of annual work plan is completed.	Council's economic development function will meet performance indicators and objectives as defined in the Horowhenua Economic Development Strategy. Target is 90% of annual work plan is completed.	Achieved  90% of the annual work plan has been completed. Major milestones completed are: <ul style="list-style-type: none"><li>• Completion of Action Plan development per Regional Economic Action Plan (Accelerate25) for Quality Care and Lifestyles for Older People initiative resulting in first stage Government funding of \$250,000.</li><li>• An Economic Development rebranding and the establishment of the Quarterly Economic Update.</li><li>• The website was re-organised to provide higher quality information in regards to Horowhenua's Economy, Council services/resources, connections to broader service providers.</li><li>• A number of business relocations took place with the assistance of the Economic Development Unit.</li><li>• Recruitment of an Economic Development Support Officer.</li></ul>		
	Number of Economic Development Board meetings held per year. Target is 10.	Number of Economic Development Board meetings held per year. Target is 10.	Achieved  11 Economic Development Board meetings were held.		
<b>Economic development:</b> Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings held per year. Target is 10.	Number of business networking meetings held per year. Target is 10.	Achieved  10 Business Networking meetings were held.		
<b>Economic development:</b> Council advocates for and facilitates business development and new business investment in the Horowhenua.	Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the economic development activity. Target is >75%.	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. Target is >75%.	Not achieved  The results of the customer satisfaction survey conducted in the 2016/2017 financial year are as follows:		
			<table><tr><th>Dissatisfied %</th><th>Satisfied %</th></tr><tr><td>25.3%</td><td>74.8%</td></tr></table>		Dissatisfied %
Dissatisfied %	Satisfied %				
25.3%	74.8%				

### 3. ACQUISITION AND RENEWAL OF ASSETS

Community Support	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Other renewal asset costs	-	-	-	
<b>Total renewal projects</b>	-	-	-	
<b>Level of service portion of project</b>				
Outdoor chairs for events (Night markets, Produce Markets, Fun Days etc.)				
Currently hiring for every event	5	-	5	
District signage	-	2	(2)	
Security access for emergency management	-	5	(5)	
Other level of service asset costs	-	-	-	
<b>Total LOS projects</b>	<b>5</b>	<b>7</b>	<b>(2)</b>	
<b>Growth portion of project</b>				
Other growth asset costs	-	-	-	
<b>Total growth projects</b>	-	-	-	
<b>Make up of above projects by % of type</b>				
Renewals - Replacing existing assets	-	-	-	
Improve level of service	5	7	(2)	
Growth - To meet additional demand	-	-	-	
<b>Total Community Support projects</b>	<b>5</b>	<b>7</b>	<b>(2)</b>	

#### NOTES:

#### 4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

Council's Community Wellbeing function provides overall strategic leadership as well as monitors and reports on progress towards social, health and safety results. A range of community networks and forums are informed by this strategic direction and facilitate, coordinate and communicate the activities of a broad range of government and community organisations, to achieve better outcomes for target populations and contribute to ensuring all people within the District thrive.

Programmes that had identifiable impacts on Council's community outcomes during the year ended 30 June 2018 included:

Community outcomes	Effects of programmes in activity area
Social	A wide range of community capacity building workshops were offered to provide backing to various community organisations as well as up skilling the community in general. A number of events were delivered to the community that enhanced community interaction and promoted communities supporting themselves. To enable community groups to deliver services, events or upkeep facilities, a number of community grants were offered throughout the district to successful applicants.
Cultural and education	Library services were provided throughout the district with a range of digital, literacy and heritage programmes delivered. Both Te Awahou Nieuwe Stroom and Te Takeretanga o Kura-hau-pō has successfully delivered a wide range of community programmes and services including visitor information, youth services and activities, social lounges and cafes, events, exhibitions and performances, meetings, functions and conventions.
Economic	Council has delivered a range of programmes that that impacted positively across Horowhenua's economic wellbeing. Locally driven engagement programmes such as the Electra Business After 5 have expanded over the past year, delivering a platform for greater cohesion and networking amongst the District's business and economic sector. Council has also provided a wider range of economic information through the publication of an expanded Horowhenua's Quarterly Economic Update, which has become a useful tool for local and external businesses and residents. Council also fostered stronger relationships with a number of other agencies, allowing for greater information exchange and collaboration locally, regionally and nationally. This relationship strengthening included Council's decision to sponsor the establishment of the Horowhenua New Zealand Trust which seeks to improve the socioeconomic outcomes of Horowhenua's residents and community.
Safety	Civil defence emergency management services, including increasing readiness and resilience programmes are delivered across the district. Horowhenua District Council funding of community groups that enhance safety throughout the District includes; surf lifesaving and beach wardens.

# Community Support

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

		LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		1,885	1,922	2,513	2,516	3
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes		28	28	27	39	12
Fees and charges		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		14	16	130	47	(83)
Internal charges and overheads recovered		-	-	-	-	-
<b>Total operating funding (A)</b>		<b>1,927</b>	<b>1,966</b>	<b>2,670</b>	<b>2,602</b>	<b>(68)</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1	957	956	1,250	1,016	(234)
Finance costs		-	-	-	-	-
Internal charges and overheads applied		936	975	1,408	1,343	(65)
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>1,893</b>	<b>1,931</b>	<b>2,658</b>	<b>2,359</b>	<b>(299)</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>34</b>	<b>35</b>	<b>12</b>	<b>243</b>	<b>231</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt		-	-	5	-	(5)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding ©</b>		<b>-</b>	<b>-</b>	<b>5</b>	<b>-</b>	<b>(5)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- to meet additional demand		-	-	-	-	-
- to improve the level of service		-	-	5	7	2
- to replace existing assets		-	-	-	-	-
Increase (decrease) in reserves	2	34	35	12	236	224
Increase (decrease) of investments		-	-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>34</b>	<b>35</b>	<b>17</b>	<b>243</b>	<b>226</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>(34)</b>	<b>(35)</b>	<b>(12)</b>	<b>(243)</b>	<b>(231)</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		33	33	13	15	2
<b>Loans</b>						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2017		-	-	-		
Raised during year		-	-	-		
Repaid during year		-	-	-		
<b>Loans as at 30/06/2018</b>		<b>-</b>	<b>-</b>	<b>-</b>		
Interest expense		-	-	-		

**NOTES:**

1. Predominantly due to staff costs for economic development are lower due to planned staff increases not occurring
2. Larger than expected surplus transferred to reserves.

