STRATEGIC PLANNING AND POLICY COMMITTEE

AGENDA

Meeting to be held

THURSDAY 7 DECEMBER 2017

8.30am

In the Manawatu District Council Chambers,
135 Manchester Street, Feilding
MEMBERSHIP

Chairperson
Councillor Phil Marsh

Deputy Chairperson
Councillor Shane Casey

Members
Her Worship the Mayor, Helen Worboys
Councillor Steve Bielski
Councillor Barbara Cameron
Councillor Stuart Campbell
Councillor Shane Casey
Councillor Michael Ford
Councillor Hilary Humphrey
Councillor Andrew Quarrie
Councillor Alison Short
Councillor Howard Voss
ORDER OF BUSINESS

1. MEETING OPENING

2. APOLOGIES

3. DECLARATIONS OF INTEREST

Notification from elected members of:

3.1 Any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting; and

3.2 Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members’ Interests) Act 1968

4. CONFIRMATION OF MINUTES

Draft resolution

That the minutes of the Strategic Planning and Policy Committee meeting held 2 November 2017 be adopted as a true and correct record.

5. NOTIFICATION OF LATE ITEMS:

Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:

5.1 The committee by resolution so decides; and

5.2 The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.

6. PRESENTATIONS

6.1 LONG TERM PLAN – COMMUNICATION AND ENGAGEMENT PLAN

Presentation from Communications Manager.

6.2 LONG TERM PLAN – ACTIVITY STATEMENTS

Presentation from Policy Adviser.

7. OFFICER REPORTS

7.1 ECONOMIC DEVELOPMENT STRATEGY – HEARING OF SUBMISSIONS

7.2 GAMBLING VENUE POLICY REVIEW – CONSIDERATION OF SUBMISSIONS


7.3 MANAWATU DISTRICT QUARTERLY ECONOMIC UPDATE


7.4 STATEMENT OF ACCOUNTING POLICY

Report of the General Manager – Corporate and Regulatory dated 23 November 2017

7.5 RATES REMISSION AND POSTPONEMENT POLICY

Report of the General Manager – Corporate and Regulatory dated 23 November 2017

7.6 LGOIMA REQUESTS – NOVEMBER 2017

Report of the General Manager – Corporate and Regulatory dated 27 November 2017

8. CONSIDERATION OF LATE ITEMS

9. MEETING CLOSURE
Minutes of a meeting of the Strategic Planning and Policy Committee held on Thursday 2 November 2017, commencing at 8.30am in the Manawatu District Council Chambers, 135 Manchester Street, Feilding.

PRESENT: Cr Phil Marsh (Chairperson) Mayor Helen Worboys Cr Steve Bielski Cr Barbara Cameron Cr Stuart Campbell Cr Michael Ford Cr Hilary Humphrey Cr Andrew Quarrie Cr Alison Short Cr Howard Voss

APOLOGY: Cr Shane Casey

IN ATTENDANCE: Richard Templer (Chief Executive) Colleen Morris (Acting General Manager – Corporate and Regulatory) Frances Smorti (General Manager – People and Culture) Brent Limmer (General Manager - Community and Strategy) Hamish Waugh (General Manager – Infrastructure) Tracey Hunt (Strategy Manager) Stacey Bell (Economic Development Adviser) Chris Pepper (Special Projects Manager) Michael Hawker (Project Delivery Manager) Matthew Bayliss (Aquatics and Recreation Manager) Lisa Thomas (Policy Adviser) Paul Stein (Communications Manager) Maria Brenssell (Executive Assistant – Mayor) Lorraine Thompson (Executive Assistant – Chief Executive) Allie Dunn (Governance Team Leader)

SPP 17/104 MEETING OPENING
Councillor Marsh declared the meeting open.

SPP 17/105 APOLOGIES

RESOLVED
That the apology from Councillor Shane Casey be accepted.

Moved by: Councillor Michael Ford
Seconed by: Councillor Hilary Humphrey

CARRIED

SPP 17/106 DECLARATIONS OF INTEREST
Councillor Andrew Quarrie – Item 7.2 Te Kawau Memorial Recreation Centre
CONFIRMATION OF MINUTES

RESOLVED

That the minutes of the Strategic Planning and Policy Committee meeting held 5 October 2017 be adopted as a true and correct record.

Moved by: Her Worship the Mayor
Seconded by: Councillor Alison Short
CARRIED

NOTIFICATION OF LATE ITEMS

There were no late items of business notified, however it was noted that additional documents were circulated as follows:

- Agenda item 7.2 – Attachment 3 Property Management Plan
- Agenda item 7.5 – Attachment 2 Sport Manawatu Audited Financial Statements

PRESENTATIONS

There were no presentations scheduled.

HEARING OF SUBMISSIONS – GAMBLING VENUES POLICY REVIEW

Report of the General Manager – Community and Strategy dated 29 September 2017 that provided the Strategic Planning and Policy Committee with a copy of the submissions received in relation to the proposed Gambling Venues Policy.

Tanya Piejus was in attendance on behalf of the New Zealand Community Trust, and spoke to their submission on the draft Gambling Venues Policy. She gave a presentation that highlighted the key points from their submission. It was noted that the committee would deliberate on matters raised by submitters at their meeting scheduled for 7 December 2017, with the final decision to be made at the first Council meeting of 2018.

TE KAWAU MEMORIAL RECREATION CENTRE – TWELVE MONTH REPORT

Report of the General Manager – Community and Strategy dated 16 October 2017 presenting for consideration Te Kawau Recreation Centre Incorporated’s 12-month Report for the year ending 30 June 2017. Adrienne Foote and John Silvester from Te Kawau Memorial Recreation Centre were in attendance and Adrienne Foote spoke to their report. She highlighted steps they were taking in conjunction with Council’s Community Facilities Manager to reduce the operating costs of the centre. It was asked that a budget for the coming year be tabled for consideration by the Council.

Councillor Andrew Quarrie declared an interest and did not vote.

RESOLVED

That the Strategic Planning and Policy Committee receives Te Kawau Memorial Recreation Centre Incorporated’s 12-month Report for the year ending 30 June 2017.

Moved by: Councillor Michael Ford
Seconded by: Her Worship the Mayor
CARRIED
SPP 17/112 MANAWATU COMMUNITY TRUST – TWELVE MONTH REPORT

Report of the General Manager – Community and Strategy dated 16 October 2017 presenting for consideration the Manawatu Community Trust’s 12-month Report for the year ending 30 June 2017. John Culling, Tyson Schmidt, Aitziber Polo and Tony Murphy from the Manawatu Community Trust were in attendance and spoke to their report.

