

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

**Date:** Wednesday 5 July 2017  
**Time:** 4.00 pm  
**Meeting Room:** Council Chambers  
**Venue:** 126-148 Oxford St  
Levin

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## Strategy Committee

### OPEN AGENDA

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#### MEMBERSHIP

<b>Mayor</b>	Mr Michael Feyen	
<b>Deputy Chairperson</b>	Mrs Victoria Kaye-Simmons	
<b>Councillors</b>	Mr Wayne Bishop	
	Mr Ross Brannigan	
	Mr Ross Campbell	
	Mr Neville Gimblett	
	Mrs Jo Mason	
	Mrs Christine Mitchell	
	Ms Piri-Hira Tukapua	
	Mr Bernie P Wanden	
<b>Reporting Officer</b>	Mr David Clapperton	(Chief Executive)
<b>Meeting Secretary</b>	Mrs Karen Corkill	

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**Full Agendas are available on Council's website**  
**[www.horowhenua.govt.nz](http://www.horowhenua.govt.nz)**

**Full Agendas are also available to be collected from:**  
**Horowhenua District Council Service Centre, 126 Oxford Street, Levin**  
**Foxton Service Centre/Library, Clyde Street, Foxton,**  
**Shannon Service Centre/Library, Plimmer Terrace, Shannon**  
**and Te Takere/Library, Bath Street, Levin**



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**1 Apologies**

**2 Public Participation**

Notification to speak is required by 12 noon on the day of the meeting. Further information is available on [www.horowhenua.govt.nz](http://www.horowhenua.govt.nz) or by phoning 06 366 0999.

**3 Late Items**

To consider, and if thought fit, to pass a resolution to permit the Council to consider any further items which do not appear on the Agenda of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987, and the Chairperson must advise:

- (i) The reason why the item was not on the Agenda, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

**4 Declarations of Interest**

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

**5 Announcements**



File No.: 17/266

## Proposed Plan Change 1: Historic Heritage – Update Schedule 2 to include additional buildings, structures and sites

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### 1. Purpose

To present Proposed Plan Change 1 (including supporting evaluation/technical reports) to the Strategy Committee for its approval and to obtain a recommendation that Council adopts the proposed plan change at its meeting in July and that officers proceed with public notification.

### 2. Executive Summary

- 2.1 This report explains the reasons for undertaking this proposed plan change and it also highlights the key amendments that are proposed to the Horowhenua District Plan (2015) as a result of the proposed plan change (e.g. extending the list of buildings, structures and sites in Schedule 2, minor changes to Chapter 13 and changes to Planning Maps). It is noted that Proposed Plan Change 1 will have legal effect upon notification of this proposed plan change.
- 2.2 A resolution of Council is required to adopt the proposed plan change for public notification. Therefore officers preferred option is that the Strategy Committee to approve Proposed Plan Change 1: Historic Heritage – Update Schedule 2 to include additional buildings, structures and sites and recommends that Council adopts the proposed plan change for public notification at its meeting on 19 July 2017.

### 3. Recommendation

- 3.1 That Report 17/266 on Proposed Plan Change 1: Historic Heritage – Update Schedule 2 to include additional buildings, structures and sites be received.
- 3.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 3.3 That Proposed Plan Change 1: Historic Heritage – Update Schedule 2 to include additional buildings, structures and sites and the Section 32 Evaluation Report is approved by the Strategy Committee and that the Committee recommends it be adopted by Council for the purpose of public notification in accordance with Clause 5 of the First Schedule of the Resource Management Act 1991.
- 3.4 That the Strategy Committee recommends to Council that, if necessary, the Senior Manager – Strategic Planning, in consultation with the Chair of the Hearings Committee be authorised (prior to public notification) to correct any minor errors or omissions in the text and maps of Proposed Plan Change 1 and the Section 32 Evaluation Report.
- 3.5 That the Strategy Committee recommends to Council that officers be authorised to proceed with public notification of Proposed Plan Change 1: Historic Heritage – Update Schedule 2 to include additional buildings, structures and sites, in accordance with the statutory requirements set out in the First Schedule of the Resource Management Act 1991.

### 4. Background / Previous Council Decisions

Historic Heritage - Council's obligations:

- 4.1 At a central government level, Council has a statutory obligation to protect significant local heritage under the Resource Management Act 1991 (RMA). The purpose of the RMA (Section 5) is “*to promote the sustainable management of natural and physical resources*”. Historic heritage is recognised as a finite natural and physical resource that, once lost, cannot be replaced. Therefore, it is important to protect significant local historic heritage to ensure that it can continue to be utilised and appreciated by future generations.
- 4.2 Furthermore under Section 6(f) of the RMA “*the protection of historic heritage from inappropriate subdivision, use and development*” is identified as a matter of national importance.
- 4.3 At a regional level, under Horizons Regional Council’s One Plan, Objective 6-3 requires Territorial Authorities (TAs) to “protect historic heritage from activities that would significantly reduce heritage qualities”. Related policies require TAs to develop and maintain a schedule of known heritage for protection in their District Plans.

Heritage Strategy 2012:

- 4.4 The Horowhenua District Heritage Strategy was adopted in September 2012. Its purpose is to assist the Council and the community to more effectively manage heritage in the District, and it does this through:
- 4.5 Identifying key issues and opportunities to address heritage management in the District;
- 4.6 Setting out a clear vision to ensure that the District’s heritage is recognised, protected and promoted; and
- 4.7 Identifying a range of actions and goals to facilitate more effective management of local heritage. Actions included Council identifying potentially significant historic heritage, assessing it and then amend the District Plan to include additional heritage buildings, structures and sites.

District Plan Review:

- 4.8 A full review of the former District Plan (1999) was undertaken between 2011- 2013, with the Horowhenua District Council (the Council) making its second generation District Plan operative on 1 July 2015.
- 4.9 As part of District Plan Review, ‘Section 7 – Issues, Objectives: Heritage’, of the previous District Plan was replaced by ‘Chapter 13 – Objectives/Policies: Historic Heritage’ of the now operative District Plan.
- 4.10 The review also resulted in amendments being made to the rules relating to management of the heritage buildings, structures and sites listed in Schedule 2. The rules apply across the various zone chapters and were updated to facilitate more effective management of historic heritage in the district; they reflect current best practice and aid interpretation.
- 4.11 The list of buildings, structures and sites in Schedule 2 of the District Plan was originally developed by Val Burr in 1995/96, as part of the preparation of Council’s previous District Plan.
- 4.12 During the District Plan Review, Schedule 2 was updated to fully reflect the current range of buildings, structures and sites in the District included on the Register of Historic Places, Historic Areas, Wahi Tapu, and Wahi Tapu Areas (now New Zealand Heritage List/Rārangī Kōrero).
- 4.13 Although there were considered to be some obvious gaps in the heritage buildings, structures and sites listed in Schedule 2 (e.g. there are currently only four buildings in Foxton which are on Schedule 2 being: All Saints Church; Duncan House; Nye Homestead; and 31 Robinson Street), a more comprehensive review of Schedule 2 was not carried out as part of the District Plan Review.



- 4.14 The decision to defer a comprehensive review of Schedule 2 was largely based on the fact that as part of the District Plan Review, substantive amendments to the framework of objectives, policies and rules specifically associated with Schedule 2 listed features were proposed. Given these proposed changes, it was considered to be advantageous for there to be certainty around what owners of listed properties could do as of right with their property, and what works/activities would be subject to restrictions, prior to any further buildings, structures or sites being included on the Schedule.
- 4.15 Instead a commitment was made by Council under the 'Methods for Issue 13.1 and Objective 13.1.1' in Chapter 13 of the District Plan, to carry out a comprehensive survey of historic heritage in the District in line with the Horowhenua Heritage Strategy 2012. It was indicated that the survey should apply a 'thematic approach' to the identification of prospective historic heritage buildings and sites.

Nomination and Assessment Processes:

- 4.16 Officers commenced the comprehensive review of historic heritage at the end of 2015. Throughout December 2015 and January 2016 members of the public were invited to nominate any buildings, structures or sites that they believed to be historically significant.
- 4.17 A total of 78 nominations were received, although 18 of these were either duplicates (i.e. features that were nominated more than once), features that were already protected or were outside of the project's scope.
- 4.18 Due to the number of nominations that were received, the nominated heritage buildings, structures and sites were divided into two groups for assessment: non-residential nominations (e.g. commercial buildings or churches) and residential nominations (e.g. dwellings).
- 4.19 The non-residential buildings, structures and sites were prioritised for assessment because they are:
- Illustrative of a wider range of building types, representative of the historical influences or events that have helped shape the District; and
  - They are typically more accessible or visible to the public than residential buildings (e.g. Foxton's Main Street).

The residential nominations will be assessed at a later date as funding and resourcing permits.

- 4.20 Over eight months the non-residential nominated buildings, structures and sites were researched and evaluated by two heritage experts (historian, Val Burr and architect and conservator, Ian Bowman).
- 4.21 A total of 32 non-residential buildings, structures and sites have been assessed, although not all of these meet the necessary criteria for proposed listing in Schedule 2.

Proposed Plan Change:

- 4.22 Due to the local government elections (which took place in October 2016) work on this was temporarily put on hold until the new Council could be briefed on the work done to date and the options for progressing the plan change.
- 4.23 Council was briefed in February 2017 and provided direction to officers to proceed with preparing a plan change to propose additional heritage buildings, structures and sites to be included in Schedule 2, but only where the property owner is supportive of the listing. Officers have contacted property owners to confirm whether they are supportive of their building, structure or site being proposed for inclusion in Schedule 2 of the District Plan. Officers have now confirmed a list of buildings, structures and sites to put forward for inclusion in Schedule 2 as part of a proposed plan change.

## 5. Discussion

### Scope of Proposed Plan Change 1:

- 5.1 Proposed Plan Change 1 seeks to make changes to Schedule 2 of the District Plan as well as 13 of the District Plan – Planning Maps (updates to the planning maps are to add the location references for the buildings, structures and sites that are proposed to be included in Schedule 2). The proposed plan change also seeks to change the Method for Issue 13.1 and Objective 13.1.1 as well as the ‘Explanation and Principal Reasons’ for Issue 13.2 in Chapter 13 but will not otherwise change the existing issues, objectives, policies, or rules in the District Plan.
- 5.2 This proposed plan change aims to make the heritage buildings, structures and sites listed in Schedule 2 more accurately represent the significant heritage features located across the District as well as the various industries and events that helped shape the Horowhenua (i.e. the Flax industry).
- 5.3 This plan change only proposes the addition of buildings, structures and sites where the property owners are supportive of them being added to Schedule 2 of the District Plan.

### Legal Effect of Changes:

- 5.4 In accordance with section 86B(3)(d) of the RMA any changes proposed to a District Plan which relate to historic heritage take effect from when they are publicly notified. An option available to Council is to resolve that the rules would only have legal effect once the proposed plan becomes operative (i.e. at the completion of the decision making process and once any appeals have been resolved). This is not considered desirable given the potential risk that the significant heritage character of the buildings, structures and sites proposed for inclusion in Schedule 2 could be compromised between following notification and before the plan change becomes operative. It is for these reasons that the legislation specifically identifies historic heritage along with several other types of resources where there could be irreversible effects. Furthermore it is worth noting that only those property owners who are supportive of their property being listed are proposed for inclusion and they are aware of the rules and potential obligations that will apply to their property.

### Consultation:

- 5.5 Property owners whose buildings, structures or sites have been assessed and which meet the criteria for recommending inclusion in the District Plan have been contacted and provided with a draft copy of the assessment that was undertaken and information on what listing their property would mean in terms of provisions in the District Plan. They were given the opportunity to confirm their support (or otherwise) of their property being proposed for inclusion in the District Plan.
- 5.6 Information on the proposed plan change was provided to the Ministry for the Environment, Iwi Authorities and Horizons Regional Council in advance of the formal consultation process, in accordance with the requirements of Schedule 1 of the Resource Management Act 1991.
- 5.7 The consultation that occurs as part of the notification process is set out in Section 11 of this report.

## 6. Options

At this stage of the process there are two options available to Council:

**Option 1:** Recommend that Council proceed with adoption and notification of Proposed Plan Change 1

**Option 2:** Delay adoption and notification of the Proposed Plan Change 1

**Option 1:** Recommend that Council proceed with adoption and notification of Proposed Plan Change 1

This is officers preferred and recommended option. The timing of the notification would in officers opinion make it possible to synchronise the notification with another plan change (Proposed Plan Change 2) being considered by the Strategy Committee. There would be certain synergies and cost savings to be achieved if the notification and hearing processes of these proposed plan changes could be undertaken together.

If notification of these proposed plan changes is to occur as anticipated in late July 2017 then it will enable the further submission process and the hearings to be held this year. Depending on the number and complexity of submissions and further submissions received it is possible that the proposed plan change may even be able to be made operative this year.

**Option 2:** Delay adoption and notification of the Proposed Plan Change 1

This option would be appropriate if the Strategy Committee considered that there needed to be significant changes to what has been proposed in this Plan Change or if there was good reason to delay the notification purely from a timing perspective. Delaying adoption and notification of this proposed plan change and not the other one being considered (Proposed Plan Change 2) would result in lost opportunities to synchronise the submission and hearing processes for these two proposed plan changes.