Activity Expenditure	LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
Community Development	294	299	361	348	(13)
Economic Development	544	537	956	827	(129)
Visitor Information	-	-	162	163	1
Community Grants and Funding	349	-	395	340	(55)
District Communication	183	361	360	266	(94)
Rural Fire	230	188	-	-	-
Emergency Management	326	239	436	431	(5)
<b>Total Expenditure</b>	<b>1,926</b>	<b>339</b>	<b>2,670</b>	<b>2,375</b>	<b>(295)</b>

# Property

## STATEMENT OF SERVICE PERFORMANCE

The Property activity supports all activities of Council that are dependent on physical land and buildings. Council holds a selection of property assets to support the delivery of Council's activities which also contribute to the wellbeing of the community. This ranges from direct support e.g. provision of a community centre, to indirect support e.g. through investment and endowment property which contributes revenue to rates or facilities. Council also provides tenancy services to a wide range of stakeholders and customers.

### 1. DESCRIPTION OF ACTIVITIES

#### What does this group of activities involve?

- The Council owns various properties throughout the District and through the Property activity the Council ensures that these properties are managed and maintained.
- Council owns the following properties:
  - The Council building in Levin;
  - Commercial properties which are leased to tenants;
  - Endowment property e.g. Council owns land in Foxton Beach that was formerly owned by the Foxton Harbour Board. Much of this land is leased for residential purposes with rights of purchase. Some of the land has been subdivided to create 70 residential sections down Forbes Road;
  - Other community facilities including motor camps, historic and cultural buildings, and depots and car parks.

#### Rationale

Activity	Community outcome	Council role
Management and maintenance of Council owned properties.	<ul style="list-style-type: none"><li>• A healthy local economy and a District that is growing</li><li>• A community of knowledge, culture and diversity where people are proud to live</li><li>• Safe, resilient and healthy communities</li><li>• Positive leadership and effective partnerships</li></ul>	Funder/provider

## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018
<b>Property:</b> Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review. Target is eight hours per day and review annually.	Facilities availability (hrs) and hire charges by annual review. Target is eight hours per day and review annually.	Achieved Council has three Memorial Hall facilities available for hire. As of 30 June 2018, all were available for at least eight hours per day.
<b>Property:</b> Residential housing is provided for the elderly.	Occupancy Rate (Percent). Target is 95%.	Occupancy Rate (Percent). Target is 95%.	Achieved Up until Council's Community Housing portfolio was fully transferred to the new owner on 27 November 2017 this target was met.
<b>Property:</b> Endowment property is appropriately managed.	Number of sections available for sale. Target is 20 sections.	Number of sections available for sale. Target is 20 sections.	No longer applicable As of 30 June 2018, there were zero sections available for sale. (Note: the last remaining section sold on 1 March 2018). Council is looking at further subdivision options.
<b>Property:</b> Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current Building Warrant of Fitness (BWOFF).	All buildings with compliance schedules will have current Building Warrant of Fitness (BWOFF).	Achieved As of 30 June 2018, 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.
<b>Property:</b> Commercial property is appropriately managed.	Rent is within a percentage range of current market rentals at time of review/renewal. Target is 10%.	Rent is within a percentage range of current market rentals at time of review/renewal. Target is 10%.	Achieved Current commercial leases are within 10% of the market rate. No rent reviews were undertaken during June 2018.



Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Property:</b> Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review. Target is eight hours per day and review annually.	Facilities availability (hrs) and hire charges by annual review. Target is eight hours per day and review annually.	Achieved  Council had three Memorial Hall facilities available for hire.  As at 30 June 2017, all were available for at least eight hours per day.
<b>Property:</b> Residential housing is provided for the elderly.	Occupancy Rate (Percent). Target is 95%.	Occupancy Rate (Percent). Target is 95%.	Achieved  There was 99.22% occupancy.
<b>Property:</b> Endowment property is appropriately managed.	Number of sections available for sale. Target is 20 sections.	Number of sections available for sale. Target is 20 sections.	Not achieved  As at 30 June 2017, there are zero sections available for sale.  There has been an increase in the sales of sites and all have now been sold. There is a need to revise this performance measure down or to put additional sections on the market.
<b>Property:</b> Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current Building Warrant of Fitness (BWOFF).	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.
<b>Property:</b> Commercial property is appropriately managed.	Rent is within a percentage range of current market rentals at time of review/renewal. Target is 10%.	Rent is within a percentage range of current market rentals at time of review/renewal. Target is 10%.	Achieved  The renewal of 199-201 Oxford Street, Levin for four consecutive terms of five years each from 14 March 2016 was completed. The annual rental was set via market valuation undertaken by an independent registered valuer.  Current commercial leases are within 10% of the market rate.

### 3. ACQUISITION AND RENEWAL OF ASSETS

Property	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Chip seal of driveway and repaint park lines Parsons Ave Kindergarten	25	12	13	
Community buildings programmed renewals	49	42	7	
General property renewals	187	22	165	1
Jack Allen House removal and site tidy up	-	66	(66)	
Pensioner residential property reactive renewals	-	6	(6)	
Other renewal asset costs	41	-	41	
<b>Total renewal projects</b>	<b>302</b>	<b>148</b>	<b>154</b>	
<b>Level of service portion of project</b>				
Pop-up container	-	9	(9)	
Purchase 645 Hokio Beach Road	-	611	(611)	2
Other level of service asset costs	13	-	13	
<b>Total LOS projects</b>	<b>13</b>	<b>620</b>	<b>(607)</b>	
<b>Growth portion of project</b>				
Tararua industrial development	142	2	140	1
Other growth asset costs	4	-	4	
<b>Total growth projects</b>	<b>146</b>	<b>2</b>	<b>144</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	302	148	154	
Improve level of service	13	620	(607)	
Growth – To meet additional demand	146	2	144	
<b>Total Property projects</b>	<b>461</b>	<b>770</b>	<b>(309)</b>	

#### NOTES:

1. Work not done but the remaining budget has been carried forward to allow for completion in 2018/19.
2. Unexpected opportunity arose to purchase the property to support the landfill operation.