Councillor Cameron declared an interest as a Member of the MidCentral District Health Board in relation to discussions on the Health Centre.

RESOLVED

That the Strategic Planning and Policy Committee receives the Manawatu Community Trust’s 12-month Report for the year ending 30 June 2017.

Moved by: Councillor Alison Short
Seconded by: Councillor Howard Voss
CARRIED

SPP 17/113 MANFEILD PARK TRUST – TWELVE MONTH REPORT

Report of the General Manager – Community and Strategy dated 16 October 2017 presenting for consideration the Manfeild Park Trust’s 12-month Report for the year ended 30 June 2017. Julie Keane along with Gordon Smith, Rod Titcombe, John Baxter and Dean Williamson from the Manfeild Park Trust were in attendance and spoke to their report.

RESOLVED

That the Strategic Planning and Policy Committee receives Manfeild Park Trust's 12-month Report for the year ending 30 June 2017.

Moved by: Councillor Michael Ford
Seconded by: Councillor Barbara Cameron
CARRIED

SPP 17/114 SPORT MANAWATU – TWELVE MONTH REPORT

Report of the General Manager – Community and Strategy dated 16 October 2017 presenting for consideration Sport Manawatu’s 12-month Report for the year ended 30 June 2017. Brad Cassidy and Tash Narasy were in attendance on behalf of Sport Manawatu and spoke to their report. The Committee asked that Chair of the Trust and Sport Manawatu’s Chief Executive attend in future to present their report.

RESOLVED

That the Strategic Planning and Policy Committee receives Sport Manawatu’s 12-month Report for the year ended 30 June 2017.

Moved by: Her Worship the Mayor
Seconded by: Councillor Howard Voss
CARRIED
SPP 17/115  ADJOURNMENT

RESOLVED

That the meeting be adjourned, to reconvene at the conclusion of the extraordinary Council meeting being held at 10.30am.

Moved by:  Councillor Phil Marsh
Seconded by:  Councillor Barbara Cameron

CARRIED

The meeting adjourned at 10.19am and reconvened at 10.40am.

Her Worship the Mayor left the meeting at 10.40am.

SPP 17/116  FEILDING CIVIC CENTRE TRUST – TWELVE MONTH REPORT

Report of the General Manager – Community and Strategy dated 16 October 2017 presenting for consideration Feilding Civic Centre’s 12-month Report for the year ending 30 June 2017. David Stroud, Carla Bennett and David Young from Feilding Civic Centre Trust were in attendance and spoke to their report.

RESOLVED

That the Strategic Planning and Policy Committee receives Feilding Civic Centre Trust’s 12-month Report for the year ending 30 June 2017.

Moved by:  Councillor Stuart Campbell
Seconded by:  Councillor Alison Short

CARRIED

SPP 17/117  AWAHURI FOREST-KITCHENER PARK TRUST – TWELVE MONTH REPORT


RESOLVED

That the Strategic Planning and Policy Committee receives Awahuri Forest-Kitchener Park Trust’s 12-month Report for the year ending 30 June 2017.

Moved by:  Councillor Michael Ford
Seconded by:  Councillor Hilary Humphrey

CARRIED

SPP 17/118  DANGEROUS, AFFECTED AND INSANITARY BUILDINGS POLICY

RESOLVED

That the Strategic Planning and Policy Committee resolves to make the proposed Dangerous, Affected and Insanitary Buildings Policy, as set out in Annex 1 of the report of the General Manager – Community and Strategy dated 29 September 2017, operative.

Moved by: Councillor Howard Voss
Seconded by: Councillor Alison Short
CARRIED

SPP 17/119 LONG TERM PLAN FORECASTING ASSUMPTIONS


RESOLVED

That the Strategic Planning and Policy Committee approves the Forecasting Assumptions for inclusion in the draft Long Term Plan 2018-28.

Moved by: Councillor Howard Voss
Seconded by: Councillor Michael Ford
CARRIED

SPP 17/120 LGOIMA REQUESTS – OCTOBER 2017


RESOLVED

That the report detailing the requests for information received under the Local Government Official Information and Meetings Act 1987 for the month of October 2017 be received.

Moved by: Councillor Howard Voss
Seconded by: Councillor Michael Ford
CARRIED

SPP 17/121 CONSIDERATION OF LATE ITEMS

There were no late items for consideration.
SPP 17/122  MEETING CLOSURE

The meeting closed at 11.23am

Approved and adopted as a true and correct record:

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CHAIRPERSON                              DATE
Strategic Planning and Policy Committee

Meeting of 07 December 2017

Business Unit: Community and Strategy
Date Created: 20 November 2017

MDC Economic Development Strategy – Hearing of submissions

Purpose

The purpose of this report is to provide the Strategic Planning and Policy Committee with a copy of the submissions received in relation to the draft Economic Development Strategy.

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

1. That the Strategic Planning and Policy Committee consider submissions on Council’s draft Economic Development Strategy.

2. That the Strategic Planning and Policy Committee note that subsequent to today’s hearing, deliberations on and adoption of the draft Economic Development Strategy are to be considered at the 14 December Council Meeting.

Report prepared by:
Stacey Bell
Economic Development Adviser

Approved for submission by:
Brent Limmer
General Manager - Community and Strategy
1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

*Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand*

<table>
<thead>
<tr>
<th>Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.</th>
<th>The Manawatu will attract and retain residents.</th>
<th>Manawatu district develops a broad economic base from its solid foundation in the primary sector.</th>
<th>Manawatu and its people are connected via quality infrastructure and technology.</th>
<th>Manawatu’s built environment is safe, reliable and attractive.</th>
<th>Manawatu District Council is an agile and efficient organisation.</th>
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2 Background

2.1 In 2014, Council initiated a review of its Economic Development activities. Part of this review included the development of an Economic Development Strategy.

2.2 The purpose of the Strategy was to articulate Council’s role in economic development and provide direction for Council investment.

2.3 Since 2014, significant work has been undertaken by Council to develop an Economic Development Strategy that reflects the District and the priorities of Council, with the initial draft Strategy released for public consultation between July and August 2014.

2.4 In 2016, Council in conjunction with Palmerston North City Council established the Central Economic Development Agency (CEDA) for the delivery of economic development services to the Manawatu region. With the establishment of CEDA and the timing of local body elections, adoption of the Strategy was deferred to after the local body elections of 2016.

2.5 With the new Council established, the Economic Development Strategy was presented to the new Council in March 2017 for further consideration.

2.6 Taking into consideration direction received through the workshop process, the final draft of the Economic Development Strategy was presented to Council on 21 September 2017 for approval for public consultation.