The costs associated with both options are the same, although noting that there would be additional costs if Proposed Plan Changes 1 and 2 could not all be notified at the same time.

For the reasons set out above for each option, Officers recommend Option 1.

## 6.1 Cost

This proposed plan change is funded as part of the District Plan Review project which is identified as part of 'Planning Policy' under the Long Term Plan (LTP) 2015-2025. The project remains on track to be undertaken within the available budget.

### 6.1.1 Rate Impact

This plan change forms part of the Plan Change work identified in the LTP 2015-2025 as a major project for the District Planning activity. This proposed plan change is on track to be undertaken within the available budget and there would be no rate impact as a result of this project.

## 6.2 Community Wellbeing

The proposed plan change aligns with the LTP Community Outcome: 'A Sustainable Environment' which seeks (among other things) to sustainably manage our environment so it can be enjoyed by future generations.

The proposed change also contributes to the outcome of 'A community of knowledge, culture and diversity where people are proud to live', in particular 'we are proud of the heritage and diversity of our district and our people'.

The overarching purpose of the District Plan, and the associated plan change, is to achieve sustainable management of the District's natural and physical resources.

## 6.3 Consenting Issues

There are no consents required or consent issues arising.

## 6.4 LTP Integration

This plan change forms part of the Plan Change work identified in the LTP 2015-25 as a major project for the District planning activity.

## 7. Consultation

- 7.1 The adoption and public notification of the proposed plan change triggers the start of a legally prescribed process that must be followed in terms of progressing the proposed plan change from notification to becoming operative. Included in this process are very specific requirements for the submission and further submission processes and timeframes.
- 7.2 As part of the notification process property owners who are directly affected by the proposed changes are directly notified. Public notification also extends the opportunity for anyone to make a submission in support or opposition to Proposed Plan Change 1.

## 8. Legal Considerations

- 8.1 This proposed plan change is being undertaken in accordance with statutory processes and to fulfil Council's statutory obligations set out in the Resource Management Act 1991.

## 9. Financial Considerations

- 9.1 The costs of the proposed plan change are being met from the LTP project funding for 'Planning Policy'.

## 10. Other Considerations

- 10.1 There are no other considerations.

## 11. Next Steps

- 11.1 Should the proposed plan change be adopted by Council the next step is for the proposed plan change to be publicly notified. Public notification will start the formal submission period. As part of the notification process property owners directly affected by the proposed changes (i.e. owners of buildings, structures and sites which are proposed for inclusion in Schedule 2 of the District Plan) will be sent a letter advising them of the proposed plan change and inviting them to make submissions in support or opposition to it.
- 11.2 Officers anticipate notifying the proposed plan change late July 2017 with a closing date of late August 2017 (the minimum statutory period for submissions is 20 working days).
- 11.3 Following the closing of the submission period, Officers are required to prepare a Summary of Submissions for public notification. A further submission period for cross submissions will then follow once the Summary of Submissions has been publicly notified. The timing for hearing submitters and the composition of the Hearings Committee for this hearing will be dependent on the number and technical nature of submissions received.

## 12. Supporting Information

### Strategic Fit/Strategic Outcome

The proposed plan change as part of the District Plan Review has been informed by and is consistent with the Council's relevant strategic documents such as the Horowhenua Heritage Strategy (2012), the Horowhenua Development Plan (2008) and LTP 2015-2025.

**Decision Making**

Not applicable.

**Consistency with Existing Policy**

Not applicable.

**Funding**

Funding is identified for this work within the LTP 2015-25.


**Confirmation of statutory compliance**

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

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

**13. Appendices**

No.	Title	Page
A	PC1 - FINAL Section 32 Report - Historic Heritage - June 2017 ( <i>Under Separate Cover</i> )	
B	PC1 - FINAL Plan Text, Schedule 2 and Planning Map Amendments - June 2017 ( <i>Under Separate Cover</i> )	
C	PC1 - Technical Assessments of Buildings, structures and sites (2016) ( <i>Under Separate Cover</i> )	

Author(s)	Tiffany Williams <b>Strategic Planner</b>	
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Approved by	David McCorkindale <b>Senior Manager - Strategic Planning</b>	
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File No.: 17/267

## Proposed Plan Change 2: Review of Residential Development Provisions

### 1. Purpose

To present Proposed Plan Change 2: Review of Residential Development Provisions (including supporting evaluation/technical reports) to the Strategy Committee for its approval and to obtain a recommendation that Council adopts the proposed plan change at its meeting in July and that officers proceed with public notification.

### 2. Executive Summary

- 2.1 This report outlines the reasons for undertaking Proposed Plan Change 2: Review of Residential Development Provisions and highlights the key changes to the District Plan which are proposed as a result of the plan change.
- 2.2 The report seeks for Council to adopt the proposed plan change for public notification. It is important to note that the proposed changes will not have any legal effect until those changes are 'beyond legal challenge'.
- 2.3 A resolution of Council is required to adopt the proposed plan change for public notification. Therefore officers preferred option is that the Strategy Committee approves Proposed Plan Change 2: Review of Residential Development Provisions and recommends that Council adopts the proposed plan change for public notification at its meeting on 19 July 2017.

### 3. Recommendation

- 3.1 That Report 17/267 on Proposed Plan Change 2: Review of Residential Development Provisions be received.
- 3.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.
- 3.3 That Proposed Plan Change 2: Review of Residential Development Provisions and the Section 32 Evaluation Report is approved by the Strategy Committee and that the Committee recommends it be adopted by Council for the purpose of public notification in accordance with Clause 5 of the First Schedule of the Resource Management Act 1991.
- 3.4 That the Strategy Committee recommends to Council that, if necessary, the Senior Manager – Strategic Planning, in consultation with the Chair of the Hearings Committee be authorised (prior to public notification) to correct any minor errors or omissions in the text and maps of Proposed Plan Change 2 and the Section 32 Evaluation Report.
- 3.5 That the Strategy Committee recommends to Council that officers be authorised to proceed with public notification of Proposed Plan Change 2: Review of Residential Development Provisions, in accordance with the statutory requirements set out in the First Schedule of the Resource Management Act 1991.

### 4. Background / Previous Council Decisions

- 4.1 Since the Horowhenua District Plan was reviewed between 2011-2013 there has been a noticeable change in the level of projected population and housing growth in the District (i.e.



the District is now anticipating a much higher level of growth). The increased projected growth is primarily due to the improvements to State Highway 1 from Wellington north, which the Government has committed to as part of its Roads of National Significance project.

- 4.2 Officers have commenced work on revising the Horowhenua Development Plan (2008), in an effort to identify where and how the anticipated future growth is likely to occur within the District so that Council can respond appropriately (i.e. make provision for additional infrastructure and re-zone land as necessary).
- 4.3 This is a substantial piece of work which will take time and the Horowhenua District is already experiencing some of the effects of the higher level in growth, including an increase in the number of dwellings being constructed from recent years and an increase in subdivision of land.
- 4.4 In an effort to be able to respond in a more agile fashion to the current and anticipated levels of growth officers have undertaken some 'testing' of the current District Plan provisions. Officers have focused on the provisions of the Residential zone, with the intention of being able to more efficiently utilise existing infrastructure and to be able to provide for a greater variety of development to occur within this zone.
- 4.5 As part of testing the provisions officers held workshops with key stakeholders including local surveyors, developers, builders and plan users such as Council's Resource Consents Team. Several amendments are now proposed to Residential zone provisions in the District Plan. These amendments have a targeted focus, are relatively narrow in scope and will apply only to properties within the existing urban boundaries of our local towns (i.e. no re-zoning of land is proposed).

## 5. Discussion

### Scope of Proposed Plan Change 2

- 5.1 The intent of Proposed Plan Change 2 is to amend a limited range of rules relating to residential development in the Operative Horowhenua District Plan. The proposed amendments will affect Chapters 6 (Urban Environment), 15 (Residential Zone) and 26 (Definitions) of the Horowhenua District Plan. Amendments will also need to be made to the Planning Maps associated with the Horowhenua District Plan.
- 5.2 The proposed amendments include:
  - Providing for sites of 500m<sup>2</sup> to 900m<sup>2</sup> in Levin, Foxton, Foxton Beach and Shannon to be subdivided and create infill lots of 250m<sup>2</sup> as a restricted discretionary activity, and consequential changes to relevant bulk and location controls;
  - Providing for up to two residential dwelling units on a residentially zone property as a Permitted Activity (subject to compliance with net site area, bulk and location requirements);
  - Introduction of provisions for larger-scale, 'integrated residential developments' to be assessed in a comprehensive manner as a Restricted Discretionary Activity;
  - Removal of the title date pre-requisite condition relating to residential infill subdivision which is now redundant;
  - Extension of the area to which the Medium Density Overlay applies in Levin township;
  - Introduction of several new definitions required to facilitate the changes to the proposed rules; and
  - Minor corrections relating to the application of accessory building provisions (i.e. clearly stating that the requirement to have accessory buildings to the rear of a dwelling is only applicable to front sites).



### Legal Effect of Changes

- 5.3 This proposed plan change will not have legal effect at the time of notification. An amendment to the Resource Management Act in 2009 introduced a change in legislation that the rules within a proposed plan change would not have legal effect until they are *beyond legal challenge*. What this means is that if there are no submissions received on a particular rule change then the rule would have legal effect from the time that the submission period closes. If submissions are made on a rule change then the rule will not have legal effect until a decision on those submissions has been notified and the period for lodging appeals to the Environment Court has closed.

### Consultation

- 5.4 Given that the Proposed Plan Change is relatively narrow in scope widespread pre-consultation has not been undertaken. However, officers did hold workshops with key stakeholders including local surveyors, developers, builders and the Council's Resource Consents Team to help understand what amendments might be required and how these amendments would work.
- 5.5 Information on the proposed plan change was provided to the Ministry for the Environment, Iwi Authorities and Horizons Regional Council in advance of the formal consultation process, in accordance with the requirements of Schedule 1 of the Resource Management Act 1991.
- 5.6 The consultation that occurs as part of the notification process is set out in Section 11 of this report.

## 6. Options

At this stage of the process there are two options available to Council:

**Option 1:** Recommend that Council proceed with adoption and notification of Proposed Plan Change 2

**Option 2:** Delay adoption and notification of the Proposed Plan Change 2

**Option 1:** Recommend that Council proceed with adoption and notification of Proposed Plan Change 2

This is officers preferred and recommended option. The timing of the notification would in officers opinion make it possible to synchronise the notification with another plan change (Proposed Plan Change 1) being considered by the Strategy Committee. There would be certain synergies and cost savings to be achieved if the notification and hearing processes of these proposed plan changes could be undertaken together.

If notification of these proposed plan changes is to occur as anticipated in late July 2017 then it will enable the further submission process and the hearings to be held this year. Depending on the number and complexity of submissions and further submissions received it is possible that the proposed plan change may even be able to be made operative this year. This would be ideal given the purpose of this proposed plan change which is to allow the District Plan to be able to more efficiently response to growth.

**Option 2:** Delay adoption and notification of the Proposed Plan Change 2

This option would be appropriate if the Strategy Committee considered that there needed to be significant changes to what has been proposed in this Plan Change or if there was good reason to delay the notification purely from a timing perspective. Delaying adoption and notification of this proposed plan change and not the other one being considered (Proposed Plan Change 1) would result in lost opportunities to synchronise the submission and hearing processes for these two proposed plan changes.

Delaying the adoption and notification of Proposed Plan Change 2 means that the current residential zone provisions will remain in place for longer and it is officer's opinion that some of these provisions are not providing for the most efficient use of residentially zoned land and existing associated infrastructure.

The costs associated with both options are the same, although noting that there would be additional costs if Proposed Plan Changes 1 and 2 could not all be notified at the same time. For the reasons set out above for each option, Officers recommend Option 1.

## 6.1 Cost

This proposed plan change is funded as part of the District Plan Review project which is identified as part of 'Planning Policy' under the Long Term Plan (LTP) 2015-2025. The project remains on track to be undertaken within the available budget.

### 6.1.1 Rate Impact

This plan change forms part of the Proposed Plan Change work identified in the LTP 2015-2025 as a major project for the District Planning activity. This proposed plan change is on track to be undertaken within the available budget and there would be no rate impact as a result of this project.

## 6.2 Community Wellbeing

The proposed plan change aligns with the LTP Community Outcome: 'A Sustainable Environment' which seeks (among other things) to sustainably manage our environment so it can be enjoyed by future generations.

The overarching purpose of the District Plan, and the associated plan change, is to achieve sustainable management of the District's natural and physical resources.

## 6.3 Consenting Issues

There are no consents required or consent issues arising.

## 6.4 LTP Integration

This plan change forms part of the Proposed Plan Change work identified in the LTP 2015-2025 as a major project for the District Planning activity.

## 7. Consultation

7.1 The adoption and public notification of the proposed plan change triggers the start of a legally prescribed process that must be followed in terms of progressing the proposed plan change from notification to becoming operative. Included in this process are very specific requirements for the submission and further submission processes and timeframes.

7.2 As part of the notification process property owners who are directly affected by the proposed changes are directly notified. Public notification also extends the opportunity for anyone to make a submission in support or opposition to Proposed Plan Change 2.