#### 4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes being as noted in part one above.

Programmes that had identifiable impacts on the Council's community outcomes during the year ended 30 June 2018 included:

Community outcomes	Effects of programmes in activity area
Economic	<p>Council has completed its stock transfer process to a registered CHP this resulted in a reduction of Council debt of approximately NZD5 million and the passing on of a contingent liability in the form of a suspensory loan of a further NZD5 million to the new provider.</p> <p>Council has completed a sub-division at its Roe Street site resulting in the relocation of a major manufacturer of pre-formed concrete panels. The relocation will bring somewhere in the region of 20-30 additional jobs to the region.</p> <p>Council has committed to reducing its debt associated with property ownership by reducing its building and land portfolio to core property only by 2038.</p>
Sustainability	<p>Council's cleaning contractors utilise organic/citrus based cleaning products to reduce potential damage to the environment. Council works with its energy provider to monitor energy use in its properties.</p>
A community of knowledge and culture	<p>Te Awahou Nieuwe Stroom has been completed providing a new cultural experience for residents and visitors to the district. The programmes delivered out of the Te Awahou Nieuwe Stroom, in partnership with Te Taitoa Māori o Te Awahou Trust and The Dutch Connection Trust will allow further reach of cultural knowledge and understanding through the district and beyond.</p> <p>Council undertakes regular planting days with the community and school children to build environmental knowledge, responsibility, and ownership.</p> <p>Council grants a range of community leases to groups requiring assistance to deliver on community outcomes. community outcomes delivered by community groups range from social services (CAB; Alcoholics Anonymous etc.), through to premises for model railway and sports clubs.</p>
Safe and resilient communities	<p>Council has sold the land that previously housed Jack Allen House to develop a new medical centre. The new medical centre will provide a significant primary health care facility for the area.</p> <p>Council has worked with the social providers from Jack Allen House to develop an upgraded community hub for the benefit of residents and the providers.</p> <p>Council has completed a stock transfer of its pensioner accommodation that will provide a wrap-round service for its senior residents.</p> <p>The Parks and Property team works with Police in 'at risk' communities to improve social outcomes e.g. Solway Park and Morgan Crescent. Council has provided a loan of 50k to assist with the installation of a pump track part funded with Police at Solway park.</p> <p>Council offers community leases to various organisations that facilitate services for the elderly and young. Council offers community rates on a number of its facilities to ensure access is affordable to its population.</p>
Positive leadership and partnerships	<p>The Parks and Property section works with stakeholders including local interest groups and residents associations to deliver community focused outcomes.</p>
Social, health and safety	<p>Council has recently completed the installation of a new pump track facility at Foxton Beach. The facility is extremely well-used and encourages a range of age groups to cycle.</p>

# Property

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2018

	Note	LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		326	523	305	306	1
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges	1	1,657	797	733	1,088	355
Local authorities fuel tax, fines, infringement fees, and other receipts		137	140	138	210	72
Internal charges and overheads recovered		511	530	464	442	(22)
<b>Total operating funding (A)</b>		<b>2,631</b>	<b>1,990</b>	<b>1,640</b>	<b>2,046</b>	<b>406</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	2	1,282	817	1,120	1,318	198
Finance costs		765	475	355	443	88
Internal charges and overheads applied		408	422	290	296	6
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>2,455</b>	<b>1,714</b>	<b>1,765</b>	<b>2,057</b>	<b>292</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>176</b>	<b>276</b>	<b>(125)</b>	<b>(11)</b>	<b>114</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	3	(1,585)	(6,960)	(5,776)	(4,815)	961
Gross proceeds from sale of assets	4	655	7,721	6,890	7,292	402
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding ©</b>		<b>(930)</b>	<b>761</b>	<b>1,114</b>	<b>2,477</b>	<b>1,363</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- to meet additional demand		513	12	146	2	(144)
- to improve the level of service	5	63	5	13	620	607
- to replace existing assets		647	435	302	148	(154)
Increase (decrease) in reserves	6	71	585	528	1,696	1,168
Increase (decrease) of investments		(2,048)	-	-	-	-
<b>Total applications of capital funding (D)</b>		<b>(754)</b>	<b>1,037</b>	<b>989</b>	<b>2,466</b>	<b>1,477</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>(176)</b>	<b>(276)</b>	<b>125</b>	<b>11</b>	<b>(114)</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		369	268	208	231	23
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2017		13,150	141	13,291		
Raised during year		690	324	1,014		
Repaid during year		(5,540)	(289)	(5,829)		
<b>Loans as at 30/06/2018</b>		<b>8,300</b>	<b>176</b>	<b>8,476</b>		
Interest expense		439	4	443		

**NOTES:**

1. The budget had envisaged selling pensioner housing in July however the sale occurred in late November this meant Council continued to earn unbudgeted rental income during this time.
2. Due to the delay in selling the pensioner housing costs incurred in operating this facility continued to occur up until the sale date in late November..
3. The annual plan assumed sales of investment properties of \$1m that would be used to repay debt; this did not occur, however, Council did sell pensioner housing that was used to repay debt.
4. This reflects sale of surplus assets but is predominantly the sale of the Pensioner Housing portfolio.
5. This reflects the purchase of the Hokio Beach Road property described under capital purchases above.
6. This reflects primarily in the increase in the Foxton Beach Freeholding Reserve through the sale of Forbes Road sections.

Activity Expenditure	LTP	LTP	Annual Plan	Actual	Variance
	Forecast	Forecast	Forecast		
	2017	2018	2018		
	\$000	\$000	\$000	\$000	\$000
Council Building	347	361	310	265	(45)
Camping Grounds	14	15	9	7	(2)
Commercial Properties	238	254	254	316	62
Endowment Property	249	255	356	282	(74)
General Property	383	567	580	601	21
Residential Housing	1,083	-	-	375	375
<b>Total Expenditure</b>	<b>2,314</b>	<b>1,452</b>	<b>1,509</b>	<b>1,846</b>	<b>337</b>

# Representation and Community Leadership

## STATEMENT OF SERVICE PERFORMANCE

This group of activities comprises of how Council meets its responsibility to represent the community as well as to provide leadership for the community and to involve it in decision making processes and long term strategic planning.

### 1. DESCRIPTION OF ACTIVITIES

#### What does this group of activities involve?

The Council is elected every three years by those eligible to vote in the District. The Council is made up of a Mayor (elected at large) and 10 Councillors (representing four Wards). The Council is supported at a governance level by the Foxton Community Board and a number of subcommittees. The core functions of the Representation and Community Leadership activity are:

- Setting the policy direction of Council.
- Monitoring the performance of Council.
- Representing the interests of the District (on election all members must make a declaration that they will perform their duties faithfully and impartially, and according to their best skill and judgment in the best interests of the District).
- Wherever and whenever possible, facilitating solutions to local needs/issues.
- Employing the Chief Executive (under the Local Government Act 2002, the local authority employs the Chief Executive who in turn employs all other staff on its behalf).