2.7 The Draft Strategy was released for public consultation over the period 2 October to 3 November 2017.

2.8 Five submissions were received in response to the draft Economic Development Strategy.

3 Discussion and Options considered

3.1 The following table summarises the key submission points and decisions sought. Full copies of the submissions are included in Annexes A to E of this report. Please note that the contact details of submitters 001 and 003 have been withheld at their request.

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<thead>
<tr>
<th>Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.</th>
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<tr>
<th>Submission #</th>
<th>Name</th>
<th>Wishes to be heard?</th>
<th>Summary of Submission</th>
<th>Decisions Sought by the Submitter</th>
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</table>
| 001         | David Stroud                  | No                  | • Insufficient focus on Tourism within the document.  
• Concerned the ‘how’ of growing Tourism is missing.  
• Minimal link to CEDA as the agency responsible for promoting Tourism.                                                                                                                                 | That Council makes amendments to the document to address the key concerns. |
| 002         | Claire Massey                 | No                  | • FoodHQ supports the focus on food/agriculture and innovation as central to the future success of the region.  
• Highlights the role of FoodHQ as the ‘Food innovation gateway.’                                                                                                                                 | Requests to be included as a key partner (page 15).       |
| 003         | Al Howie                      | No                  | • Concerned that delays in granting consents to demolish building is holding up commercial development.  
• Concerned about the sale of the Tennis Courts.                                                                                                                                                                    | Requests that the EDS reflects a more commercially developer friendly outlook. |
| 004         | Palmerston North City Council | No                  | • Supports the aligned approach to Economic Development with PNCC and CEDA.  
• Supports identified opportunities, challenges, key sectors and priority actions for achieving objectives.                                                                                                              | None sought.                                               |
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<td>005</td>
<td>Mitchell Daysh Limited on behalf of Ag Research</td>
<td>No</td>
<td>• Support the executive summary. • Support ‘Our District’ in part It is considered that the ‘Our District’ section should be amended to reflect the presence of these important research facilities (consistent with the Executive Summary and other parts of the Economic Development Strategy).</td>
<td>Retain the executive summary. Amend the fourth paragraph of the “Our District” section on page 4 as follows: Our proximity to the city of Palmerston North alongside our central location within the North Island presents unique opportunities for the Manawatu District to access and benefit from the shared markets of the central and lower North Island, including education. The significant presence of the New Zealand Defence Force (NZDF) both within our boundaries and in neighbouring Palmerston North further supports our resilience, and future opportunities for the regional economy. Similarly, there are a number of significant agricultural, horticultural and food research institutions clustered together in Palmerston North including AgResearch (Grasslands Research Centre), Plant and Food Research, Fonterra Research Centre, Hopkirk Research Institute, Riddet Institute, Landcare Research, DairyNZ and Massey University. AgResearch’s Aorangi Research Farm is located near Palmerston North in the Manawatu District, and is a key field based research facility principally servicing scientists from Grasslands (but also</td>
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<td>scientists from other research organisations) for particular research projects and trials</td>
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<td>In the “Manawatu District 2028” section, amend the second paragraph on page 9 as follows: The wider Manawatū is known as a world centre for agricultural and food research, innovation and security, whilst continuing its commitment to sustainability through its care of the rural landscape which the community values so highly. It is a hub for research and development, supported by dynamic private and public research institutes.</td>
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<td>Amend the “Land” section as follows: The New Zealand Government has had agricultural and food research and innovation as an important part of its framework for business growth. Central Government investment alongside our education and technology sector, have supported our region’s emergence as an agricultural and food research and innovation centre with considerable expertise in science, research and development. The agricultural sector continues to provide the backbone of our local economy. Agricultural research and technological improvements have driven greater productivity in the farming industry.</td>
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<td>Add the following key initiative to the ‘Growing business and employment’ section: ‘Our District Plan will encourage new businesses and investment and adequately recognise, provide for and protect the ongoing operation and future development of key existing education, research and business activities within the District.’</td>
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</table>

• Support ‘Manawatu District 2028’ in part. AgResearch considers that there should be greater emphasis on the importance of agricultural research.

• Support ‘Land’ in part. AgResearch considers that there should be greater emphasis on the importance of agricultural research.

• Support ‘Growing business and employment’ in part. It is considered that a key initiative that has been overlooked is ensuring the Manawatu District Plan encourages new businesses and investment.
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<td>In the “Agriculture” section: (i) Amend the second bullet point as follows:</td>
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<td>Focus on improving links between research and business, and growing opportunities in agritechnology.</td>
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<td>(ii) Add the following bullet point:</td>
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<td>Safeguard the continued operation and future development of agricultural research facilities through appropriate District Plan provisions.</td>
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<td>In the “Education” section, retain the following first bullet point:</td>
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<td>Maximising links between education, research and business.</td>
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<td>In the first part of the “Achieving our Vision” section, add the following initiative:</td>
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<td>5. Providing a District Plan which includes zoning and planning provisions that adequately recognise, provide for and protect the continued operation and future development of key education, research and business activities within the District.</td>
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• Support ‘Growing and diversifying priority sectors’ in part.

In the “Agriculture” section, there could be a greater emphasis on the District benefiting from improving links between research and business, and also safeguarding the continued operation and future development of agricultural research facilities.

• Support “Achieving our Vision” in part.

Supports ‘providing sufficient land, infrastructure and servicing, and suitable zoning for future development.’ Council should also ensure that the ongoing operation and future expansion of key existing education, research and business activities is sufficiently safeguarded in the Manawatu District Plan.

• Supports Appendix 3 – “Strengths”  

No relief sought

• Supports Appendix 3 – “Weaknesses”  

No relief sought
<table>
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<td>• Supports Appendix 3 – “Opportunities” in part.</td>
<td>Amend the second “Opportunity” as followed: <em>Engaging in higher-value economic activities – a strong resource base linked to a buoyant local research and innovation system offer opportunities for enterprises to engage in higher value production.</em></td>
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<td>• Supports Appendix 3 – “Threats”</td>
<td>No relief sought</td>
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</table>
4 **Operational and Financial Implications**

4.1 There are no operating or financial implications associated with the above options. Any costs associated with this strategy have been accommodated within existing budgets.

5 **Statutory Requirements**

5.1 There are no statutory requirements associated with the Economic Development Strategy.

6 **Delegations**

6.1 The Strategic Planning and Policy Committee has delegated authority to make a decision regarding this matter.

7 **Consultation**

7.1 While there is no statutory requirement for Council to publicly consult on the Economic Development Strategy, Council has released the draft Strategy for consultation on two occasions.