## 8. Legal Considerations

8.1 This proposed plan change is being undertaken in accordance with statutory processes and to fulfil Council's statutory obligations set out in the Resource Management Act 1991.

## 9. Financial Considerations

- 9.1 The costs of the proposed plan change are being met from the LTP 2015-2025 project funding for 'Planning Policy'.

## 10. Other Considerations

- 10.1 There are no other considerations.

## 11. Next Steps

- 11.1 Should the proposed plan change be adopted by Council the next step is for Proposed Plan Change 2 to be publicly notified. Public notification will start the formal submission period. As part of the notification process property owners directly affected by the proposed changes will be sent information advising them of the proposed plan change and inviting them to make submissions in support or opposition to it.
- 11.2 Officers anticipate notifying the proposed plan change in late July 2017 with a closing date of late August 2017 (the minimum statutory period for submissions is 20 working days).
- 11.3 Following the closing of the submission period, Officers are required to prepare a Summary of Submissions for public notification. A further submission period for cross submissions will then follow once the Summary of Submissions has been publicly notified. The timing for hearing submitters and the composition of the Hearings Committee for this hearing will be dependent on the number and technical nature of submissions received.

## 12. Supporting Information

### Strategic Fit/Strategic Outcome

The proposed plan change as part of the ongoing review of the District Plan has been informed by and is consistent with the Council's relevant strategic documents such as the Horowhenua Development Plan (2008) and LTP 2015-2025.

### Decision Making

Not applicable.

### Consistency with Existing Policy

Not applicable.

### Funding

Funding is identified for this work within the LTP 2015-2025.


### Confirmation of statutory compliance

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

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

### 13. Appendices

No.	Title	Page
A	PC2 - Section 32 Report - Residential Development Provisions Review - July 2017 <i>(Under Separate Cover)</i>	
B	PC2 - Proposed Text Amendments - Review of Residential Development Provisions - July 2017 <i>(Under Separate Cover)</i>	
C	PC2 - Chapter 6 Urban Environment proposed amendments - July 2017 <i>(Under Separate Cover)</i>	
D	PC2 - Chapter 15 Residential Zone proposed amendments - July 2017 <i>(Under Separate Cover)</i>	
E	PC2 - Chapter 26 Definitions proposed amendments - July 2017 <i>(Under Separate Cover)</i>	

Author(s)	Tiffany Williams <b>Strategic Planner</b>	
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Approved by	David McCorkindale <b>Senior Manager - Strategic Planning</b>	
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File No.: 17/323

## Solid Waste - Review of the Waste Minimisation and Management Strategy 2012

### 1. Purpose

To inform the Committee of the process and steps that will be taken to review the Waste Minimisation and Management Plan 2012 which is due for review in 2018. This review forms part of the Long Term Plan and will include reviewing of the entire Solid Waste Activity.

### 2. Recommendation

- 2.1 That Report 17/323, Solid Waste - Review of the Waste Minimisation and Management Strategy 2012 be received.
- 2.2 That this decision is recognised as not significant in terms of S76 of the Local Government Act.

### 3. Background / Previous Council Decisions

- 3.1 Under the New Zealand Government, 2008 Waste Minimisation Act (WMA), Clauses 42 and 43, Horowhenua District Council (HDC) (the Council) has a statutory responsibility to “*promote effective and efficient waste minimisation*”. For this purpose HDC needs to have in place an adopted Waste Minimisation and Management plan.
- 3.2 The Council in 2012 adopted the current Waste Minimisation and Management Strategy (WMMP). It is a requirement of the WMA (s50 (1)(b)) that WMMP is reviewed at least every six years. The Plan is therefore required to be reviewed no later than June 2018.
- 3.3 The WMMP is used by the Council to address the requirements of the Local Government Act with regard to the provision of solid waste management and minimisation services. For ease of reference, a waste management and minimisation plan according to section 43 of the WMA provides for the following:

*“a) objectives and policies for achieving effective and efficient waste management and minimisation within the territorial authority’s district:*

*b) methods for achieving effective and efficient waste management and minimisation within the territorial authority’s district, including –*

- i. collection, recovery, recycling, treatment, and disposal services for the district to meet its current and future waste management and minimisation needs (whether provided by the territorial authority or otherwise); and*
- ii. any waste management and minimisation facilities provided, or to be provided, by the territorial authority; and*
- iii. any waste management and minimisation activities, including any educational or public awareness activities, provided, or to be provided, by the territorial authority:*

*c) how implementing the plan is to be funded:*

*d) if the territorial authority wishes to make grants or advances of money in accordance with section 47, the framework for doing so”.*

- 3.4 It is also used in the preparation of the Council Long Term Plan (LTP). The WMMP will inform the LTP as to how the Solid Waste Activity will be managed.

## 4. Discussion

- 4.1 As part of the process for developing the 2018 LTP, the Waste Minimisation and Management Plan will also need to be reviewed to ensure that by June 2018 there is a WMMP in place that is current and informs the LTP.
- 4.2 The process will start with a Waste Assessment; this will involve forecasting future demands for waste and diverted material services within the district. It will identify the suitability of various options for meeting the demands based on the economic, social, cultural and environmental well beings of the communities as presented in the LGA 2002. The WMMP will also state the council's intended role in managing these demands.
- 4.3 The review process will enable Council to debate any matters pertaining to the management of the Solid Waste Activity which covers the following:
- kerbside collection services for Levin (excluding the CBD), Foxton, Foxton Beach, Hokio Beach, Manakau, Ohau, Shannon, Tokomaru, Waikawa Beach and Waitarere Beach. The service also covers the high density rural areas,
  - Management of the Foxton and Shannon Refuse Transfer Stations (RTSs) owned by Council for the deposition of solid waste, greenwaste, recyclables, and special waste drop off. MidWest Disposals Ltd owns the Levin RTS and recycling centre which is available for the disposal of refuse and small quantities of potentially hazardous materials, and a free recyclable public drop-off.
  - Management of the Council owned four permanent recycling stations in Tokomaru, Opiki, Foxton Town and Shannon
  - The Operation and Management of the Waste and Cleanfill Disposal Facility - the Levin Landfill. The landfill generally only accepts general waste delivered to the site by MidWest, and from Shannon and Foxton RTSs. The landfill also accepts waste collected by MidWest from Kapiti Coast District Council.
  - Management of E-Waste
- 4.4 The diagram below illustrates the statutory planning requirements for solid waste management and minimisation. The highlighted steps will be followed to help provide direction for the development of the Long Term Plan (LTP) and subsequent Annual Plans.

## 5. Considerations

The following will be taken into consideration during the process of the review

5.1 The current Level of service and future desired Level of service for waste management

5.2 The financial implications on the community if:

- the landfill is closed in 2021 when the current landfill operations contract ends,
- the landfill operation continues post 2021,
- disposal volumes received at the landfill is limited to only waste received from within Horowhenua.
- If Council decides to close after the current available space is filled.

5.3 health and safety issues in managing waste

5.4 impacts of Climate Change (Waste) Regulations

- 5.6 monitoring and management of the closed landfills
- 5.7 co-ordination and regulation of private sector operations
- 5.8 long-term management of hazardous and priority waste streams
- 5.9 Council involvement in the kerbside waste collection and the recycling activity

## 6. Next Steps

A timeline for the implementation of the waste minimisation assessment and the review of the Waste Minimisation and Management Plan will be developed and presented to the Strategy Committee at its next sitting.

## 7. Appendices

There are no appendices for this report

Author(s)	Gallo Saily <b>Group Manager - Infrastructure Services</b>	
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Approved by	David Clapperton <b>Chief Executive</b>	
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# Community Forums - Expressions of Interest

File No.: 17/289

## 1. Purpose

To present to the Strategy Committee the expressions of Interest received for the Environment and Economic Community Forums.

## 2. Recommendation

- 2.1 That Report 17/289 on Community Forums - Expressions of Interest be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Strategy Committee endorses those people proposed by the Community Forums' Working Party for submission to Council for appointment to the relevant Forum.

## 3. Background/Previous Council Decisions

- 3.1 In February 2017 Council resolved to establish two Community Forums – Environment and Economic.
- 3.2 In March 2017 Terms of Reference for both Forums was considered and adopted by Council and it was further resolved that expressions of interest would be sought for membership of the Forums.
- 3.3 A Working Party comprised of Mayor Feyen, Deputy Mayor Bishop and Councillors Wanden, Mitchell and Gimblett was established to call for and consider expressions of interest.

## 4. Issues for Consideration

- 4.1 The Working Party has considered the expressions of interest received for the Forums and the Strategy Committee is requested to endorse those on the **attached** list for submission to Council for appointment to the relevant Forum.

## Attachments

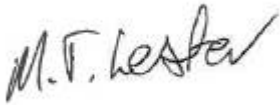

No.	Title	Page
A	Expressions of Interest - Community Forums - June 2017	27

### Confirmation of statutory compliance

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

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

## Signatories

Author(s)	Mark Lester <b>Project Coordination Manager</b>	
Approved by	David Clapperton <b>Chief Executive</b>	

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**EXPRESSIONS OF INTEREST**

**Economic Community Forum**

Malcolm Hadlum

Colleen Sheldon

Vivienne Taueki

Debbie Baker

Life to the Max Horowhenua

Deborah Burns

Pauline Masten

Manakau District Community Assn

Graham Galley

Elizabeth Valentine

Waitarere Beach Progressive & Ratepayers Assn

Olaf Eady

Richard Parker

**Environment Community Forum**

Neil Savage

Peter Thompson

Mike Smith

Graham Bull

Vivienne Taueki

Pauline Masten

Manakau District Community Assn

Graham Galley

Christine Paton

Geoff Kane

Fred de Jager

Waitarere Beach Progressive & Ratepayers Assn

Rose Cotter

Alastair Cole



# Funding Infrastructure to Support Growth

File No.: 17/319

## 1. Purpose

To consider funding mechanisms for infrastructure in relation to future infrastructural requirements and growth, in the context of development of the 2018/38 LTP development.

## 2. Recommendation

- 2.1 That Report 17/319 on Funding Infrastructure to Support Growth be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.

## 3. Introduction

- 3.1 The Horowhenua District is expected to grow rapidly over the next 20 years. Recent growth is stronger than expected, the key driver being migration. With population growth will come greater demand for more infrastructure on both Council and other utilities. New infrastructure will be required to facilitate the projected growth.

Options for funding new infrastructure will need to be considered as part of the 2018–2038 Long Term Plan (LTP).

### Background

The Horowhenua District population is expected to grow between 7,000 and 9,000 by 2040, or between 23% and 30%. This is equivalent to adding a Foxton / Beach / Shannon to the Horowhenua District, within 20 years.

With the development of the RoNS through the district, Horowhenua is becoming a place where people want to visit, live and set up business, which is fantastic. However, this will create challenges which will be overcome by careful planning. New roads, stormwater, wastewater, water reticulation and community facilities will be required as a result of the demand created for this growing population.

New infrastructure is expensive. Using the forecasted growth projections the cost of new infrastructure could run into the tens of millions of dollars. Some of this will be funded by Council and some of this will be provided through the private sector.

How do we fund this infrastructure? The purpose of this report is to explore some of the options that could be considered as part of the 2018–2038 LTP. The report also outlines the LTP process where infrastructure funding options will be considered.

### Funding Options

There are several options that Council will need to consider to fund infrastructure and in turn enable growth in the district:

#### *a) Increasing Council's Debt*

Council forecasts that by 2020 net debt will reach around 164% of annual revenues. The local Government Funding Agency (LGFA) funding criteria enables Council to borrow up to 250% of annual revenues. Council has head room to borrow without breaching LGFA covenants, Council Financial Strategy limits and Standard & Poors (Credit Rating Agency) thresholds. Borrowing to fund infrastructure is currently a viable option.

#### *b) Development Contributions*

A development contribution is a levy on new developments which are collected under the Local Government Act 2002 to ensure that any development that creates additional demand on Council infrastructure contributes to the extra cost that they impose on the community.

Development contributions are used for providing new or expanded infrastructure and are only used for the purpose for which they were taken. The contribution is a one-off charge. The subsequent operation and maintenance of such infrastructure is covered through rates and other charges.

*c) Private Developer Agreements*

Council could enable unfunded growth projects i.e. those projects that have not been defined and funded in the 2018–2038 LTP, to be funded through a Private Developer Agreement, entered into between Council and developers responsible for the unfunded growth project.

Private Developer Agreements will have to address a number of criteria defined in a Growth Funding Policy.

*d) Public / Private Partnership*

A Public / Private Partnership (PPP) is a service contract between the public and private sector where Council pays the private sector (usually a consortium or possibly another utility provider) to deliver an infrastructure asset or facility and provide services associated with the asset over the long term. The private sector designs, constructs, finances, maintains and operates the facility over a long period. This also involves the private sector being responsible for the condition and performance of the asset over the contract period.

Should this be the viable funding option, a Public Private Partnership Policy would need to be developed.

*e) Sale of Non-Core Assets*

Council could sell non-strategic assets. In particular, those providing little or no return on investment for Council.

Selling land and/or buildings assets could be a catalyst for investment funding into the district from the private sector and providing funds for other infrastructure projects.

*f) Capturing Value Uplift*

With anticipated demand associated with the forecasted growth, Central Government and Local Government infrastructure investment could provide large increases in value for property owners within the district. Council could explore ways in which it can access some of the windfall gains to property owners in the future to pay for the infrastructure required.