These core functions are achieved by:

- Holding regular meetings which are open to the public.
- Preparing the key policy and planning documents.
- Consulting the public on major decisions.
- Providing Council representation on a wide range of community groups.
- Holding civic functions, including citizenship ceremonies.
- Advocating the District's interests to agencies at regional and national levels.
- Keeping abreast of issues, legislation, and best practice.
- Balancing the books.

### RATIONALE

Activity	Community outcome	Council role
A fair representation and community leadership programme is operated within the District.	<ul style="list-style-type: none"><li>• A healthy local economy and a District that is growing</li><li>• A sustainable environment</li><li>• A community of knowledge, culture and diversity where people are proud to live</li><li>• Safe, resilient and healthy communities</li><li>• Positive leadership and effective partnerships</li></ul>	Provider/advocator

## 2. MEASURING PERFORMANCE

Service area	Performance measure 2015-25 LTP Year 3	Performance measure 2017-18 AP	Attainment 2018						
<b>Representation and community leadership:</b> Council provides open, accessible processes to local government.	Local body elections will be held in compliance with relevant legislation.	Local body elections will be held in compliance with relevant legislation.	Not applicable Local body elections were held in October 2016.						
	Number of complaints upheld against the election process. Target is zero.	Number of complaints upheld against the election process. Target is zero.	Achieved To date zero complaints have been upheld following the October 2016 election.						
<b>Representation and community leadership:</b> Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making. Target is >50%.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making. Target is >50%.	Not achieved The results of the customer satisfaction survey conducted in the 2017/18 financial year are as follows: <table><tr><th>Dissatisfied %</th><th>Satisfied %</th><th>Neither %</th></tr><tr><td>39%</td><td>34%</td><td>27%</td></tr></table>	Dissatisfied %	Satisfied %	Neither %	39%	34%	27%
	Dissatisfied %	Satisfied %	Neither %						
39%	34%	27%							
	Council's Community Engagement Strategy is implemented and reviewed every three years. Target is 90% annual work plan is completed.	Council's Community Engagement Strategy is implemented and reviewed every three years. Target is 90% annual work plan is completed.	Not achieved During the creation of the Council's Significance and Engagement Policy, it was determined that the previous community engagement document was outdated and should be rescinded. However, the community engagement principles contained in the community engagement document were considered useful, and they were incorporated into Council's Significance and Engagement Policy. This occurred, and subsequently, the policy was consulted on with the community. Council's Significance and Engagement Policy is now Council's lead and only engagement document - it is easily accessible by Council Officers and the public alike.						
<b>Representation and community leadership:</b> Council's planning documents meet statutory requirements and meet Audit NZ standards.	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act. Target is to be adopted before 30 June (every three years).	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act. Target is to be adopted before 30 June (every three years).	Achieved Council adopted the Long Term Plan and Financial Strategy on 27 June 2018.						
	The Annual Plan will be adopted annual before 30 June, annually.	The Annual Plan will be adopted annual before 30 June, annually.	Achieved The 2017/2018 Annual Plan was adopted at a Council meeting held on 21 June 2017.						
	The Annual Report will include an unmodified audit opinion.	The Annual Report will include an unmodified audit opinion.	Achieved The 2017 Annual Report received an unqualified audit opinion.						



Service area	Performance measure 2015-25 LTP Year 2	Performance measure 2016-17 AP	Attainment 2017
<b>Representation and community leadership:</b> Council provides open, accessible processes to local government.	Local body elections will be held in compliance with relevant legislation.	Local body elections will be held in compliance with relevant legislation.	Achieved  Local body elections were held in October 2016.
	Number of complaints upheld against the election process. Target is zero.	Number of complaints upheld against the election process. Target is zero.	Achieved  Zero complaints were upheld following the October 2016 election.
<b>Representation and community leadership:</b> Council supports residents and ratepayers to have their views heard and considered in Council decision making.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making. Target is >50%.	Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making. Target is >50%.	Not measured  This measure was not included in the customer satisfaction survey for the 2016/2017 financial.  It will be included next year's survey.
	Council's Community Engagement Strategy is implemented and reviewed every three years. Target is 90% annual work plan is completed.	Council's Community Engagement Strategy is implemented and reviewed every three years. Target is 90% annual work plan is completed.	On track  Councils' Community Engagement Strategy is in the implementation phase. It will be reviewed again in 2017.
<b>Representation and community leadership:</b> Council's planning documents meet statutory requirements and meet Audit NZ standards.	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act. Target is to be adopted before 30 June (every three years).	The LTP is completed within the statutory timeframe, including a Financial Strategy which meets the new requirements of the Local Government Act. Target is to be adopted before 30 June (every three years).	Achieved  Council adopted the Long Term Plan and Financial Strategy on 24 June 2015.
	The Annual Plan will be adopted annual before 30 June, annually.	The Annual Plan will be adopted annual before 30 June, annually.	Achieved  The 2016/2017 Annual Plan was adopted at a Council meeting held on 1 June 2016.
	The Annual Report will include an unmodified audit opinion.	The Annual Report will include an unmodified audit opinion.	Achieved  The 2016 Annual Report received an unqualified audit opinion.

### 3. ACQUISITION AND RENEWAL OF ASSETS

Governance & Community Leadership	AP Forecast 2017/18 \$000	Actual 2017/18 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Other renewal asset costs	-	-	-	
<b>Total renewal projects</b>	-	-	-	
<b>Level of service portion of project</b>				
Other level of service asset costs	-	-	-	
<b>Total LOS projects</b>	-	-	-	
<b>Growth portion of project</b>				
Levin Town Centre Projects - Phase 1	143	-	143	1
Other growth asset costs	4	-	4	
<b>Total growth projects</b>	<b>147</b>	-	<b>147</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	-	-	-	
Improve level of service	-	-	-	
Growth – To meet additional demand	147	-	147	
<b>Total Governance &amp; Community Leadership projects</b>	<b>147</b>	-	<b>147</b>	

#### NOTES:

1. Work not done but the remaining budget has been carried forward to allow for completion in 2018/19.

### 4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d)).

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in Part One above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2018 are those mentioned in other activities, it having been the governance arm of the Council that set the priorities, made the key decisions and arranged the provision of funding (mainly through rates) that they may proceed in a democratic manner.