7.2 Initial consultation on the Draft Economic Development Strategy occurred in July-August 2014 with 15 submissions received. Accepted submissions from 2014 are retained.

7.3 Subsequent to review by the new Council, further public consultation was recommended and approved by Council. The summary of submissions included for consideration within this report reflect the latest public submissions on the draft Strategy received over the period 2 October to 3 November 2017.

8 **Cultural Considerations**

While there are no specific cultural considerations associated with adopting this strategy, the Māori economy is highlighted as a key partner in achieving the goals of this strategy. Council supports the expansion of Māori enterprise through funding of CEDA to provide business support services. Engagement with Māori business by CEDA is specifically reported to shareholders in accordance with monitoring requirements included within the CEDA Statement of Intent (2017-2018).

9 **Conclusion**

9.1 This hearing is to consider submissions received on Council’s draft Economic Development Strategy. Five submissions have been received. All submitters have informed they do not wish to be heard in support of their submissions. All submitters were advised of the Hearing date and were invited to attend.

9.2 The purpose of the Hearing is to enable those submitters that wish to be heard to present their views and to verbally interact with members of the Strategic Planning and Policy Committee.

9.3 Deliberations on the submissions received will be held at the Council meeting on 14 December 2017. The final decision on the Economic Development Strategy will be made at the Council meeting scheduled for 22 February 2018.
10 Attachments

- Annex A – Submission 001
- Annex B – Submission 002
- Annex C – Submission 003
- Annex D – Submission 004
- Annex E – Submission 005
Organisation (if any):
Name or Contact Person: David Stroud
Postal Address:
Phone:
Email:

Please note: As required by the Local Government Official Information and Meetings Act 1987, all submissions will be regarded as being publicly available, including placement on the Council’s website, although you may request Yes that your contact details (but not your name) be regarded as confidential. If you want your contact details withheld please let us know by ticking this box:

Do you want to speak in support of your submission?: No

Your Submission:

After reading the MDC Economic Strategy I found that there is only one time that Tourism is mentioned. The how is missing!! It does not get CEDA to be responsible for the regional promotion of Manawatu tourism. As seen in the "Roles of our Key Partners" tourism is not mentioned. I have also found that CEDA has done very little re the Regional development of Tourism in this area lately. Tourism does not seem to be a working part of the CEDA responsibility even though it is mentioned in their "Memorandum of Understanding". This is very disappointing as the Tourism industry in New Zealand is recognised as being the top finance generating industry at the moment and into the future. We are missing out on the huge growth of Tourism that is reportedly going on in the country. We have many attractions for Tourists in the area. It just needs the regional organisation CEDA to pull them all together and market the region as a whole. The small attractions cannot do it on their own.
Allie Dunn

From: seamless@mdc.govt.nz
Sent: Monday, 16 October 2017 1:42 p.m.
To: Jeremy Savell; MDC Submissions
Subject: Economic Dev Strat 2017 Submitted

Organisation (if any): FoodHQ
Name or Contact Person: Claire Massey
Postal Address: FoodHQ at The Factory BCC 21 Dairy Farm Rd
                 Palmerston North
Phone: +64212477194
Email: claire.massey@foodhq.com

Please note: As required by the Local Government Official Information and Meetings Act 1987, all submissions will be regarded as being publicly available, including placement on the Council’s website, although you may request that your contact details (but not your name) be regarded as confidential. If you want your contact details withheld please let us know by ticking this box:

Do you want to speak in support of your submission?: No

Your Submission:

1. We welcome the chance to be included in planning for the region as the FoodHQ initiative has been designed to help stimulate economic growth in the region. We are delighted to see the strong focus on food and agriculture (pp 9, 11, & 13) and support the way in which these sectors have been identified as crucial to the region’s future success. Similarly, it is a positive to see the focus on innovation (pp 9 & 11). Innovation is crucial if we are to capitalize on our obvious strengths. FoodHQ describes itself as the Food Innovation Gateway, and our role is to ensure that the region has a strong focus on food science AND innovation – it is the overlap between these two areas that will deliver economic benefits. We acknowledge the partnership of the MDC in the FoodHQ journey to date and would like to demonstrate our connection with the MDC by being listed as a partner on the table on p 15.
Organisation (if any):
Name or Contact Person: Al howie
Postal Address:
Phone:
Email:
Please note: As required by the Local Government Official Information and Meetings Act 1987, all submissions will be regarded as being publicly available, including placement on the Council’s website, although you may request that your contact details (but not your name) be regarded as confidential. If you want your contact details withheld please let us know by ticking this box:
Do you want to speak in support of your submission?: Yes
Do you want to speak in support of your submission?: No

Your Submission:
You need to be more commercial developer friendly, walk around the cbd, 80% of the buildings need tearing down, newer buildings will mean better class of tenants and higher rates, we can't run a successful cbd on $2 shops and hairdresser salons!? The delay in granting concenct to demo the sidnam building for example was a discrace and now granted will make kimbolton road the place to be for a successful business!? Also selling the tennis courts off was a short sighted move in my opinion, there's no reason why we can't be a havelock north for example upgrading our cbd would give Palmerston North a run as the place to be trading in the manawatu!
30 October 2017

Draft Economic Development Strategy
Chief Executive
Manawatū District Council
Private Bag 10 001
FEILDING 4743

Dear Richard

Submission on the draft Manawatū District Economic Development Strategy

Thank you for the opportunity to submit on the Council’s draft Economic Development Strategy. The Growing Manawatu document offers a useful statement of the Council’s vision of a prosperous and diverse economy and the actions which will support the achievement of the outcomes sought.

While the structure of the Manawatū District economy is quite different to that of the City, the vision and broad outcomes sought are entirely consistent with our Council’s draft Economic Development Strategy and CEDA’s Statement of Intent.

The document reflects a high quality analysis of the opportunities and challenges for the district, the key sectors which will support economic growth and the priority actions for growing business and employment along with growth in skills and capability.

We look forward to working with the Council and CEDA on implementing the actions agreed in CEDA’s Statement of Intent.

Yours sincerely

Grant Smith
MAYOR

Heather Shotter
CHIEF EXECUTIVE
AgResearch Limited Submission
Draft “Growing Manawatu” Economic Development Strategy

To: Manawatu District Council  
    Private Bag 10001  
    FIELDING 4743  

Email: submissions@mdc.govt.nz  

Name of Submitter: AgResearch Limited (“AgResearch”)  

Address for Service: Graeme Mathieson  
    Mitchell Daysh Limited  
    PO Box 97431  
    MANUKAU 2241  

Telephone: (09) 2555127 or (027) 2202640  
Email: graeme.mathieson@mitchelldaysh.co.nz

I confirm that I am authorised on behalf of AgResearch Limited to make this submission.