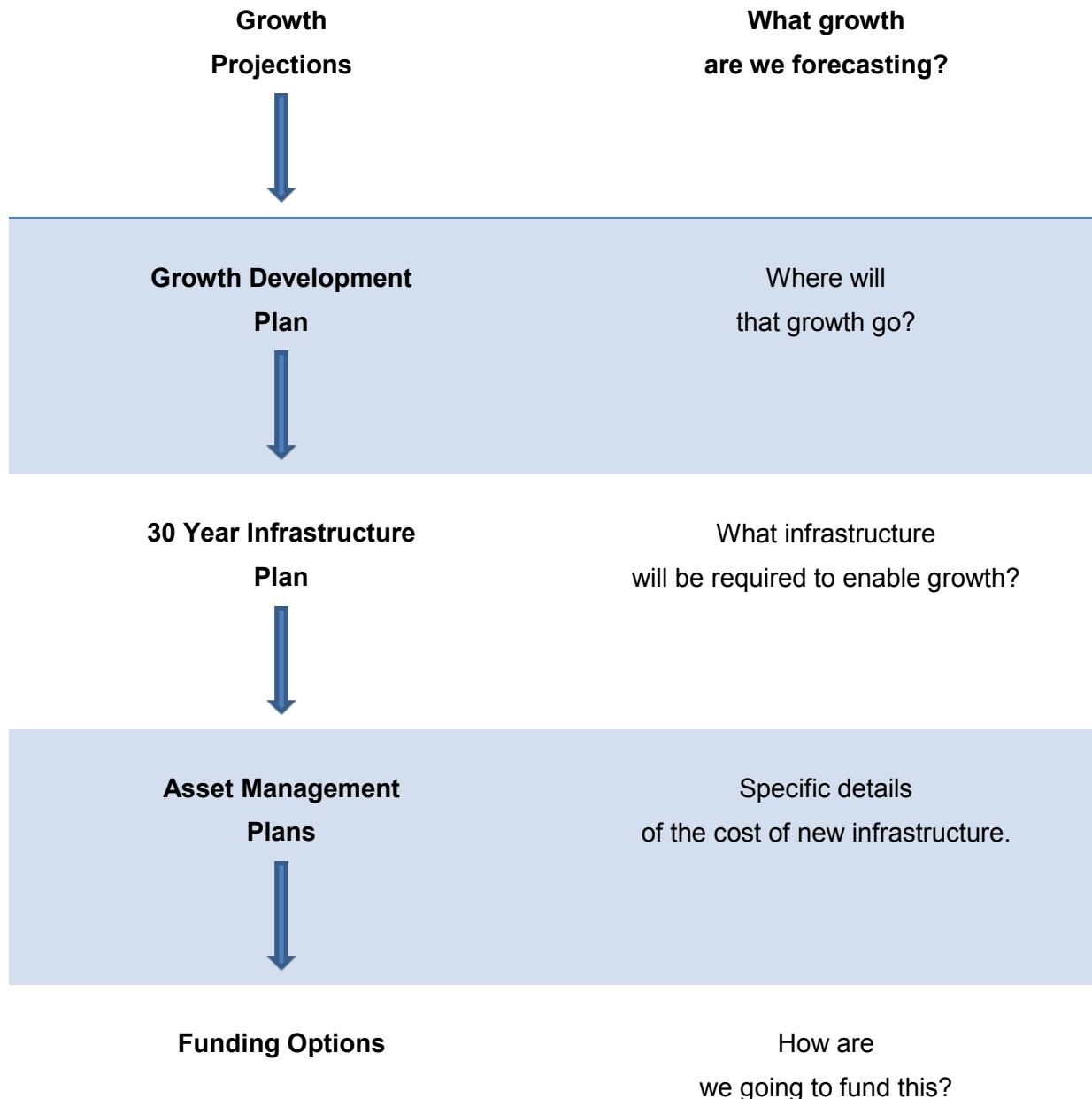
*g) Increase in General Rates*

An increase in rates revenue (bigger rates rises) to meet anticipated infrastructure funding shortfalls. This is an unlikely proposition for Horowhenua ratepayers - but one that needs to be explored.

Growing Council debt, re-introducing development contributions and increasing rates are the obvious options for funding infrastructure growth. However, there are a number of innovative tools that could be considered to achieve the best outcome to maintain affordability by minimizing additional costs to ratepayers where possible.

**Where will funding options be considered as part of the 2018-2038 LTP process?**

The following flow-chart identifies when funding options will be considered:



This report provides a scene setter for discussions Council will have regarding the funding of future infrastructure.

## Attachments

There are no attachments for this report.

### Confirmation of statutory compliance

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

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

decision.

**Signatories**

Author(s)	Doug Law <b>Chief Financial Officer</b>	
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Approved by	David Clapperton <b>Chief Executive</b>	
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# Socio-economic Projections for Horowhenua

File No.: 17/317

## 1. Purpose

The purpose of this report is to provide an update to the Strategy Committee regarding the review of Horowhenua's socio-economic forecasts.

## 2. Recommendation

- 2.1 That Report 17/317 on Socio-economic Projections for Horowhenua be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Strategy Committee endorses the review of Horowhenua's socio-economic projections with a view to updating those currently being utilised for current and future policy development and integrated planning purposes.

## 3. Background/Previous Council Decisions

- 3.1 Council has a responsibility to plan for the long term and to invest accordingly.
- 3.2 To help deliver on this responsibility Council is required to utilise forecasting assumptions to enable current and future policy development and an integrated approach to planning.
- 3.3 In late 2015 the New Zealand Institute of Economic Research (NZIER) was engaged to undertake a thorough assessment of Horowhenua's socio-economic outlook. The final report was received by Council in February 2016.
- 3.4 On 6 July 2016 Council resolved:

*That the Horowhenua District Council utilises the following growth assumptions from 1 July 2016 in informing and setting a platform for future work programmes, planning, evaluation and analysis leading towards the updating of the 2018-2028 Long Term Plan:*

*2016-2036 Growth Forecasts:*

*Population + 8,600*

*Households + 4,900*

*Jobs + 3,000*

*That the Horowhenua District Council endorses the full pursuit of the following actions to realise and maximise the projected growth assumptions.*

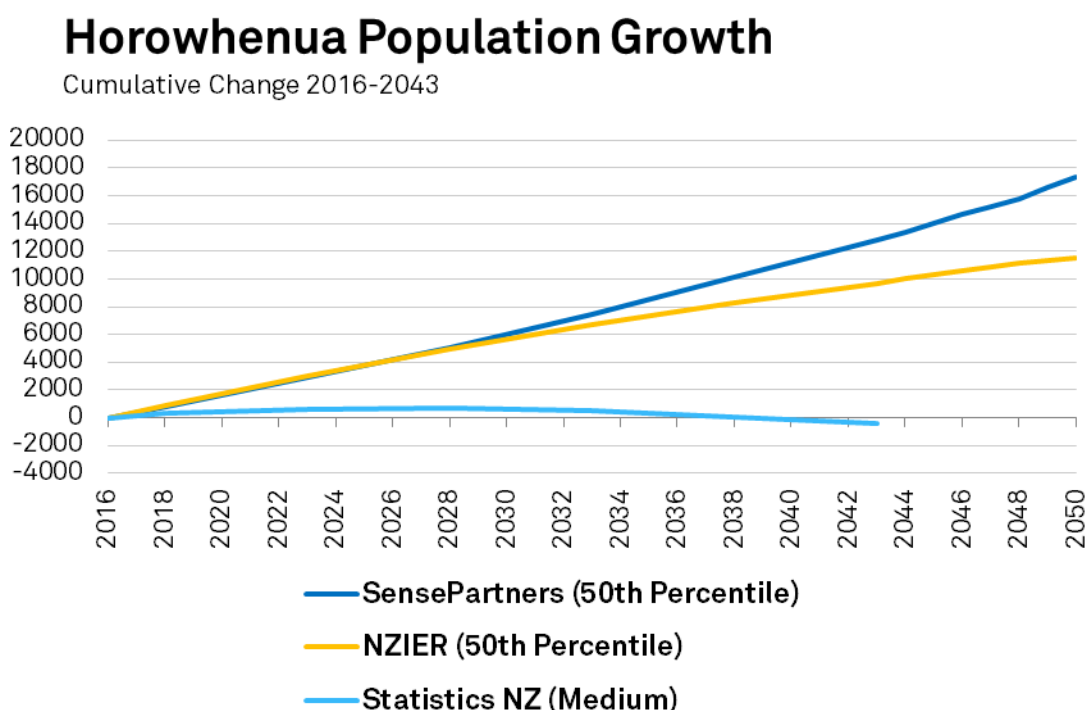
*Strengthening and leveraging the District's competitive advantage platform, including:*

- *Comparatively low cost land (residential and industrial)*
- *Comparatively low cost operating/low cost living environment*
- *Greater business productivity through proximity to Wellington (including customers, infrastructure, and labour market reach).*
- *Ensuring infrastructure, policy provision and planning is in place to enable the District to fully leverage its competitive and comparative advantages.*
- *Attracting business investment and new industry to drive job growth and to broaden the economic base of the District.*
- *Fostering more intensive co-operation with neighbouring districts.*

- *Lifting firms' and households' openness to change and development.*

#### 4. Issues for Consideration

- 4.1 Since the completion of the NZIER report in February 2016 there has been substantial change occurring across Horowhenua and New Zealand.
- 4.2 On the basis of the responsibilities previous outlined, and with a view to Council's forward work programme HDC have engaged SensePartners to review Horowhenua's socio-economic projections.
- 4.3 Council has received the SensePartners draft report. This is attached for your information.
- 4.4 The draft numbers outlined in the report are very similar to those prepared by NZIER for the period to 2030, however differences are noted post 2030. The basis for these (and other) differences is discussed in the draft report. The headline change is captured in the following chart:



- 4.5 Last week Officers convened a steering group meeting of experts and Central Government agencies including:
- Chief Economist - Ministry of Business, Innovation & Employment (MBIE)
  - Manager, Modelling and Research - The Treasury
  - Senior Demographer - Statistics New Zealand
  - Regional Forecaster - Statistics New Zealand
  - Principal Analyst - Science, Skills and Innovation (Labour Market), MBIE
  - Principal Analyst - Immigration, MBIE
  - Chief Forecaster – Infometrics Limited
  - Partner - SensePartners
  - O2NL Senior Project Manager – NZTA
  - O2NL Principle Planner - NZTA

- 4.6 The purpose of the steering group meeting was to discuss to help HDC and others to think about:
- (a) How to adjudicate between different expert views and do so in ways that make the most of different perspectives.
  - (b) Plausibility of positive long term migration trends and a reversal of the now clichéd 'decline' of rural districts.
  - (c) Overall plausibility and risks inherent in the projections produced in the attached report by Sense Partners.
- 4.7 Feedback and comments will be taken into consideration in the preparation of the final report.
- 4.8 Officers hope to be in a position to provide the final report for adoption by the Strategy Committee at its 16 August 2017 Meeting.

## Attachments



No.	Title	Page
A	Projection_description_draft_June_2017_v1 - SensePartners - June 2017	36

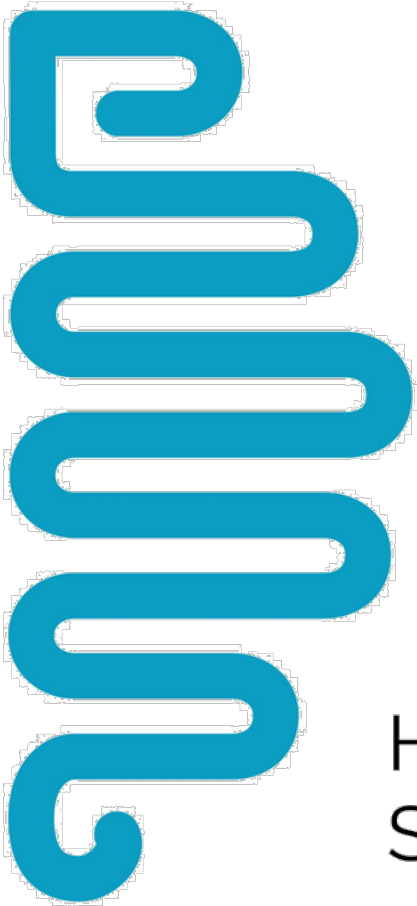
### Confirmation of statutory compliance

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

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

### Signatories

Author(s)	Shanon Grainger <b>Economic Development Manager</b>	
Approved by	David Clapperton <b>Chief Executive</b>	



# Horowhenua Socio-Economic projections

Summary and methods

Projections report June 5 2017



**SENSE PARTNERS**  
DATA LOGIC ACTION



HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

## Summary of projections

This report presents long term population and economic projections for Horowhenua District.

### Population growth expected to continue

Recent increases in population growth in Horowhenua are expected to continue. Population growth is expected to average 1.2% over the next decade. This is lower than the 1.6% growth experienced in 2016<sup>1</sup> but significantly higher than the 0.3% growth per year in the previous 10 years.

The uncertainty in this projection is captured in Table 1. The Table shows growth rates for the next 10 years ranging from 0.8% to 1.8% per annum.<sup>2</sup> These different growth rates have a significant impact on the size of the projected population, with the high end of the range resulting in a population in 10 ten years' time which is more than 10% larger.