# Representation and Community Leadership

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

		LTP Forecast 2017 \$000	LTP Forecast 2018 \$000	Annual Plan Forecast 2018 \$000	Actual 2018 \$000	Variance 2018 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		2,891	3,166	3,596	3,607	11
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		3	-	-	4	4
Internal charges and overheads recovered		-	-	-	-	-
<b>Total operating funding (A)</b>		<b>2,894</b>	<b>3,166</b>	<b>3,596</b>	<b>3,611</b>	<b>15</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1	1,002	1,089	1,207	1,502	295
Finance costs		-	-	-	-	-
Internal charges and overheads applied	2	1,952	2,035	2,348	2,749	401
Other operating funding applications		-	-	-	-	-
<b>Total applications of operating funding (B)</b>		<b>2,954</b>	<b>3,124</b>	<b>3,555</b>	<b>4,251</b>	<b>696</b>
<b>Surplus (deficit) of operating funding (A-B)</b>		<b>(60)</b>	<b>42</b>	<b>41</b>	<b>(640)</b>	<b>(681)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	1	(2)	(2)	147	-	(147)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
<b>Total sources of capital funding (C)</b>		<b>1</b>	<b>(2)</b>	<b>147</b>	<b>-</b>	<b>(147)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
- to meet additional demand		-	-	147	-	(147)
- to improve the level of service		-	-	-	-	-
- to replace existing assets		-	-	-	-	-
Increase (decrease) in reserves	3	(60)	42	41	(640)	(681)
Increase (decrease) of investments	1	(2)	(2)	-	-	-
<b>Total applications of capital funding (D)</b>		<b>(59)</b>	<b>40</b>	<b>188</b>	<b>(640)</b>	<b>(828)</b>
<b>Surplus (deficit) of capital funding (C-D)</b>		<b>60</b>	<b>(42)</b>	<b>(41)</b>	<b>640</b>	<b>681</b>
<b>Funding balance ((A-B)+(C-D))</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Depreciation		-	-	-	-	-
<b>Loans</b>						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2017		-	-	-		
Raised during year		-	-	-		
Repaid during year		-	-	-		
<b>Loans as at 30/06/2018</b>		<b>-</b>	<b>-</b>	<b>-</b>		
Interest expense		-	-	-		

**NOTES:**

1. These costs are attributable to more time and costs occurring than was originally envisaged reacting to expenditure is higher than anticipated due to expenditure for Levin Town Centre Strategy and Horowhenua Growth Strategy not budgeted for.
2. Increased overheads are mainly from the CEO budget. The CEO spend is more than budget largely due to consultant fees for the Horowhenua 2040 Strategy.
3. The increased cost described above have been funded from internal reserves and surpluses.

Activity Expenditure	LTP	LTP	Annual Plan	Actual 2018 \$000	Variance 2018 \$000
	Forecast	Forecast	Forecast		
	2017 \$000	2018 \$000	2018 \$000		
Community Board	158	170	203	221	18
Elections	125	8	8	7	(1)
Governance	1,630	1,695	1,917	2,549	632
External Reporting	1,042	1,252	1,426	1,473	47
<b>Total Expenditure</b>	<b>2,955</b>	<b>3,125</b>	<b>3,554</b>	<b>4,250</b>	<b>696</b>

# Report On Contribution of Māori to Decision-Making

## BACKGROUND AND POLICY

Parts 2 and 6 of the Local Government Act 2002 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes. In particular, the role of local authorities as defined in Part 2 of the Act is, inter alia, to promote the social, economic, environmental and cultural well-being of communities, in the present and for the future. The principles relating to local authorities in performing their role include providing for opportunities for Māori to contribute to local authorities' decision-making processes.

Part 6 of the Act relates to Council's planning, decision-making and accountability requirements. Section 81 requires a local authority to:

Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority.

Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority.

Provide relevant information to Māori for the purposes of (1) and (2) above.

Section 77 of the Act requires a local authority, in the course of its decision-making process, to take into account the relationship of Māori and the culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga if any of the options identified in its decision-making process involves a significant decision in relation to land or a body of water.

Schedule 10 of the Local Government Act specifically requires Council to include in its LTP any steps that the local authority intends to take, having considered ways in which it might foster the development of Māori capacity to contribute to the decision-making processes of the local authority, over the period covered by that Plan.

Council proposes to address this matter by consulting with Iwi using the mechanisms defined in its current Memoranda of Understanding to determine the issues, if any, that are limiting their capacity to participate more fully in Council's decision-making processes and to discuss options for resolving or reducing these issues.

The reasoning behind this approach is that until Council has a better understanding of the issues that may or may not be impacting on the ability of Māori to participate at a higher level than at present in Council's decision-making processes, any decision on this matter may be premature and/or presumptive.

## YEAR ENDED 30 JUNE 2018

Schedule 10 Part 3 (21) requires Council to report on activities it has taken in the year to establish and maintain processes to provide for opportunities for Māori to contribute to Council's decision-making processes.

During the year ended 30 June 2018 Council continued to make good progress in its pursuit of enhanced relationships with Iwi representatives, throughout our District. Regular meetings at both formal and informal level were held throughout the year with a number of different Iwi and hapū groups.

Te Kaunihera o Horowhenua continues to put focus and emphasis on building relationships and partnerships with Māori.

Through its decision-making processes Council recognises the principles of the Treaty of Waitangi/Te Tiriti o Waitangi and kaitiakitanga. Council's Significance and Engagement Policy (adopted in June 2017) sets out what the community including Māori can expect from Te Kaunihera o Horowhenua regarding consultation and ways they can influence and participate in Council's decision-making processes. The Council endeavours to provide for the relationship of Māori and their traditions with their ancestral lands, water sites, wāhi tapu and other taonga, when it is considering a significant decision (as per Council's Significance and Engagement Policy) in relation to land or a body of water and this is consistent with the requirements of section 77 of the LGA. This has included Council enabling the preparation of Cultural Impact Assessments in relation to Council's infrastructure consent applications.

Council has developed Memorandums of Partnership to help facilitate Māori involvement in local decision-making processes. Memorandums of Partnership are enabling documents which have already provided significant benefit to the respective parties and their ongoing communication on a number of matters of mutual interest. These documents are becoming increasingly important as Council seeks closer and meaningful working relationships with the Māori community, to achieve effective consultation and engagement on a wide range of issues affecting the Horowhenua District.