1 OVERVIEW

1.1 AgResearch Limited (“AgResearch”) generally supports the direction of the Draft “Growing Manawatu” Economic Development Strategy subject to the amendments which are outlined in this submission.

1.2 In this submission we have provided:

- General submissions on the Draft Economic Development Strategy (Section 2); and
- Specific submission points on the Draft Economic Development Strategy, including relief requested (Attachment A).

2 GENERAL SUBMISSION

1.3 AgResearch is New Zealand’s largest Crown Research Institute (“CRI”) with four Agricultural Research Campuses and 11 Agricultural Research Farms, employing about 750 staff nationwide. Formerly known as the New Zealand Pastoral Agriculture Research Institute Limited, it was created as a CRI in 1992 out of the research arm of the Ministry of Agriculture and Fisheries (MAF) and the agriculture section of the Department of Scientific and Industrial Research (DSIR).
1.4 AgResearch’s purpose is to enhance the value, productivity and profitability of New Zealand’s pastoral, agri-food and agri-technology sector value chains to contribute to economic growth and beneficial environmental and social outcomes for New Zealand. This sector is the backbone of our economy and its continued success is essential to this country’s living standards.

1.5 The Company works with stakeholders to develop leading-edge scientific solutions for a range of national and international customers, including government agencies, industry bodies and private companies. AgResearch is the lead CRI in the areas of; pasture based animal production systems, new pasture plant varieties, agricultural-derived greenhouse gas mitigation and pastoral climate change adaption, agri-food and bio-based products and agri-technologies and integrated social and biophysical research to support pastoral sector development.

1.6 In the Manawatu District, AgResearch owns and operates the 196 hectare Aorangi Agricultural Research Farm (“Aorangi”) located at 312 Lockwood Road, Kairanga approximately 15 kilometres west of Palmerston North. Aorangi was initially established as an agricultural research farm in 1968 when it was purchased by the nearby Grasslands Agricultural Research Centre (“Grasslands”) in Palmerston North for field based research purposes. Aorangi operates as an intensive research farm primarily servicing scientists from Grasslands, The Hopkirk Centre and Plant and Food Research for particular research projects and trials.

1.7 Current or recent research programmes include:

- High sugar grass evaluation;
- Animal nutrition;
- Parasitology;
- CarLA diagnostics – saliva sampling;
- Methanogen vaccine trials;
- Methane trials;
- Clover and ryegrass breeding plots; and
- Cereal breeding for Plant and Food Research.

1.8 Aorangi is also periodically used for Open Days or Field Days for other scientists, consultants, contractors or the local farming community.

1.9 With the extensive development of Grasslands as part of AgResearch’s Future Footprint Plan, future development at Aorangi is likely (being the main research farm servicing Grasslands) resulting in the introduction of new research facilities. Research related facilities that could potentially be established at Aorangi include:

- Continuation of field-based research.
- Research laboratories.
- Animal research buildings or facilities (e.g. calf rearing facilities, cattle feedlots).
- Research glasshouses.
- Additional staff facilities (e.g. offices, cafeteria’s, ablutions etc).
- Education or training facilities to provide education opportunities for visitors and school or tertiary students (such as the Agritechnology Centre at the Tokanui Dairy Research Farm developed in partnership with Wintec, AgITo, Coalition for 21st Century Schools and Innovation Waikato). It’s noted that such facilities assist in the uptake and transfer of research technology and knowledge, which is a key component of AgResearch’s core purpose, and becoming a more common investment.
- Pilot plants to trial new research innovations prior to commercial production.
1.10 Sound planning is required to ensure that the continued operation and development of regionally important agricultural research resources such as Aorangi are sufficiently recognised, provided for and protected for future generations in key planning documents such as the Manawatu Economic Development Strategy.

3 SPECIFIC SUBMISSION POINTS

3.1 AgResearch’s specific submission points are provided in Attachment A.

3.2 In respect of all of those submission points in Attachment A, AgResearch seeks:

- Where specific wording has been proposed, words or provisions to similar effect;
- All necessary and consequential amendments, including any amendments to the provisions themselves or to other provisions linked to those provisions submitted on, and including any cross references in other chapters; and
- All further relief that are considered necessary to give effect to the concerns described above and in Attachment A.

Signature: AGRESEARCH LIMITED
by its authorised agents Mitchell Daysh Limited

G.J. Mathieson

Date: 3 November 2017
### ATTACHMENT A: AGRESEARCH LIMITED’S SUBMISSIONS ON THE DRAFT “GROWING MANAWATU” ECONOMIC DEVELOPMENT STRATEGY