The percentiles presented in Table 1 are calculated by simulating population change while varying the main drivers of population growth, such as immigration rates. This variation is calibrated using historical variations.

TABLE 1: POPULATION PROJECTIONS

Population						
	5th percentile	25th percentile	50th percentile	75th percentile	95th percentile	
2016	31,895	31,895	31,895	31,895	31,895	
2026	34,583	35,389	36,034	36,891	38,272	
2036	36,559	38,836	40,830	43,568	47,978	
2046	37,900	42,204	46,393	52,344	62,254	
2056	39,408	46,141	53,736	64,350	82,802	
2066	41,780	51,862	63,698	79,982	117,661	

Population growth						
	5th percentile	25th percentile	50th percentile	75th percentile	95th percentile	
2016						
2026	0.8%	1.0%	1.2%	1.5%	1.8%	
2036	0.6%	0.9%	1.3%	1.7%	2.3%	
2046	0.4%	0.8%	1.3%	1.9%	2.6%	
2056	0.4%	0.9%	1.5%	2.1%	2.9%	
2066	0.6%	1.2%	1.7%	2.2%	3.6%	

<sup>1</sup> Statistics New Zealand 'Usually Resident' population estimates, 2017.

<sup>2</sup> For the 5<sup>th</sup> to 95<sup>th</sup> percentiles of the range of projected outcomes.



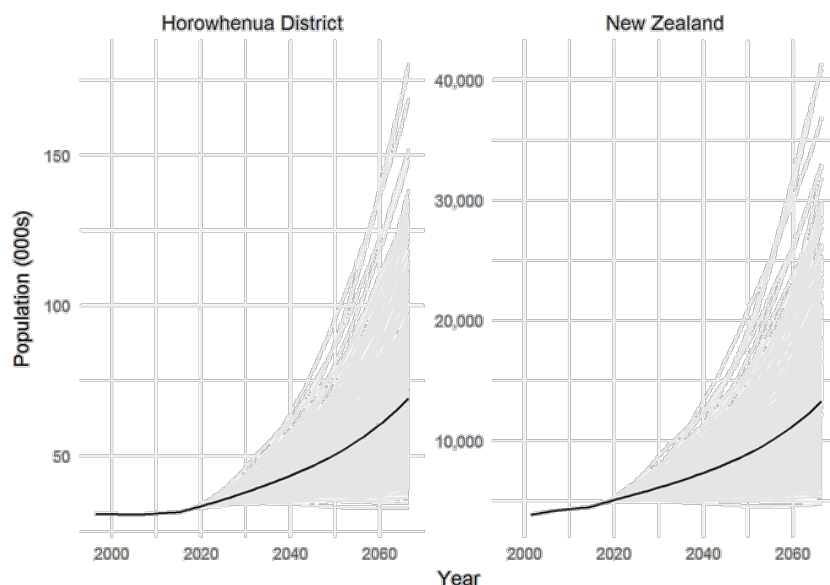
## Growth to continue long term but the magnitude is highly uncertain

The uncertainty in these projections is magnified over time. At the low end of the range, the population is projected to increase by 30% (9,800 people) over 50 years. At the high end, the population quadruples, adding an additional 85,000 residents.

The full extent of this uncertainty is illustrated in Figure 1 which shows the range of simulated population outcomes for Horowhenua and for New Zealand overall.

The very high population projections shown in Figure 1 are very unlikely. And they are probably unsustainable from a policy point of view. However, our projections are not based on expectations of policy change. Policy change is, therefore, an important factor that needs to be contemplated when using these projections.

**FIGURE 1: STRONG POPULATION GROWTH EXPECTED TO CONTINUE**  
500 simulated population projections. Black lines are means.



## Assumption: high immigration would be allowed to take place

International immigration, and therefore immigration policy, is the single most important factor in these projections. Increased immigration grows the population of Horowhenua directly and indirectly through increased domestic migration. When the national population is



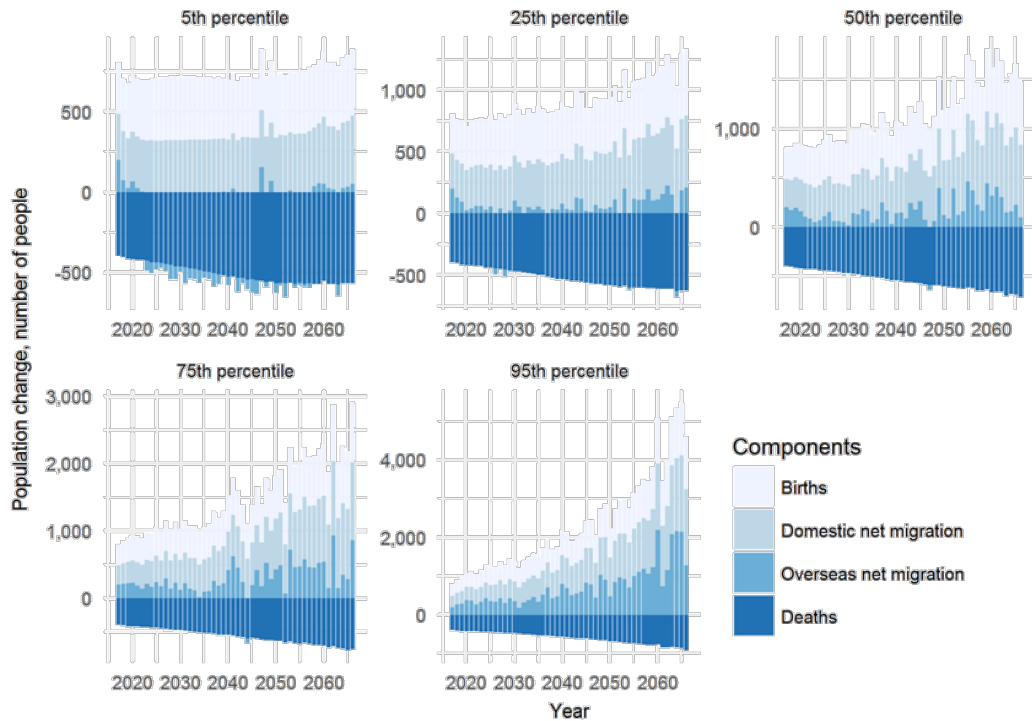
HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

growing due to increased net migration this increases the flows of people to smaller areas, whether in retirement or for a change of lifestyle or for job opportunities.

The importance of migration in driving population growth is illustrated in Figure 2 which shows components of projected population change. In the low growth case, the top left panel of Figure 2, annual change in population is small and overseas net migration is almost invisible. In the higher growth cases, overseas migration becomes increasingly visible – a key driver of population growth and therefore in uncertainty around population growth.

We assume that if people want to migrate to New Zealand, they will be able to – that there will be no new steps taken to limit immigration.

**FIGURE 2: OVERSEAS NET MIGRATION IS THE MAIN SOURCE OF UNCERTAINTY**  
Annual population change, broken down by component of change and percentile of projection



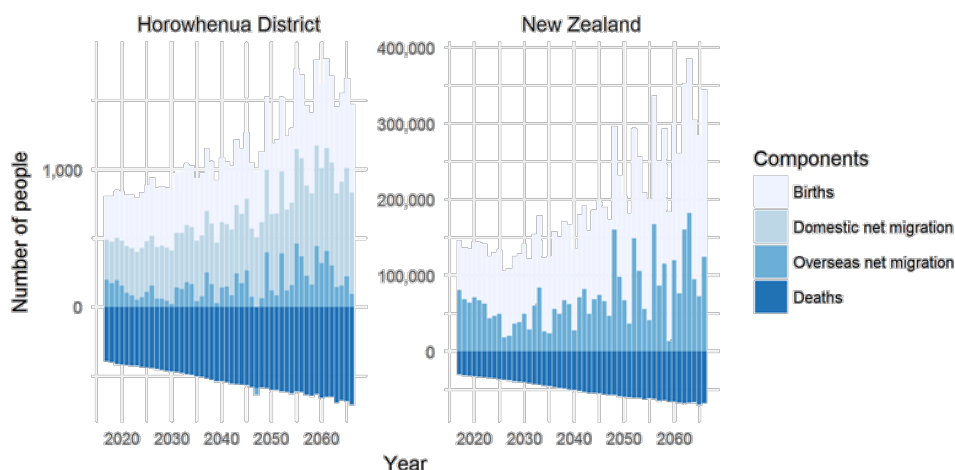
The 50<sup>th</sup> percentile of these projections includes net migration which is of similar magnitudes to those experienced in the past few years. As Figure 3 shows, net migration is projected to be lower between 2020 and 2030 than it has been in the past 2 years but to increase long term as inward migration trends upwards and outward migration remains stable as a proportion of the overall population.



HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

The projections in the 75<sup>th</sup> and 95<sup>th</sup> percentiles are more extreme in terms of being outside the bounds of what has been experienced before.

**FIGURE 3: MEDIAN PROJECTION ASSUMES MODERATE-TO-STRONG MIGRATION<sup>3</sup>**  
Annual population change, broken down by component of change and percentile of projection



## Population growth and economic growth go hand-in-hand

Inflows of migrants and increasing labour force participation at older ages will help bolster labour force growth (see Table 2). This is the mainstay of economic growth with growth in the labour force strongly correlated with expanding economic activity.

Not all of these people will be employed or employed in Horowhenua District. Many of them will commute to work in nearby districts in the Wellington and Manawatu-Whanganui regions.

Nonetheless the economy is expected to grow by 2.3% per year<sup>4</sup>, on average, over the next decade due to a growing labour force, increased employment and growth in productivity<sup>5</sup> averaging 0.8%.

Figure 4 shows the range of projected outcomes for growth in GDP or 'value-added' which sit behind the median economic growth projection figures. These show a wide range of potential outcomes over the long term, but a positive trend in all cases.<sup>6</sup>

<sup>3</sup> The median projection is the 50<sup>th</sup> percentile.

<sup>4</sup> Excluding inflation.

<sup>5</sup> Measured here as GDP per working age person.

<sup>6</sup> Strictly speaking, percentiles below the 5<sup>th</sup> percentile do include declines. But the emphasis for these projections are the range of more likely outcomes between the 5<sup>th</sup> and 95<sup>th</sup> percentiles.





HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

TABLE 2: LABOUR FORCE PROJECTIONS

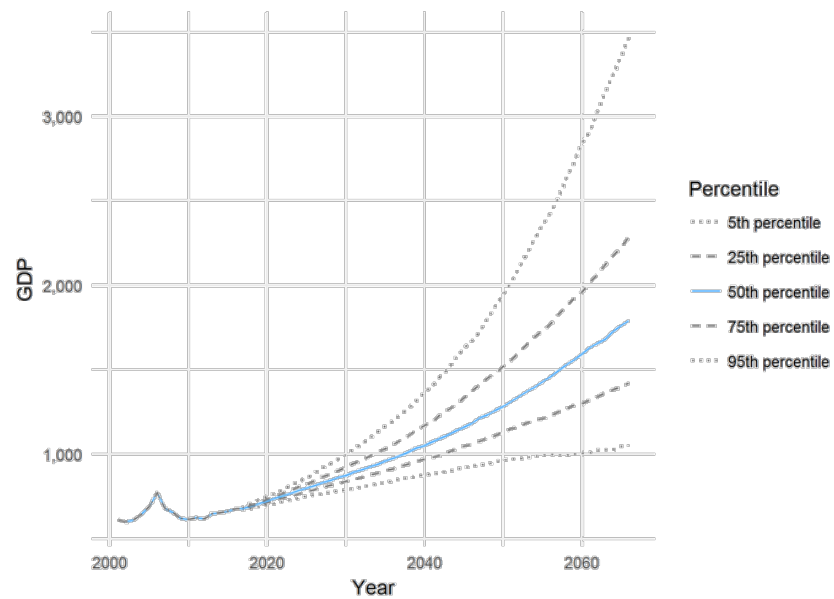
Labour force (working age people participating in the labour force)

	5th percentile	25th percentile	50th percentile	75th percentile	95th percentile
2016	13,874	13,874	13,874	13,874	13,874
2026	15,501	15,951	16,318	16,800	17,585
2036	16,341	17,587	18,710	20,202	22,688
2046	17,134	19,503	21,806	25,069	30,480
2056	17,826	21,456	25,618	31,409	41,480
2066	18,444	23,728	29,794	38,404	58,173

Labour force growth (annual average between dates)

	5th percentile	25th percentile	50th percentile	75th percentile	95th percentile
2016					
2026	1.1%	1.4%	1.6%	1.9%	2.4%
2036	0.5%	1.0%	1.4%	1.9%	2.6%
2046	0.5%	1.0%	1.5%	2.2%	3.0%
2056	0.4%	1.0%	1.6%	2.3%	3.1%
2066	0.3%	1.0%	1.5%	2.0%	3.4%

FIGURE 4: ECONOMY ON A POSITIVE GROWTH PATH  
Estimated GDP, Horowhenua District, (2013 dollars, millions)





HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

## Service industries expected to lead growth

Projections of industry activity show service industries are expected to grow the most in coming years.

As shown in Table 3, Retail services (which, here, include accommodation services) and construction are amongst the fastest growing sectors over the next 50 years. This reflects the intimate connection between these sectors and population growth.