Council currently has Memorandum of Partnerships with:

- Muaūpoko Tribal Authority;
- Rangitāne O Manawātū;
- Te Iwi o Ngāti Tukorehe Trust – representing Ngāti Tukorehe, Te Mateawa, Ngāti Te Rangitawhia and Ngāti Kapu (Ngāti Raukawa);
- Te Kotahitanga o Te Iwi o Ngāti Wehi Wehi (Ngāti Raukawa).

Council does not have Memorandum of Partnership with Ngāti Apa or Te Runanga o Raukawa Inc (the overarching mandated iwi body) or with Ngāti Huia ki Matau, Ngāti Huia ki Poroutawhao and Ngāti Whakatere (Ngāti Raukawa). However, Council recognises that they are key stakeholders in the District, and are often involved in both formal and informal consultation. Council continues to build a relationship with Ngāti Raukawa ki te Tonga through monthly meetings with hapū representatives from Ngāti Huia ki Matau, Ngāti Huia ki Poroutawhao, Ngāti Rakau, Ngāti Te Au, Ngāti Turanga, Ngāti Whakatere, Ngāti Kikopiri, Ngāti Ngārongo, Ngāti Wehi Wehi, Ngāti Takihiku, Ngāti Hikitunga, Ngāti Tukorehe and Ngāti Pareraukawa. Council looks forward to further strengthening these relationships in the future. Council is committed to encourage, develop and enter in to formal relationships with other Iwi and hapū.

Horowhenua District Council in its journey from good to great has put focus on building capacity within the organisation to ensure its people are informed and supported to understand the Māori world view and to better enable Māori engagement in local government.

In the last 12 months, staff have participated in Cultural Awareness Training facilitated by Ngāti Tukorehe and an internal Waiata Group has been established supporting the Council at a variety of events.

The following is a précis of the significant iwi engagement and consultation matters during 2017/18:

1. Te Awahou Nieuwe Stroom – This fantastic facility, opened in November 2017, has come about through a bi-cultural management approach to create both a bi-cultural and multicultural facility that celebrates and helps tell the stories of the people of the land. Te Taitoa Māori o Te Awahou is actively engaged in the development of Pirihaakeke Generation Inspiration Centre within the Te Awahou Nieuwe Stroom complex. The gallery shares the stories of Ngāti Raukawa ki te Tonga. The bi-cultural approach was key to the successful fundraising campaign undertaken.
2. Transforming Taitoko/Levin – engagement on the Draft Levin Town Strategy to redevelop the town centre.
3. Otaki to North Levin Expressway.
4. District Plan Changes – Historic Heritage and Residential Development Provisions.
5. Te Awahou/Foxton wastewater treatment plant (WWTP) – including planning for proposal to move discharge to land as opposed to water.
6. Long Term Plan 2018-2038.
7. Horowhenua 2040 Strategy.
8. Te Pai Tawhiti – Council has engaged on the inter-generational strategy for Māori economic development in Manawātū-Whanganui.
9. Te/Maire/Shannon wastewater treatment plant (WWTP) – removal of treated wastewater discharge from water to land – completed.
10. Taitoko/Levin water supply – water take from Ōhau River consent.
11. Lake Horowhenua Water Quality Improvement project – Queen Street drain wetland (stormwater treatment).
12. Reserve Management Plan reviews.
13. Hokio Landfill consent review.
14. Taitoko/Levin North East stormwater.
15. Seaview Gardens Reserve, Te Awahou/Foxton development planning.
16. Waitāre wastewater treatment plant consent renewal.
17. Taitoko/Levin wastewater discharge consent renewal for the Pot (including securing funding for the removal of the pine plantation and replacement with native trees).
18. Te Maire/Shannon water treatment plant (water take resource consent from Mangahao River).
19. Tokomaru wastewater treatment plant consent renewal – including planning for discharge to land as opposed to water.

This consultation and engagement has included a range of inputs to the decision-making process, these include (but are not limited to):

- Preparation of site specific cultural impacts assessments;
- Submissions on consent applications;
- Meetings and conversations between iwi and Council officers;
- Collaborative decision-making on the construction, design of the Te Awahou Nieuwe Stroom building and the internal fit-out of the facility;
- Participation in stakeholder focus groups;
- Participating and providing support to iwi in their environmental projects such as tree planting along the Manawātū River banks.

Alongside this, Te Kaunihera o Horowhenua has provided services to the following groups to aid capability:

- Horowhenua Lake Domain Board – provision of secretary, treasurer as unpaid Board Members. Maintenance of the reserve is carried out by Te Kaunihera o Horowhenua;
- Te Mana o te Wai – provision of secretary, treasurer and governance/project management expertise as unpaid Board Members;
- Initial discussions have started with key local iwi groups on how Council might be able to assist in further fostering and building capacity for them to engage in Council decision making processes, with this work to continue in the 2018/19 financial year;
- Waitangi Day – worked collaboratively with Muaūpoko to hold an event to celebrate Waitangi day, partly funded by Te Kaunihera o te Horowhenua with Council Officer volunteers helping out throughout the day adding capacity and capability.

While not directly related to decision-making, Te Kaunihera o Horowhenua is committed to aiding and improving existing relationships with Māori and supporting aspirations. During the past year Council and Council Officers have undertaken a number of projects to aid that:

Council completed the process of ensuring the full name of Te Takeretanga o Kura-hau-pō is used in branding materials – this has been done to honour of the name that was bestowed by Muaūpoko and to show respect for Te Reo Māori.

The Youth Space within Te Takeretanga o Kura-hau-pō caters for all youth, including rangatahi.

Events held at Te Takeretanga o Kura-hau-pō have included specific events aimed at Māori:

- Matariki: week-long celebration including pōwhiri, hākari, concert, movie and weaving demonstrations;
- Stargazing at Te Awahou/Foxton;
- Starlab in Te Maire/Shannon;
- Māori Language Week – programme of events aimed at pre-schools including one-day dedicated to Te Reo Māori only for Kohanga throughout the district;
- Tamariki Playgroup run by Te Runanga o Ngāti Raukawa.



# SECTION D: APPENDICES

Section D provides additional useful information about the Council.

## **Governance structure and personnel**

Shows the Ward representation and lists elected representatives and their special responsibilities.