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| 1   | Executive Summary       | 2    | Support          | The Executive Summary includes the following statement which emphasises the importance of agricultural and food research to the Manawatu so is supported by AgResearch:  
*The Manawatū District also benefits from access to cutting edge agricultural and food research innovation and technology. Combining this with our strength in primary production provides opportunities for significant expansion and diversification of our agribusiness sector into value-added primary industry.* | Retain the Executive Summary.                                                                    |
| 2   | Our District            | 4-5  | Support in part  | The Executive Summary includes the following statement (supported by AgResearch):  
*The Manawatū District also benefits from access to cutting edge agricultural and food research innovation and technology. Combining this with our strength in primary production provides opportunities for significant expansion and diversification of our agribusiness sector into value-added primary industry.*  
The “Our District” section on page 4 provides an overview of various key attributes of the Manawatu District including reference to rural and coastal landscapes and features, recreational opportunities, primary production and the presence of the Defence Force. However, unlike the Executive Summary, there is no reference to the Manawatu having good access to the various research institutions in Palmerston North, or recognition that AgResearch’s Aorangi Agricultural Research Farm is located within our boundaries and in neighbouring Palmerston North further supports our resilience, and future opportunities for the regional economy. Similarly, there are a number of significant agricultural, horticultural and food research institutions clustered together in Palmerston North including AgResearch (Grasslands Research Centre), Plant and Food Research, Fonterra Research Centre, Hopkirk Research Institute, Riddet Institute, Landcare Research, DairyNZ and Massey University. AgResearch’s Aorangi Research Farm is located near Palmerston North. | Amend the fourth paragraph of the “Our District” section on page 4 as follows:  
*Our proximity to the city of Palmerston North alongside our central location within the North Island presents unique opportunities for the Manawatū District to access and benefit from the shared markets of the central and lower North Island, including education. The significant presence of the New Zealand Defence Force (NZDF) both within our boundaries and in neighbouring Palmerston North further supports our resilience, and future opportunities for the regional economy. Similarly, there are a number of significant agricultural, horticultural and food research institutions clustered together in Palmerston North including AgResearch (Grasslands Research Centre), Plant and Food Research, Fonterra Research Centre, Hopkirk Research Institute, Riddet Institute, Landcare Research, DairyNZ and Massey University. AgResearch’s Aorangi Research Farm is located near* |
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<tr>
<td>3</td>
<td>Manawatu District 2028</td>
<td>9</td>
<td>Support in part</td>
<td>The Executive Summary includes the following statement (supported by AgResearch):</td>
<td>Palmerston North in the Manawatu District, and is a key field-based research facility principally supporting scientists from Grasslands (but also scientists from other research organisations) for particular research projects and trials.</td>
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<td>The Manawatū District also benefits from access to cutting edge agricultural and food research innovation and technology. Combining this with our strength in primary production provides opportunities for significant expansion and diversification of our agribusiness sector into value-added primary industry.</td>
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<td>The “Manawatu District 2028” section outlines Council’s vision for 2028. The second paragraph on page 9 is of relevance to AgResearch and states:</td>
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<td>The wider Manawatū is known as a world centre for food innovation and security, whilst continuing its commitment to sustainability through its care of the rural landscape which the community values so highly. It is a hub for research and development, supported by dynamic private and public research institutes.</td>
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<td>The above paragraph is supported in part by AgResearch as it is consistent with plans to further develop Grasslands and the Aorangi Research Farm (as part of AgResearch’s Future Footprint Plan). However, it is noted that there is primary emphasis on the wider Manawatu being a food innovation centre. Given the strong presence of various agricultural research facilities, AgResearch considers</td>
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<td>4</td>
<td>Land</td>
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<td>that there should be greater emphasis on the importance of agricultural research (consistent with the Executive Summary and other parts of the Economic Development Strategy).</td>
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<td>Amend the “Land” section as follows:</td>
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<td>Supported by the identification of new markets and the application of innovation and technology, our land has provided the basis for significant expansion and diversification into value-added primary industry.</td>
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<td>The New Zealand Government has had agricultural and food research and innovation as an important part of its framework for business growth. Central Government investment alongside our education and technology sector, have supported our region’s emergence as an agricultural and food research and innovation centre with considerable expertise in science, research and development.</td>
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<td>The agricultural sector continues to provide the backbone of our local economy. Agricultural research and technological improvements have driven greater productivity in the farming industry. This has provided incentives and greater opportunities to innovate and expand business development into local, regional and international markets.</td>
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<tr>
<td>5</td>
<td>Growing business and employment</td>
<td>12</td>
<td>Support in part</td>
<td>The “Growing Business and Employment” section lists key initiatives to attract, retain and grow highly productive businesses. It is considered that a key initiative that has been overlooked is ensuring that the Manawatu District Plan includes a planning regime that encourages new businesses and</td>
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<td>In the “Growing Business and Employment” section, add the following Key Initiative:</td>
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<td>8. Our District Plan will encourage new businesses and investment, and adequately recognise, provide for and protect the ongoing operation</td>
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<td>6</td>
<td>Growing and diversifying priority sectors</td>
<td>13</td>
<td>Support in part</td>
<td>investment, as well as safeguarding the ongoing operation and future expansion of key existing education, research and business activities. This would assist with achieving the following “Outcome” to achieve Council’s overarching vision in the “Our District” section: 2. The Manawatu District attracts and retains residents and businesses.</td>
<td>and future development of key existing education, research and business activities within the District.</td>
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<td>7</td>
<td>Achieving our vision</td>
<td>14</td>
<td>Support in part</td>
<td>The first part of the “Achieving our Vision” section outlines the methods which Manawatu District Council will utilise to achieve the economic goals, the second method is as follows: 2. Providing sufficient land, infrastructure and servicing, and suitable zoning to support the expansion of economic activity and wellbeing in the District.</td>
<td>In the first part of the “Achieving our Vision” section, add the following initiative: 5. Providing a District Plan which includes zoning and planning provisions that adequately recognise, provide for and protect the continued operation and future development of key education, research and business activities within the District.</td>
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| 8   | Appendix 3 – A view of the future – SWOT analysis “Strengths” | 22   | Support          | AgResearch supports the initiative of providing sufficient land, infrastructure and servicing, and suitable zoning for future development. However, it is considered that Council should also ensure that the ongoing operation and future expansion of key existing education, research and business activities is sufficiently safeguarded in the Manawatu District Plan. | Retain the following “Strengths”:  
  - Relationship with the growing and dynamic city of Palmerston North – a source of employment, research and innovation, specialised services, retail and recreation opportunities as well as education.  
  - Strong education, training and research base easily accessible by resident population and businesses.  
  - Adding value – access to agricultural/food research, innovation and technology supports expansion and diversification of our agribusiness sector. |
| 9   | Appendix 3 – A view of the future – SWOT analysis “Weaknesses” | 22   | Support          | The following key “Weakness” is of particular relevance to AgResearch and is supported:  
  - Firms in the district tend to be of small size and consequently are less likely to engage in innovation and research and development. | Retain the following “Weakness”:  
  - Firms in the district tend to be of small size and consequently are less likely to engage in innovation and research and development. |
| 10  | Appendix 3 – A view of the future – SWOT analysis | 23   | Support          | The following “Opportunity” is of particular relevance to AgResearch and is supported subject to providing | Amend the second “Opportunity” as follows:  
  - Engaging in higher-value economic activities – a strong resource base linked to a buoyant... |
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|     | “Opportunities” |      |                  | A greater emphasis on “research” (consistent with other parts of the Economic Development Strategy):  
- Engaging in higher-value economic activities – a strong resource base linked to a buoyant local innovation system offer opportunities for enterprises to engage in higher value production. | Local research and innovation system offer opportunities for enterprises to engage in higher value production. |
| 11  | Appendix 3 – A view of the future – SWOT analysis “Threats” | 23   | Support          | The following key “Threat” for the District is of particular relevance to AgResearch and is supported:  
- A lack of collaboration between local firms and Palmerston North research and innovation institutes and failure to adopt new technologies. | Retain the following “Threat”:  
- A lack of collaboration between local firms and Palmerston North research and innovation institutes and failure to adopt new technologies. |
Consideration of Submissions - Gambling Venue Policy Review

Purpose

To consider submissions made on the Draft Gambling Venues Policy.