Other sectors, such as agriculture and manufacturing tend to ebb and flow and, overall, reduce as a share of overall GDP. These projected patterns reflect trends that have been occurring for many decades in New Zealand and in Horowhenua District.

Information, media and communications also grow rapidly, albeit from a small base.

Note that the projections shown here are trends and do not include volatility in industry output likely to be observed in any given year. Commodity sectors, such as agriculture, which face volatile international prices, can rise and fall significantly in any given year.<sup>7</sup>

**TABLE 3: LOCALLY TRADED SERVICE SECTORS LEAD IN ECONOMIC GROWTH**  
**Value-added by industry (millions, 2016 dollars, 50th percentile for each industry)**

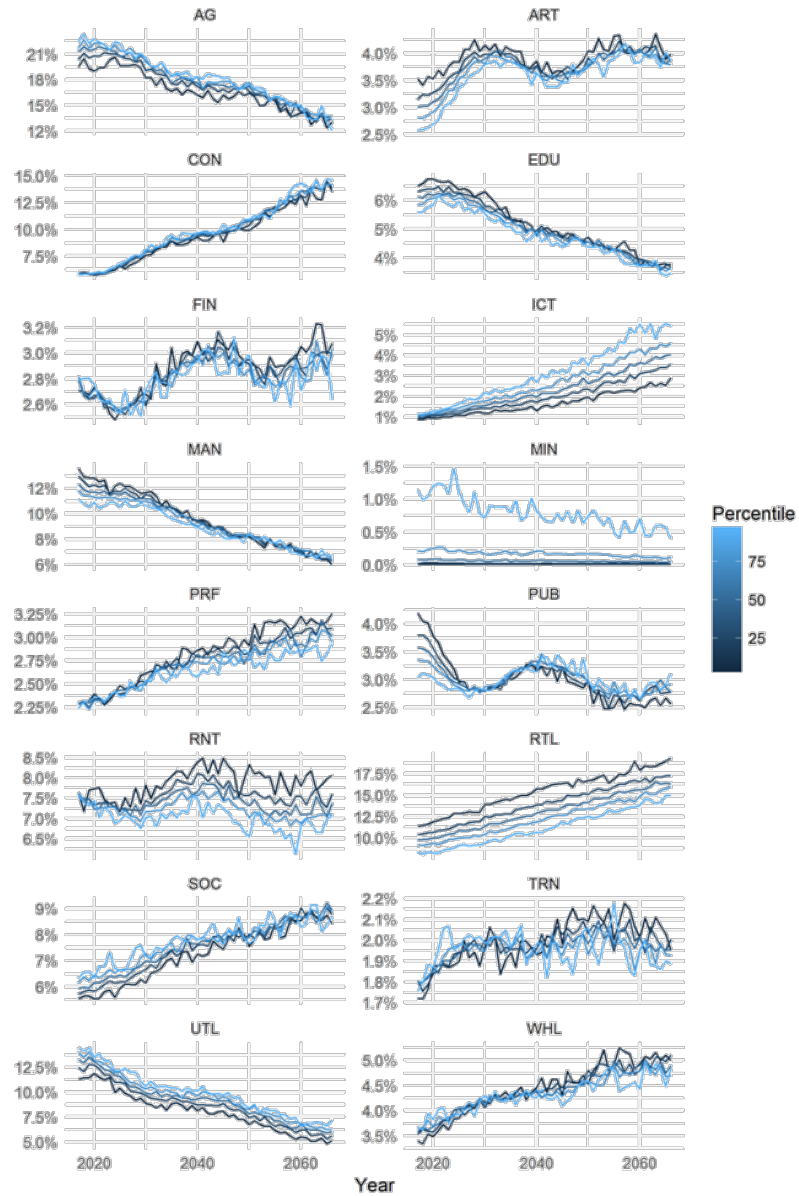
Industry	2016	2026	2036	2046	2056	2066
Agriculture (AG)	126	150	155	179	195	216
Mines & Quarries (MIN)	0	1	1	1	1	1
Manufacturing (MAN)	72	84	87	86	94	99
Utilities (UTL)	91	80	84	96	92	95
Construction (CON)	34	49	78	104	164	222
Wholesale Trade (WHL)	18	29	37	47	63	77
Retail Trade (RTL)	46	78	106	145	199	257
Transport (TRN)	11	14	17	21	26	31
Information Media Communications (ICT)	5	10	15	25	40	63
Finance & Insurance (FIN)	12	19	25	30	35	47
Rental & Property (RNT)	45	52	66	82	91	116
Professional Services (PRF)	15	18	23	29	38	47
Public Administration (PUB)	23	21	27	33	35	44
Education (EDU)	35	44	44	48	54	57
Health & Social Services (SOC)	36	46	64	82	110	141
Arts & Recreation (ART)	18	27	33	38	52	61
<b>Total</b>	<b>586</b>	<b>719</b>	<b>863</b>	<b>1,046</b>	<b>1,288</b>	<b>1,574</b>

<sup>7</sup> The individual projections for each industry in Table 3 are projections associated with the 50th percentile for that industry. They are not the projections for the 50<sup>th</sup> percentile of GDP projections. Those projections would be significantly more volatile than the numbers shown here.



HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

FIGURE 4: TRENDS IN INDUSTRY SHARES OF GDP  
See Table 3 for industry acronym descriptions





HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

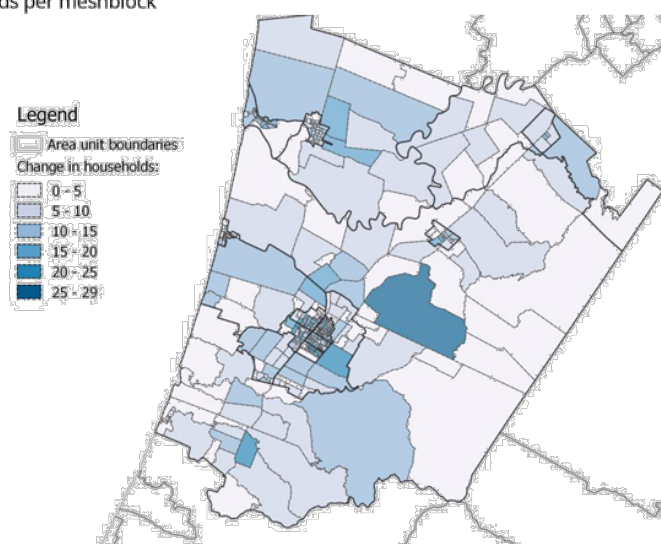
## Population growth dispersed across the District

Our projections include allocations of household growth by area unit and by meshblock based on the propensity of different types of households to locate in different areas. Sole parent households, for example, are more likely to locate in more densely populated and well-established areas.

As Figure 5 shows, the projections suggest reasonably widely dispersed population growth. However, it is worth recalling that population location is as much a result of council and development decisions as it is about the decisions of households.

Also, a substantial share of growth is concentrated in developed areas (such as in and around Levin) but this growth is not easily seen in a map at the scale of Figure 5.

**FIGURE 5: CHANGE IN NUMBER OF HOUSEHOLDS 2016-2036**  
Households per meshblock





HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

## Comparisons against other projections

The population projections presented in this report are higher than Statistics New Zealand projections for the Horowhenua District released in 2017 and projections by NZIER produced in 2016. The differences are summarized in Table 4.

NZIER's projections included scenarios capturing impacts of the Wellington Northern Corridor (WNC) transport project. For comparability, Table 4 includes an implementation of the same scenario (the projection denoted '+ WNC').<sup>8</sup>

**TABLE 4: COMPARISON WITH NZIER AND STATISTICS NEW ZEALAND PROJECTIONS**

<b>Population projections ('Medium' scenarios )</b>				
	<b>2013</b>	<b>2018</b>	<b>2028</b>	<b>2038</b>
StatsNZ (2017)	31,200	32,200	32,600	32,000
NZIER (2016)	31,200	32,390	34,600	36,840
NZIER (2016) + WNC	31,200	32,450	36,740	39,910
Sense (2017)	31,200	32,701	36,913	41,932
Sense (2017) + WNC	31,200	32,715	36,980	42,038

<b>Annual average growth rates</b>				
	<b>2013</b>	<b>2018</b>	<b>2028</b>	<b>2038</b>
StatsNZ (2017)		0.6%	0.1%	-0.2%
NZIER(2016)		0.8%	0.7%	0.6%
NZIER (2016) + WNC		0.8%	1.2%	0.8%
Sense (2017)		0.9%	1.2%	1.3%
Sense (2017) + WNC		1.0%	1.2%	1.3%

The differences between NZIER's projections and Sense projections are reasonably minor and can be accounted for by small differences in methodologies.

### Differences are due to views on international migration trends

The difference between Sense projections and the NZIER and Statistics New Zealand's projections are differences in views about international migration. These differences are largest when compared with the Statistics New Zealand forecasts.

The projections shown in this report are based on detailed modelling of long term trends in international inward and outward migration. As Figure 6 shows, there is a general long term upward trend in inward migration into New Zealand reflecting the attractiveness of New

<sup>8</sup> NZIER increase propensities to migrate to Horowhenua and the Wellington Region by 0.4%. The same shock has been implemented here.



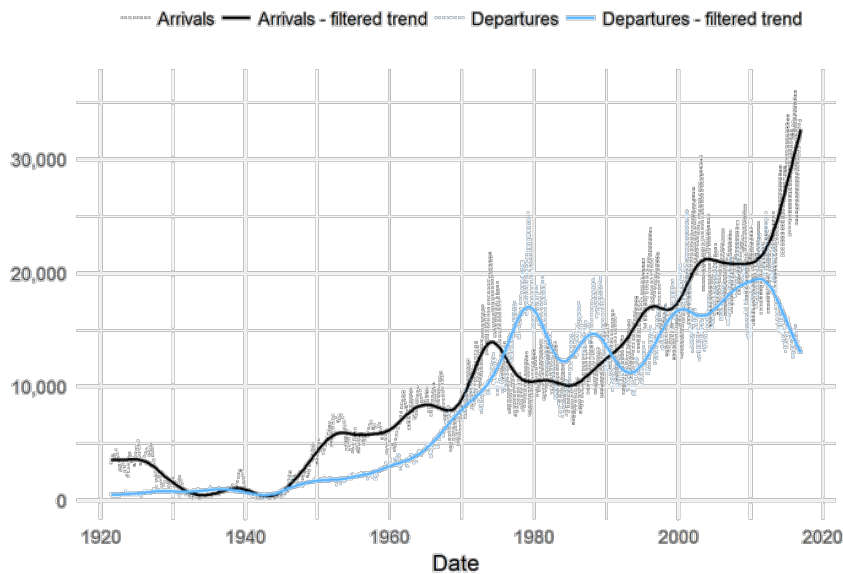
HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

Zealand and increasing numbers of people internationally who are capable of migrating. This means inward migration is increasing relative to the size of the New Zealand population.

Trends in outward migration, on the other hand, have been comparatively subdued relative to the size of the population.<sup>9</sup>

Consequently, net international migration is projected to grow.

**FIGURE 6: ARRIVALS TRENDING UP FOR MORE THAN FIFTY YEARS**  
National quarterly permanent and long-term arrivals and departures



In contrast, Statistics New Zealand's projections appear to be based on assumptions about **net** migration and an assumption that net migration will return to historical averages of the past – averages in terms of absolute rather than proportional numbers. This means they don't not take account of long term trends of increasing net migration.

As discussed earlier this matters for growth in a District like Horowhenua because international migrants directly increase the District's population and increases domestic migration flows which also increase the District's population.

Sense and NZIER share similar views about potential for increased international migration, however NZIER assumed that growth could not continue long term. Also, NZIER projections were completed before the magnitude of increases in migration in recent years were known.

<sup>9</sup> At least, this is the case since a rapid increase between 1960 and 1980, coinciding with rapid improvements in the availability and affordability of air transport.



HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

### Differences in transport project impacts

NZIER's WNC scenario shows population growth increasing by 0.5%. Sense implementation of the same shocks produces a 0.02% increase in 2028.

Details of NZIER's modelling are not available so precise analysis of the cause of these differences cannot be done.<sup>10</sup> But there are two main potential reasons for these differences:

- **Scope for higher growth off a lower base.** NZIER's lower baseline projection increases scope for gains by increasing immigration at working ages and increasing natural rates of population increase. These effects are already in the baseline Sense Projections.
- **Different approaches to measuring outward migration.** Methods used by Sense include more detailed modelling of inter-district migration flows. So, when propensity to migrate to e.g. Kapiti District increases, this affects outward migration flows from the Horowhenua District. This offsetting effect may not be captured in the NZIER projections as NZIER simulated increases to average propensities to migrate to the Wellington Region which will be smaller than more detailed propensities to migrate from Horowhenua to nearby districts.

Note that, in terms of population levels, the NZIER and Sense projections which include the WNC effect are similar.

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<sup>10</sup> Precise analysis would require a side-by-side simulation, with a range of scenarios, using both projection models.



## Method

These projections should be interpreted as potentials. The projections do not, for example, take account of national or local policy changes which can affect actual population and economic growth.

### Demographics

The method used to produce the population projections is a conventional population projection model, with a few relatively novel aspects.