## **Management structure and personnel**

Lists the senior staff and their responsibilities.

## **Directory and contacts**

Lists the Council's key associated bodies and how they can be contacted.

## **Glossary**

Provides short definitions of the jargon that creeps into local authority documents.

# Governance Personnel

Committee membership and representation responsibilities are:

## Mayor Michael Feyen

Phone: 027 441 9923

Email: [mayor@horowhenua.govt.nz](mailto:mayor@horowhenua.govt.nz)

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee (Chairperson), Chief Executive's Performance Agreement Review Committee, Chief Executive Relationship Committee, Cultural Portfolio

**Represents Council on:** Horizons Regional Council – Passenger Transport Committee, Horowhenua Lake Domain Board, Lake Accord (He Hokioi Rerenga Tahī), Manawātū River Users Advisory Group, Manawātū-Whanganui Region Civil Defence Emergency, Mayor's Task Force for Jobs, Save Our River Trust.

## Deputy Mayor Wayne Bishop

Ward: Waiopēhu

Email: [cr.wayne.bishop@horowhenua.govt.nz](mailto:cr.wayne.bishop@horowhenua.govt.nz)

Phone: 0274 474611

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Review Panel, Chief Executive Relationship Committee (Chairperson), Tenders Committee (Chairperson), Economic Portfolio

**Represents Council on:** Hokio Progressive Association Inc, Manakau District Community Association, Waikawa Beach Ratepayers Association, Waitāre Beach Progressive and Ratepayers Association Inc.

## Cr Ross Brannigan

Ward: Kere Kere

Phone: 021 247 7338

Email: [cr.Ross.Brannigan@horowhenua.govt.nz](mailto:cr.Ross.Brannigan@horowhenua.govt.nz)

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Tenders Committee, Creative New Zealand Funding Allocation Committee, District Licensing Committee (Chairperson)

**Represents Council on:** Crime Prevention Camera Trust, National Museum of Audio Visual Arts & Sciences Trust Board.

## Cr Ross Campbell

Ward: Miranui

Phone: 027 253 3956

Email: [cr.ross.campbell@horowhenua.govt.nz](mailto:cr.ross.campbell@horowhenua.govt.nz)

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Community Recognition & Funding Committee, Tenders Committee, Cultural Portfolio

**Represents Council on:** Horizons Regional Council – Regional Transport Committee, Lake Accord (He Hokioi Rerenga Tahī), Manawātū River Users Advisory Group, Mangaore Village Residents' Association, Shannon Community Development Trust, Shannon Progressive Association Inc, Shannon Sewerage Working Party.

## Cr Victoria Kaye-Simmons

Ward: Levin

Phone: 027 601 1014

Email: [cr.victoria.kaye@horowhenua.govt.nz](mailto:cr.victoria.kaye@horowhenua.govt.nz)

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Chief Executive Relationship Committee, Creative New Zealand Funding Allocation Committee

**Represents Council on:** Crime Prevention Camera Trust, Horowhenua District Health Transportation Trust, Horowhenua Lake Domain Board, Jack Allen Community House, Keep Levin Beautiful Committee, Lake Accord (He Hokioi Rerenga Tahī), Thompson House Committee.

## Cr Jo Mason

Ward: Levin

Phone: 027 248 6643

Email: [cr.jo.mason@horowhenua.govt.nz](mailto:cr.jo.mason@horowhenua.govt.nz)

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Hearings Committee (Chairperson), Community Recognition & Funding Committee, Community Wellbeing Committee

**Represents Council on:** Disability Leadership Forum, Horowhenua Health Workforce Trust, Horowhenua Neighbourhood Support Management Committee.

### Cr Christine Mitchell

Ward: Waiopēhu

Phone: 027 318 7703

Email: cr.christine.mitchell@horowhenua.govt.nz

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Tenders Committee, Environmental Portfolio

**Represents Council on:** Hokio Progressive Association Inc., Manakau District Community Association, Waikawa Beach Ratepayers Association, Waitāre Beach Progressive and Ratepayers Association Inc.

### Cr Piri-Hira Tukapua

Ward: Levin

Phone: 027 529 4883

Email: cr.piri-hira.tukapua@horowhenua.govt.nz

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Hearings Committee, Community Recognition & Funding Committee, Cultural Portfolio

**Represents Council on:** Education Horowhenua, Horowhenua Lake Domain Board, HLC Trust, Youth Voice.

### Cr Neville Gimblett

Ward: Kere Kere

Phone: 021 121 2214

Email: cr.neville.gimblett@horowhenua.govt.nz

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Community Recognition & Funding Committee (Chairperson), Tenders Committee, Environmental Portfolio, District Licensing Committee

**Represents Council on:** Foxton Area Community Medical Trust, Horizons Regional council – Passenger Transport Committee.

### Cr Bernie Wanden

Ward: Levin

Phone: 027 291 5546

Email: cr.bernie.wanden@horowhenua.govt.nz

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Hearings Committee, Community Recognition & Funding Committee, Economic Portfolio

**Represents Council on:** Manawātū/Whanganui Regional Disaster Relief Fund Trust.

### Cr Barry Judd

Ward: Levin

Phone: 027 367 2030

Email: cr.barry.judd@horowhenua.govt.nz

**Council Committees:** Finance, Audit and Risk Subcommittee, Strategy Committee, Chief Executive's Performance Agreement Review Committee, Community Wellbeing Committee (Chairperson), Cultural Portfolio

**Represents Council on:** Education Horowhenua, Coast Access Radio – Horowhenua District Trustee.

## FOXTON COMMUNITY BOARD

**David Roache (Chair)** Ph: 027 442 5691  
Email: DavidRoache@horowhenua.govt.nz

**Tricia Metcalf** Ph: 021 447 711  
Email: TriciaMetcalf@horowhenua.govt.nz

**David Allan** Ph: 021 031 1812  
Email: DavidAllan@horowhenua.govt.nz

**John Girling** Ph: 021 0257 5080  
Email: JohnGirling@horowhenua.govt.nz

**Jenny Lundie** Ph: 027 600 0475  
Email: JennyLundie@horowhenua.govt.nz

## Management Structure and Personnel

Personnel	Activity
<b>Chief Executive</b> David Clapperton	Employer of Council staff Governance relationships Organisational effectiveness and efficiency
<b>Acting Group Manager Infrastructure Services</b> Rob Green	Asset management Roading and stormwater Solid waste management Wastewater disposal Water supply
<b>Chief Financial Officer</b> Doug Law	Financial planning and reporting Financial policy and financial services
<b>Group Manager People &amp; Community</b> Sharon Grant	Civic and ceremonial functions Communications Community development Emergency management Governance services and administration HR policies and administration Libraries Payroll Property and parks Recruitment Service centres
<b>Group Manager Business Services</b> Nicki Brady	Animal control Building control Environmental health Parking enforcement Planning services
<b>Group Manager Strategy &amp; Development</b> David McCorkindale	Annual Plan review District Plan review Long Term Plan review Special projects
<b>Economic Development Manager</b> Shanon Grainger	Economic development
<b>Group Manager Corporate Services</b> Mark Lester	Accounting services Information technology services Rates revenue Records management Risk management
<b>Growth Response Project Manager</b> Daniel Haigh	Growth response