Significance of Decision

The Council’s Significance and Engagement policy was triggered by matters discussed in this report.

Council is required to consult on the draft Gambling Venues Policy using the Special Consultative Procedure outlined in section 83 of the Local Government Act 2002.

Recommendations

1. That the proposed Gambling Venues Policy, as notified, be amended to include those minor changes outlined in Paragraph 3.5 of this report.

2. That the final Gambling Venues Policy, incorporating changes agreed to by the Strategic Planning and Policy Committee, be presented for adoption by Council on 22 February 2018.
1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

*Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand*

<table>
<thead>
<tr>
<th>Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.</th>
<th>The Manawatu will attract and retain residents.</th>
<th>Manawatu district develops a broad economic base from its solid foundation in the primary sector.</th>
<th>Manawatu and its people are connected via quality infrastructure and technology.</th>
<th>Manawatu’s built environment is safe, reliable and attractive.</th>
<th>Manawatu District Council is an agile and efficient organisation.</th>
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2 Background

2.1 The Gambling Act 2003 and Racing Act 2003 give Councils the ability to limit the number of gaming machines and New Zealand Racing Board venues, having regard to the social impact of gambling in the District. The purpose of this review is to update the Gambling Venue Policy to ensure that it gives effect to any recent changes to the legislation and is reflective of the current views of the Manawatu Community.

2.2 The draft policy was introduced to Councillors at a workshop on 6 July 2017. At the 20 July Workshop, Councillors were presented with an options evaluation for the management of gaming machines under the Gambling Venues Policy. A decision was made at the Strategic Planning and Policy Committee meeting on 3 August 2017 to consult with the community based on a gaming machine cap of 81. This proposed gaming machine cap is equivalent to the current number of gaming machines that are consented to operate in the District.

2.3 The submissions period ran from the 24th of August to the 25th of September. A total of three submissions were received. One of the submitters indicated that they wished to be heard.

2.4 A Hearing was held at the Strategic Planning and Policy Committee meeting on the 2nd of November 2017. Tanya Piejus was in attendance on behalf of the New Zealand Community Trust, and spoke to their submission on the draft Gambling Venues Policy. She gave a presentation that highlighted the key points from their submission. It was noted that the committee would deliberate on matters raised by submitters at their meeting scheduled for 7 December 2017, with the final decision to be made at the first Council meeting of 2018.

3 Discussion and Options considered

3.1 Submission 001 (Jerald Twomey) and submission 002 (Rahera Hapi-Moresi, Best Care Whakapai Hauora) were both in favour of the proposed policy, particularly in relation to the proposed reduction in gaming machines. Both submitters felt that the changes would reduce the potential for gambling harm. Submitter 002 recommended that Council consider a sinking lid cap as opposed to a machine cap, to further reduce harm caused by problem gambling.

3.2 Submission 003 from the New Zealand Community Trust (NZCT) requested the following:

- That Council reduce the cap on gaming machines to a level slightly higher (e.g. 90) than the current number of consented gaming machines to allow for modest future growth in hospitality and long-term sustainability of community funding.
• Alternatively, that Council sets the cap based on a ratio of machines to population (for example, 1:300) to allow for more flexibility to respond to demographic changes.

3.3 At the Hearing, NZCT also requested that Council maintains the existing relocation policy to allow venue owners to move for their own business reasons, as well as when they are forced to for reasons beyond their control.

3.4 A summary table is included in Annex A to this report. This table includes a summary of the submissions received and the decisions sought by submitters. It also includes information on potential implications from the decisions sought.

3.5 Since the Hearing a few minor errors have been identified that should be corrected prior to the final policy being adopted by Council. These errors are as follows:

(i) Premises in the Feilding Central Business District (CBD) should be excluded from having to comply with the separation distance requirements for new Class 4 Venues set out in Clause 4.2.1 of the Policy. This is because it is our intention to encourage such activities to locate within this area, and because schools, early childhood centres, after school care facilities, kindergartens, places of worship or other community facilities are not usually located within the CBD anyway. In addition, this change is for consistency with the consent application form which includes the following exclusion in relation to the separation distance requirements “this clause does not apply to premises in the Feilding CBD.”

It is therefore recommended that footnote 5 (linked to paragraph 4.2.1) be amended as follows (additions underlined):

The 100 metre distance is measured from the edge of the building that houses the Class 4 venue in a straight line in all directions. This clause does not apply to Class 4 Venues located in the Feilding CBD.

(ii) The reference to Clause 3.4 in paragraph 4.2.2 should be changed to “Clause 4.4” (Numbers of Gaming Machines Allowed). This was a numbering error when the policy was reformatted.

(iii) The reference to Clause 3.4 in paragraph 4.2.3(c) should be changed to “Clause 4.4” (Numbers of Gaming Machines Allowed). This was a numbering error when the policy was reformatted.

3.6 The changes set out in paragraph 3.5 are considered to be minor and will not increase the potential for social harm from class 4 gambling. It is therefore considered that these errors can be corrected without the need for further public consultation.

4 Operational Implications

4.1 There are no capital/operating expenditure implications or maintenance costs associated with this paper.

5 Financial implications

5.1 Council is required by statute to review the Gambling Venues Policy three-yearly. There are no financial implications from matters raised in this report.
6 Statutory Requirements

6.1 The following sections of the Racing Act 2003 and Gambling Act 2003 are relevant to the review of the Gambling Venues Policy. These Acts require the Manawatu District Council to adopt a Gambling Venues Policy and to review that Policy using the Special Consultative Procedure at three yearly intervals.

6.2 Racing Act 2003
- Section 65D (Territorial authority must adopt Board venue policy)
- Section 65E (Adoption and review of Board venue policy)

6.3 Gambling Act 2003
- Section 99 (Application for territorial authority consent)
- Section 100 (Considering and determining application for territorial authority consent)
- Section 101 (Territorial authority must adopt class 4 venue policy)
- Section 102 (102 Adoption and review of class 4 venue policy)

7 Delegations

7.1 Council has delegated responsibility to the Strategic Planning and Policy Committee to oversee, co-ordinate and direct the development and review of statutory policies.

8 Consultation

8.1 Section 65E of the Racing Act 2002 and Section 102 of the Gambling Act 2003 require that the Gambling Venues Policy be reviewed in accordance with the Special Consultative Procedure under section 83 of the Local Government Act 2003 (LGA 2002). Section 83 of the LGA 2002 requires Council to prepare and adopt a “statement of proposal” and a description of how the local authority will provide persons interested in the proposal with an opportunity to present their views to the local authority.