The model simulates populations by age, by sex by District.

Fertility and mortality rates are projected using the same methods that Statistics New Zealand uses to project age- and sex-specific mortality rates.<sup>11, 12</sup>

International migration is predicted at the national level using a model of migration which accounts for trends and patterns in growth in arrivals from different types of countries in conjunction with changes in outward migration and economic conditions in New Zealand and Australia (unemployment rates and real exchange rates).<sup>13</sup>

Ages of migrants and domestic destinations of international migrants are determined based on observed historical probabilities that migrants are of a given age and the propensities these migrants have to move to particular parts of New Zealand (in this case Districts).

Internal domestic migration is based on age- and origin- and destination-specific probabilities of observed migration in each of the past three Censuses.<sup>14</sup> So, each District's inward domestic migration reflects the size and age distribution of other Districts from which it traditionally sources migrants.

At the household level, living arrangements are based on methods used by Statistics New Zealand. Each age and gender has an observed historical (Census-based) probability of residing in a different household type. The probabilities used here are national-level probabilities.<sup>15</sup>

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<sup>11</sup> Demography package for R, by Rob J Hyndman with contributions from Heather Booth, Leonie Tickle and John Maindonald.

<sup>12</sup> Actual data on age-specific rates at the district level are limited and so these are inferred using splines to interpolate between ages where age-group data is available.

<sup>13</sup> To be precise, the model is a mean of forecasts from 3 different types of models: a set of univariate time series model, a vector-autoregression, and a vector-error correction model with economic components. The latter includes cluster analysis of arrivals from different countries which allows grouping of countries into 4 different groups which tend to move together.

<sup>14</sup> The number of observations here is limited but the probabilities have proved to remain remarkably stable over time.

<sup>15</sup> Except that, in the national context, projections for Auckland include adjustments to reflect the large numbers of multi-family households in Auckland. This overall approach, using national 'living arrangement





HOROWHENUA SOCIO-ECONOMIC PROJECTIONS SUMMARY AND METHODS

## Economic projections

The economic projections are based on a 'growth accounting' method, whereby growth is predicted based on growth in the working age population, labour force participation rates, unemployment rates, and productivity.

Here labour force participation rates are modelled at the national level and district rates are estimated based on typical age-specific deviations from national rates.<sup>16</sup>

Unemployment rates are also modelled at the national level and age-specific deviations from national rates are used to model persistent differences in unemployment rates at different ages in different districts.

The model used to predict unemployment rates at the national level takes account of changes in labour force growth and other economic factors on unemployment rates. It also includes a measure of labour productivity.<sup>17</sup> Predictions of productivity growth come from this model.

There is no attempt to model district-level productivity growth, rather districts are assumed to face random fluctuations in productivity which move around the national average.

Industry projections are based on a model of trends in industry shares of GDP. At the district level, industry output is then projected using historical correlations between movements in national output and district output. So, the district's fortunes are attached to national trends, but also reflect local cycles and comparative advantages.

## Randomness

To run simulations and produce ranges for projections we use the observed errors in our models and underlying variation in the variables we are modelling to produce 'prediction intervals'. In each simulation, we draw randomly from these prediction intervals.

Not all variables are subject to this randomness directly<sup>18</sup> and some variables do not fluctuate a great deal. The most volatile components of the projections are: migration, productivity, and industry GDP growth shares.

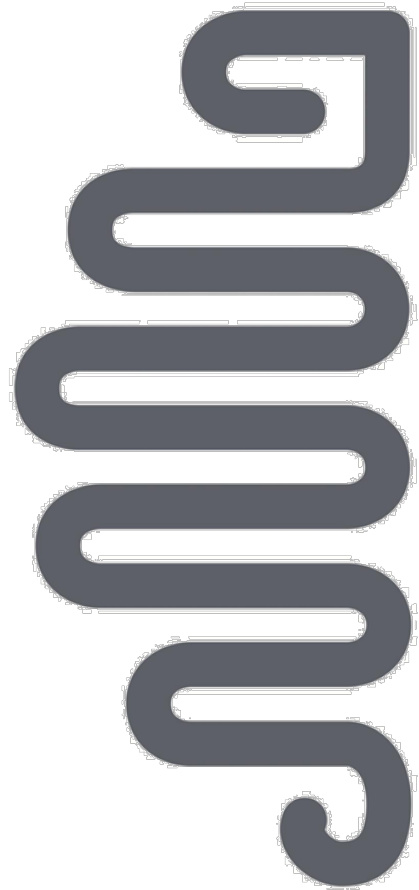
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type rates' is a weakness in this modelling method but is accepted for the time being in the absence of better data to discriminate 'living arrangement type rates' by district.

<sup>16</sup> The national rates are modelled using logistic growth curves which help to capture the rising, but ultimately limited, rates of participation of older age groups.

<sup>17</sup> The national model of unemployment rates is a vector auto-regression of unemployment, CPI, labour force, interest rates, and earnings per hour ('labour productivity'). The use of vector auto-regressions helps ensure that we extract underlying trends in variables and means that the model can capture the effects of economic cycles over a 1 to 2-year horizon. After that the model reverts to trends. Although randomness is added to reflect uncertainty, there are no economic cycles in the model beyond the first 1 to 2 years.

<sup>18</sup> All age-specific probabilities used in the model are fixed, for example.



# Economic Development in Horowhenua - Discussion Paper

File No.: 17/318

## 1. Purpose

To provide the Strategy Committee with a discussion paper regarding the future of Economic Development in the Horowhenua.

## 2. Recommendation

- 2.1 That Report 17/318 on Economic Development in Horowhenua - Discussion Paper be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That Officers bring a report and roadmap to the next Strategy Committee Meeting that applies the principles set out above and provides direction for future actions.

## 3. Issues for Consideration

As Included in the attached report.

## Attachments



No.	Title	Page
A	Economic Development Discussion Paper - Strategy Committee Meeting - July 2017	52

### Confirmation of statutory compliance

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

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

## Signatories

Author(s)	Shanon Grainger <b>Economic Development Manager</b>	
Approved by	David Clapperton <b>Chief Executive</b>	

# Economic Development Horowhenua

## Strategy Committee Discussion Paper Economic Development in Horowhenua

### 1. Introduction

- 1.1 As the Council's Strategy Committee convenes for this term it is reasonable, if obvious, to ask "what might the Committee set out to achieve, what are reasonable and practical ways in which it might set about its work and how should it get the tasks started?"
- 1.2 This paper raises some issues which might be considered in answering these questions. The Committee should look to see the Council in a position which is:
  - (a) appropriate (i.e. within its scope and role);
  - (b) feasible (i.e. things the Council can and should do); and,
  - (c) beneficial (i.e. things which actually help all of the community) position.
- 1.3 That task it should be noted is simple enough – but it is not easy.

### 2. Background and the Need for Economic Development

- 2.1 HDC has been concerned for many years with the need to improve economic performance in the district. The object has been to ensure that gaps in job generation, and new business starts are filled, and that investment in physical, economic and social infrastructure is strong.
- 2.2 These objectives have not changed. Thus the Committee should be committed to increasing job opportunities, improving productivity and making sure the resulting wealth is spread throughout the community.
- 2.3 Population growth over the next decade is expected to be strong. With that comes additional demand for housing, social services in health and education along with supporting recreational opportunity and opportunity to invest in growing existing social and economic infrastructure.

3. **The Role of Local Government and HDC**

- 3.1 The overriding role of local government is that of establishing, maintain and managing the playing field. It is not “being a player on that field”. Why?
- (a) Best results will be achieved by doing the things HDC is best at and the worst results will be avoided by not doing things it has no expertise in;
  - (b) The non Council world, the private and community sector does have the expertise the HDC does not have. Expertise, skill and resource exists in abundance. It should be used; and,
  - (c) HDC should not be crowding out the jobs, enterprises and businesses of its own private sector community.
- 3.2 In all decision making the final question for the Committee advising HDC should ask “does the advice comply with the criteria above?” Is it appropriate? Is it feasible? Is it beneficial?
- 3.3 A “fail” on any of these means the job is not yet finished.

4. **The Approach: Opportunities versus Liabilities**

- 4.1 There is often a tendency to see the activity of local government and its assets as being a liability and a burden because of inefficiency, the frequency with which projects are delivered late, the common cost over runs and a failure to produce good returns for everyone in the community.
- 4.2 It has historically been the case in NZ that performance has been sub par and that less than satisfactory. At the same time local government has long been “sitting on” significant valuable resources and has had significant human resources at its disposal.
- 4.3 A positive approach which sees the asset base of the HDC and its people as providing an opportunity to improve community wealth offers considerable opportunity to ensure that:
- (a) The Council focuses on activities where it has strengths not weaknesses;
  - (b) Makes use of its expertise in delivering on its core functions.

## 5. Internal Opportunities

- 5.1 Over the years HDC has acquired a large portfolio of property for a variety of reasons – some helpful some less so. The result is that at present HDC has some 40% more property than is required to deliver its core functions. The capital is thus needlessly “frozen” and not available to the community.
- 5.2 In addition a variety of property is leased or rented on a sub optimal basis and thus represents a risky and inefficient investment. This is largely because Councils are not expert professional commercial property developers or managers. All too often returns on assets fall below required rates of return again short-changing the community.
- 5.3 Resolving both of these issues is a matter of determination and momentum. Potential returns are high. Released resource would be plentiful.
- 5.4 Councils tend to end up being involved in a vast array of activity which are better done by others, are not part of their core role and in which they have little expertise. Property management is one. Investment in non core business such as land development or speculation is another.
- 5.5 There are therefore opportunities to improve HDC productivity by shedding such activity and freeing up capital tied up in non core assets. The wealth released can be deployed better in the wider community.
- 5.6 There are also opportunities through driving on with existing initiatives in areas such as delivering regulatory functions so that private sector and community initiatives can be started, maintained and grown at low cost, with minimal barriers to entry and in an easily understood manner. Initiatives to streamline these processes involve:
  - (a) Outsourcing wherever it is more efficient, i.e. where the same or better results can be achieved without the risk of owning assets and freezing the capital which ownership requires;
  - (b) Speeding up processing times through simplified paperwork (where its is even needed) using absolutely plain English and simple procedures to comply;
  - (c) Having “can do” as the default approach to regulation rather than “no, not if you haven’t got the right paper war”

5.7 Steps have already been made here. The Committee might press on with stressing the importance of this “making business and community activity easy” approach.

6. **External Opportunities**

6.1 There are a number of projects which are not part of the internal workings of the HDC which offer significant opportunities. Two examples are:

(a) The Roads of National Significance project – which will see the expenditure of large sums constructing the new state highway link through Levin as part of the national highway network improvement. Ensuring that local businesses and community initiatives benefit from the additional activity this spurs can be significant; and,

(b) Local projects such as the Levin Town Centre, the provision of better water infrastructure and resource, the freeing up of land for residential, commercial and industrial construction.

6.2 There are also a number of local projects which with improved infrastructure would see significant growth and provide jobs, expansion and investment opportunity.

7. **Partnership Opportunities**

7.1 Several opportunities exist to partner with central government agencies. For the most part these involve partnerships to improve the efficiency of delivery in health and education. Such initiatives offer the ability to match demand for work and services with individuals and groups.

7.2 Examples of various programmes focus on:

(a) Skills and employment focused training;

(b) New start programmes and grants for business;

(c) Social programmes in the areas of education, recreation, and the likes.

7.3 In each case the opportunity is for HDC to partner with management of central government agencies to improve the level of productivity in the labour force as well as providing new job opportunities. The object is to avoid duplicating one another’s work, to share joint requirements and to focus hard on what each agency does best.

8. **Alternative Approaches based on Opportunities (and needs)**

- 8.1 HDC has long wished to promote economic development in various forms through a public / private sector collaboration. Various council controlled assets may quite rightly be gainfully employed in such efforts.
- 8.2 The objective would be to combine selected and appropriate assets of the Council with the capital and skills drawn from the private sector to maintain and grow the economic base of the district in terms of job creation, improved investment attraction to the district and the broadening of opportunities which will enhance the social and economic wellbeing of the district.
- 8.3 Many models have been tried in many parts of the world. Results have tended to be indifferent – especially where Council’s have not entrusted and empowered their own communities (which own the assets) to be lead partners. Reviewing the structures and performances of many such models one attractive option is to use a trust to exploit the opportunities.

9. **Trust Model**

- 9.1 The trust model as proposed overcomes the great majority of the issues identified while offering considerable advantages. Its structure sees:
- (a) A trust with charitable status having the community as “beneficiary”. That trust then owns in part or wholly or in any other arrangement a series of limited liability investment companies (or activities).
  - (b) Those companies operate on standard commercial terms governed by a commercial board of directors using a mix of private equity, bank sourced debt and possibly Council assets or equity.
  - (c) Trust operates through a Trust Deed in standard fashion. That Deed holds trustees to account, trustees operate under the standard legislation and case law applying to trustees. This is a high level of accountability with sanctions and remedies.
  - (d) The Trust is a charity by virtue of the facts that:
    - (i) There is no distribution to any individuals;
    - (ii) Distributions are to end user / beneficiary community charitable causes and activities as defined by the Charities legislation;



- (iii) When the trust invests in commercial companies to undertake particular activities any profits come back as dividends to the trust and thus for the charitable purposes for which the trust operates.
- (e) Individuals or others investing in the commercial company may receive profits in accordance with their investment thus providing a reason for investing and a source of private sector funds. The trust however remains a charity and any share of profits it gets is returned to the (charitable) trust for use in charitable purposes (which includes retaining earnings in the charitable trust).