# Directory and Contacts

## AUDITORS

Audit New Zealand (on behalf of the Auditor General)  
49 Victoria Avenue, Palmerton North

## BANKERS

BNZ

## SOLICITORS

Todd Whitehouse  
27 Queen Street, Levin 5510

## COUNCIL OFFICES

Main Office  
126-148 Oxford St, Levin 5510  
(Private Bag 4002, Levin 5540)

Phone (06) 366 0999 (all hours)  
Fax (06) 366 0977  
Email [enquiries@horowhenua.govt.nz](mailto:enquiries@horowhenua.govt.nz)

Foxton Service Centre  
Te Awahou Nieuwe Stroom  
22 Harbour St,  
Foxton

Phone (06) 363 5571  
Fax (06) 367 9218

Shannon Service Centre  
Plimmer Terrace, Shannon

Phone (06) 362 7030  
Fax (06) 362 7030

## VISITOR INFORMATION CENTRE

Te Takeretanga o Kura-hau-pō,  
10 Bath Street, Levin

Phone (06) 368 1953  
Fax (06) 367 9218

Te Awahou Nieuwe Stroom  
22 Harbour St, Foxton

Phone (06) 363 5571  
Fax (06) 367 9218

## EMERGENCY MANAGEMENT

126-148 Oxford Street, Levin

Phone (06) 366 0999  
Fax (06) 368 7110

## SWIMMING POOLS

Queen Street, Levin

Phone (06) 368 0070

Main Street, Foxton

Phone (06) 363-6123

# Glossary

## ADVOCATE

Council acts as an advocate when it represents the views and interests of the community to a range of organisations including Government Agencies and the Regional Council.

## ASSET

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

## ASSET MANAGEMENT PLAN (AMP)

This is a long-term plan for managing an asset to ensure that capacity to provide a service is kept up, and that costs over the life of the asset are kept to a minimum. The Council has such plans for all of its major assets including roading, water supply, wastewater disposal, parks and solid waste assets. The plans cover things like service standards, maintenance regimes and future developments.

## CAPITAL EXPENDITURE

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

## COMMUNITY OUTCOMES

Statements of the community's vision and goals for the future of the District. It is intended that these outcomes inform and co-ordinate the activities and planning of all sectors of the community (including the Council).

## COUNCIL-CONTROLLED ORGANISATION (CCO)

An organisation that manages facilities and/or provides services on behalf of the Horowhenua community, in which Council directly or indirectly controls more than 50% of either the votes or the appointments of directors or trustees.

## DEBT

The amount owed for borrowed funds.

## DEPRECIATION

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

## DISTRICT PLAN

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

## FINANCIAL YEAR

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

## PROJECTED FINANCIAL STATEMENT

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

## FUNDING IMPACT STATEMENT

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

## GOVERNANCE

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

## INFRASTRUCTURE

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

## **LAND VALUE**

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

## **LIABILITY**

Present obligation arising from past events. Current liabilities are those due for payment within one financial year, and non-current liabilities are those due in the longer-term.

## **LONG TERM PLAN (LTP)**

A long-term (10-year) plan (reviewed every three years) that describes community outcomes and the activities of the Council, and provides a long-term focus for the decisions and activities of the Council.

## **OPERATING COSTS**

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

## **PERFORMANCE TARGET**

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

## **RATES**

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

## **RENEWAL EXPENDITURE**

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

## **REVENUE**

The amount earned from operations: Examples are rates, dog registration fees, building permit fees, subsidies, rental revenue and interest on investments.

## **SIGNIFICANCE**

The degree of importance of an issue under consideration, as assessed by Council, in terms of its likely consequences for the current and future well-being of the community.

## **STORMWATER**

Rain that runs off properties and roads.

## **SUSTAINABILITY**

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

## **TARGETED RATES**

Any rate other than a general rate, targeted at users or beneficiaries of a particular service. Examples are rates for solid waste, water supply and wastewater.

## **UNIFORM ANNUAL GENERAL CHARGE (UAGC)**

A fixed-sum rate payable by all properties as part of their contribution to general rates. There are statutory rules whereby the UAGC is not payable on contiguous properties – where two or more properties are next to each other, owned by the same ratepayer, used for a common purpose.

## **WASTEWATER**

The liquid waste from a property. Examples are sewage, grey water and trade waste.



## Statistics

Rating And Valuation 1 July 2017	
Area, sq.km <sup>2</sup>	1,063.60
Capital value	\$6,618,165,250
Land value	\$3,316,552,250
Rateable land value	\$2,870,439,650
Number of rateable properties	17,959
Census 2013	
Demographics	
Population	30,099
Population aged 65 years and over (national average 14.3%)	23.7%
Population aged 15 years and under (national average 20.4%)	19.1%
Average age in the District (nation average 38 years)	46 years
Ethnicity	
European	82.4%
Māori	22.8%
Pacific peoples	4.8%
Asian	3.4%
African	0.3%
Other (New Zealander)	1.8%
Households	
Number of Dwellings	15,099
Average household size (national average 2.7)	2.3
Households with access to the internet (national average 76.8%)	64.7%

# Contact Us

Horowhenua District Council  
126 Oxford Street  
Levin 5510  
Private Bag 4002, Levin 5540

Ph: 06 366 0999  
Fax: 06 366 0983  
[enquiries@horowhenua.govt.nz](mailto:enquiries@horowhenua.govt.nz)  
[www.horowhenua.govt.nz](http://www.horowhenua.govt.nz)



HOROWHENUA DISTRICT COUNCIL  
*Whakarua - Whakarua*