## 10. Next Steps

### 10.1 Various relatively obvious steps include:

- (a) An assessment of what assets are actually needed to deliver core functions;
- (b) Identifying priorities in freeing up assets not best held by the Council
- (c) Investigating and sponsoring the creation of an appropriate vehicle to deliver the identified tasks
- (d) Developing a road map to achieve these tasks with progress reported regularly
- (e) Maintain accountability for completion through using the
  - (i) “What” – is the task to be completed;
  - (ii) “Who” – exactly, is responsible for completing it; and,
  - (iii) “When” – is it to be completed

### 10.2 In summary:

- (a) The focus is clear – appropriate roles, feasible tasks, beneficial to the entire community
- (b) The focus is – on things HDC does well and leaving things it doesn't to others who are experts
- (c) The opportunity focus is directed at:

- (i) External opportunities
- (ii) Internal matters
- (iii) Partnerships

10.3 A useful mechanism to achieve much of this is HDC sitting alongside a Charitable Community Trust

10.4 The accountability to execute properly and on time is the “three W model” of what, who and when.

11. **Recommendation**

11.1 That Officers bring a report and roadmap to the next Strategy Committee Meeting that applies the principles set out above and provides direction for future actions.

# Submission to NZTA - O2NL Project Engagement

File No.: 17/325

## 1. Purpose

To present to Council the proposed submission to the NZ Transport Agency on the Otaki to North of Levin (O2NL) Roads of National Significance project.

## 2. Recommendation

- 2.1 That Report 17/325 on Submission to NZTA - O2NL Project Engagement be received.
- 2.2 That this matter or decision be recognised as not significant in terms of s76 of the Local Government Act 2002.
- 2.3 That the Committee recommends to Council that it approves the submission to the NZ Transport Agency on the Otaki to North of Levin (O2NL) Roads of National Significance Project

## 3. Background/Previous Council Decisions

This submission has been developed following workshops with Council Officers and Elected Members undertaken to identify high level principles that are relevant to the NZTA O2NL project. These principles have formed the basis for this submission to NZTA on the first round of engagement that closes on 7 July 2017.

## 4. Issues for Consideration

This submission is not intended to be a complete record of all the views, issues and requirements that Council considers relevant to the project. It is reflective of the knowledge and level of information currently available. The principles within the submission are reasonably broad to ensure they remain applicable and can respond to changes or unexpected issues that may occur throughout the process. More information will become available during the projects next phase of engagement, allowing more detailed investigations and identification of issues to be explored. Subsequent considerations and feedback from Council will become more focused with the submission being used as a guiding document as the O2NL project develops.

## Attachments



No.	Title	Page
A	HDC Submission to NZTA - O2NL Project Engagement - Strategy Committee 5 July 2017	61

### Confirmation of statutory compliance

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

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

## Signatories

Author(s)	Daniel Haigh <b>Growth Response Project Manager</b>	
Approved by	David Clapperton <b>Chief Executive</b>	

## DRAFT HDC FEEDBACK TO NZTA ON THE O2NL RONS PROJECT

### 1. Introduction

- 1.1. The Horowhenua District Council (HDC) welcomes the opportunity to provide this feedback to the NZ Transport Agency (the Agency) on the Otaki to North of Levin (O2NL) Roads of National Significance project.
- 1.2. It outlines the key expectations and issues considered important for the development of the project from a HDC perspective and aims to support its progress.
- 1.3. The feedback is grouped under the following headings:
  - Collaboration and Support
  - Cultural and Heritage
  - Project Programme, Scope and Staging
  - Project Design
  - Effects on Urban Form
  - Interchanges
  - Walking and Cycling
  - Access and Road Network
  - Amenity
  - Environment and Ecology
  - Economic Impacts
- 1.4. This feedback is not intended to be a complete record of all the views, issues and requirements that HDC considers relevant to the project. It is reflective of our knowledge and the level information available on the project. As the project develops and more detailed information becomes available, we would welcome further opportunities to provide feedback.

### 2. Collaboration and Support

#### **Collaboration**

- 2.1. We support the collaborative approach being taken to develop the project. The Agency's willingness to engage with the community, key stakeholders and iwi is appreciated. The different perspectives and knowledge that these groups bring will provide valuable input to the project and deliver positive outcomes for the District. The current engagement plans proposed to the end of the year will ensure that communities, stakeholders and iwi get the opportunity to communicate to the Agency their views and aspirations for the project.

#### **Support**

- 2.2. The project is important for our District, and we are very eager to see it progress through to construction at the earliest opportunity. We fully support the intent of the project and acknowledge the transport benefits and the opportunities it can bring for the economy both at a national level and for our District, especially if the project planning and design process are well considered and delivered on.

- 2.3. The project will create significant change to the roading infrastructure in the District. Approximately 27km of existing State highway will become local road and HDC's responsibility. Levin town centre will experience change and being a key centre in the District it is important that HDC plans effectively for the future changes.
- 2.4. Responding to these changes and engaging on the project generally, creates administrative challenges for HDC with increased demand for resources and specialist technical advice creating additional expenses.
- 2.5. To enable HDC to continue engaging effectively on the project, which assists the Agency deliver positive national and local project outcomes, the provision of financial or resourcing support is requested. This will help offset the additional expenses being created by the project.

### 3. Culture and Heritage

- 3.1. The Horowhenua District has high cultural and heritage value for iwi, hapū and the wider community. HDC supports strong engagement with iwi and hapū to ensure cultural issues are dealt with appropriately and sensitively. The Agency should support tangata whenua through the engagement process.
- 3.2. The District has a significant cultural landscape, containing wāhi tapu and areas and features of cultural importance, these need to be identified, respected and preserved in the design process.
- 3.3. The cultural significance to tangata whenua of the Tararua Mountain Range, the sea and rivers should be respected and preserved in the design process.
- 3.4. All components of the design of the Expressway and associated infrastructure should recognise the local cultural and heritage context.

### 4. Project Programme, Scope and Staging

#### **Programme**

- 4.1. The length of time taken to develop the project and the changes in scope are creating anxiety and uncertainty for our community. This will be compounded by the level of detail that surrounds this round of consultation.
- 4.2. Moving forward, HDC wants to see more certainty on the project for the District, our community and potentially affected property owners. Traffic growth has been high on SH1 over the last 3 years and can be expected to remain high, exacerbating existing traffic issues in the District. This demonstrates the crucial need to achieve the forecast construction start of 2021 or face unacceptable traffic conditions.
- 4.3. We support the current programme through to construction and consider it important that the Agency works expeditiously to achieve it.

#### **Scope**

- 4.4. Whilst it is beneficial to extend the scope of the project from SH1 Taylors Road to the Manawatū River, we do however question the reasoning of ending the project at the Manawatū River and not the northern end of Foxton. Rooding standards and traffic volumes on the section of SH1 between Manawatu River and Foxton are no different to those immediately to the south.
- 4.5. The traffic impact on Foxton as the first town traffic on SH1 will pass through from Wellington needs to be assessed. Removing bottlenecks between Wellington and Foxton will create free flowing traffic conditions on SH1 that may create future traffic issues in Foxton.
- 4.6. The overall scope of the project should consider the impact not only within the District but also on the function of the District from an inter-regional perspective.
- 4.7. HDC does not support the scope of the project or staging scenario that ends the project south of Levin. This would not alleviate the traffic issues in the town centre.
- 4.8. The project needs to consider the high level of growth being predicted for the District with project decisions supporting the District achieves its growth projections. HDC are reviewing the future growth projections for the District and can provide updated information to the Agency.

#### **Staging**

- 4.9. Generally, HDC does not support any staging of the project; however, if staging was going to enable parts of the project to be delivered early this would be supported.

#### 5. Project Design

- 5.1. The project should promote good urban design principles to assist the District to realise its growth potential and help achieve its community outcomes.
- 5.2. Given the scale of the project, it will have a profound effect on the District, its communities and landscape well into the future. Therefore, HDC expects the Agency to use best practice design standards with a high degree of innovation applied to produce project outcomes that support the District in achieving its community aspirations and outcomes.

#### 6. Effects on Urban Form

- 6.1. The project should limit its overall impact on existing developed areas in the District.
- 6.2. The project should maintain the integrity of the district's growth areas and should minimise severance of these areas from existing residential areas, particularly around Levin.
- 6.3. Appropriate future proofing should be included in the design of new infrastructure to ensure that it can be easily upgraded to accommodate growth in the District.

#### 7. Interchanges

- 7.1. The provision of interchanges must be strategically located to ensure highly efficient access to Levin and its town centre. Levin is a key destination in the District which is reflected by the significant volume of traffic that has an origin or destination there.
- 7.2. It is desirable that the form of interchanges achieves as much free flow of traffic as possible, by using merges/diverges rather than give way or stop control.
- 7.3. HDC supports a connection to the south of Levin that will be the key access between Levin and the south. It is understood that a connection for Levin is being considered to the south of Ōhau; however, HDC considers that a location closer to Levin would provide a more beneficial access and give a sense to drivers that Levin is close. This location should be investigated.
- 7.4. It is understood that an interchange at Manakau has been investigated and whilst this would be desirable to serve the local area, it is not considered a suitable access to Levin from the south. The interchange would potentially attract a high volume of traffic onto the existing SH1 which would be a local road in the future.
- 7.5. The interchange provision should enable inter-regional freight movements that travel through Levin to avoid the town centre.
- 7.6. The interchanges on the expressway will form gateways and first impressions to the District, its towns and services and should enhance the appeal of the District for visitors and residents.
8. Walking and Cycling
  - 8.1. A shared walkway/cycleway should be provided that runs the length of the project like that built in the MacKays to Peka Peka RONS project.
  - 8.2. The project should integrate with HDCs shared pathways strategy, and ensure connection opportunities between O2NL pathways and HDC's local pathway network are included.
  - 8.3. Any residential areas severed by the Expressway should have appropriate connections for walking and cycling as long detours are not attractive or appropriate for these modes.
  - 8.4. The expressway should not limit the opportunity for the proposed growth areas to integrate with existing residential areas in terms of walking and cycling.
  - 8.5. Any roads that experience increases in traffic volumes should maintain the existing level of service for pedestrians and cyclists with mitigation measures as necessary.
  - 8.6. The project should improve traffic conditions in Levin town centre and create opportunities for improved pedestrian movement in and around the town centre.



9. Access and Road Network

**Access**

- 9.1. The RONS project should recognise the key destinations in the District and provide easy access between these areas and the Expressway, especially for traffic associated with Levin.
- 9.2. Maintain efficient two-way access to Levin from the south via a connection at Ōhau or closer to Levin.
- 9.3. Maintain efficient two-way access between Levin and SH1 to the north.
- 9.4. Maintain efficient access to Levin from SH57 and Palmerston North.
- 9.5. Access between the local road network and expressway should minimise traffic on local roads that could otherwise be using the expressway.
- 9.6. Ensure the RONS interchange strategy maintains access points to Levin from the north and south.
- 9.7. Maintain and enhance access to key recreational areas within the District, especially the Tararua hill country, Ōhau River and Lake Horowhenua.
- 9.8. Provide good access from the expressway for freight traffic accessing industrial areas in Levin.

**Road Network**

- 9.9. Any changes to the local road network should minimise any increase in travel time for local traffic.
- 9.10. Reduce congestion and delays in the Levin Town Centre.
- 9.11. Any capacity and safety issues on the local road network because of changed traffic patterns should be mitigated.
- 9.12. The level of service for existing freight and commercial vehicle movements around the District should be enhanced.
- 9.13. Revoked State Highways should be designed to meet their new function as part of the local multi-modal transport network.
- 9.14. Revoked State Highways, including structures, are required to have an appropriate remaining life.

10. Amenity

- 10.1. Any infrastructure changes should preserve and enhance the rural character of the District.
- 10.2. With the proposed Expressway running in a north-south direction any impact on the visual amenity and access between the Tararua Mountain Ranges and the sea should be minimised.
- 10.3. Contribute to enhancing the character and amenity in Levin Town Centre particularly by removing non-essential heavy vehicles.
- 10.4. Minimise effects on key view shafts for existing and future residential areas.
- 10.5. Promote innovation in the design to enhance the overall fit with the landscape and cultural heritage of the District.
- 10.6. Incorporate design components (e.g. artwork, embossed concrete surfaces) that promote and celebrate the local cultural and heritage context of the District.

11. Environment and Ecology

- 11.1. Improve the overall environmental footprint of transport infrastructure throughout the District affected by the project.
- 11.2. Improve the management of stormwater runoff from any new and revoked infrastructure.
- 11.3. Include positive environmental and ecological outcomes for land, air and water for native flora and fauna to thrive across the scope of the project.
- 11.4. The multiple small stream crossings and waterways should be recognised and provided for in the design and earthworks managed to maintain principle land forms.

12. Economic Impacts

- 12.1. Many businesses in the District are located adjacent to the existing State highways and rely on passing traffic. The impact on these businesses and the wider economic impacts on the District needs to be assessed as part of the project.