8.2 Council considered two possible management approaches for managing gaming machines in the Manawatu District – a machine cap and a sinking lid. A decision was made at the Strategic Planning and Policy Committee meeting on 3 August 2017 to consult with the community based on a gaming machine cap of 81. This proposed gaming machine cap is equivalent to the current number of gaming machines that are consented to operate in the District.

8.3 The submissions period for this policy review commenced on 24 August 2017. Notice of the submissions period was published in the Feilding Herald on Thursday the 24th of August 2017. Notice of the policy review was also published on Council’s consultation website (“http://haveyoursay.kiwi.nz/Gambling_Venue_Policy/). Also included on the consultation website were copies of the Statement of Proposal, the Proposed Policy, the Social Impact Assessment and the submissions form.

8.4 A letter and a copy of the statement of proposal and proposed policy wording was sent to each corporate society that holds a class 4 venue licence in the Manawatu District (Pub Charity,
NZCT and Trillian Trust), the New Zealand Racing Board, all mandated iwi authorities and all members of Nga Manu Taiko. These notification letters were sent to fulfil our statutory obligations under Section 65E(1)(b) of the Racing Act 2003 and Section 102(1)(b) of the Gambling Act 2003. In addition, an oral presentation was made to Nga Manu Taiko at a meeting on 8 August.

8.5 The submissions period closed at 4pm on Monday the 25th of September 2017. A total of three submissions were received.

8.6 A Hearing was held at the Strategic Planning and Policy Committee meeting on the 2nd of November 2017. Tanya Piejus was in attendance on behalf of the New Zealand Community Trust, and spoke to their submission on the draft Gambling Venues Policy. She gave a presentation that highlighted the key points from their submission. It was noted that the committee would deliberate on matters raised by submitters at their meeting scheduled for 7 December 2017, with the final decision to be made at the first Council meeting of 2018.

9 Cultural Considerations

9.1 The Policy review does not include a significant decision in relation to land or a body of water. However, the policy is likely to be of interest to Maori given the potential adverse social impacts of gambling on the community. As outlined in Section 8 above, copies of the consultation documents were sent to all mandated iwi and an oral presentation was made to Nga Manu Taiko on 8 August 2017.

10 Conclusion

10.1 The review of this policy is required by both the Gambling Act 2003 and the Racing Act 2003. Both of these Acts require that the review follow the Special Consultative Procedure outlined in section 83 of the Local Government Act 2002.

10.2 The proposed policy has been publically notified and a Hearing held to enable submitters to present their views. The next step in the policy review process is for the Committee to make recommended changes to the Policy based on the matters raised in submissions. A decision on any recommended changes will then be made at the Council meeting on 22 February 2018.

11 Attachments

- Annex A – Summary table of submissions received, decisions sought and implications of requested changes
### Submission Number 001

**Submitter Details**  
Jerald Twomey

**Summary of Submission**

- Supports the proposed changes.
- In particular, supports the proposed reduction in the number of gaming machines from 105 to 81.
- Considers that the reduction in gaming machine numbers will reduce the potential and real adverse effects of gaming machines on families.

**Other suggestions arising from the Hearing**

N/A

**Additional requests**

No changes were requested by the submitter in their submission.

**Implications**

**Officer Comment**

The submitter supports the proposed policy as notified.

### Submission Number 002

**Submitter Details**  
Rahera Hapi-Moresi, Best Care (Whakapai Hauora)

**Summary of Submission**

- Agrees with the changes proposed and the wording as it gives more clarity to those venues seeking consent for a gaming licence.
- Is of the opinion that the changes are tightening the restrictions around Gaming Venues and making the process more clear.
- The changes to the clauses in Section 4.3 are further preventing and minimising harm from gambling including problem gambling.
- Feels that Council is actively participating in the protection of rangitahi/youth from experiencing Gambling Harm in their community by confirming venue locations and creating a more detailed partnership with Gaming Venues.
- Agrees with the proposed reduction in gaming machines from 105 to 81, but wants Council to consider the possibility of a sinking lid policy instead of a Gaming Machine Cap, which will further reduce harm caused by Problem Gambling.

**Other suggestions arising from the Hearing**

N/A

**Additional requests**

That Council consider the possibility of a sinking lid policy instead of a Gaming Machine Cap.
Implications

If the policy was altered from having a gaming machine cap to a sinking lid this would mean that as existing Class 4 gambling venues close they cannot be replaced by new venues. Under this policy Council would not approve any consents for new Class 4 Gambling Venues or to increase the number of gaming machines operating at existing venues. We would expect that the number of Class 4 gambling venues and gaming machines in the District would decline over time. This may result in a decreased incidence of problem gambling, as machines become less accessible, but would also result in less grant money available for local community groups and charities.

Officer Comment

The relative merits of the sinking lid and a machine cap management approaches for gaming machines were discussed at the 20 July Workshop and 3 August Strategic Planning and Policy Committee meeting. A machine cap was recommended as the preferred management approach as the cap be set at a level that best balances the benefits (economic, entertainment and community grants) and costs (social costs for problem gambling) of gambling. At the 3 August Strategic Planning and Policy Committee meeting it was agreed that a machine cap was the preferred management approach for gaming machines in the Manawatu District.

Submission Number 003

Submitter Details Tanya Piejus, NZ Community Trust

Summary of Submission

- Gaming trusts return around $260 million to the NZ Community every year in grants, while implementing the Gambling Act’s stringent requirements for preventing and minimising harm from gambling. Many grassroots organisations would struggle or cease to operate without gaming trust funds.

- Council gambling policies are critical to maintaining the infrastructure that allows community funding from gaming trusts to be sustainable long term. Councils need to take a balanced approach to community benefit and potential harm from gambling.

- Allowing gaming venues to relocate out of area of high deprivation is more effective at reducing problem gambling than reducing the number of gaming machines.

- Over the last two years, NZCT returned over $480,000 to the Manawatu District to support sports, community, educational, cultural and welfare organisations.

- NZCT aims to return 90% of funds to the region in which they were generated.

- Council policies contribute to the decline in the pub gaming sector

- Online gambling is an unregulated threat.

- Research suggests that when it comes to preventing and minimising gambling harm, the location of gaming machines is more important than the number of gaming machines operating.

- Relocation clauses provide sensible options for building owners and give councils more flexibility for re-zoning and city planning.
• The pub gaming sector faces multiple, significant challenges, including declining numbers of venues and machines operating, increased minimum returns to the community, licence fee increases, increased competition, strict compliance requirements and one-off costs.

• It is misleading and wrong to assume that fewer gaming machines will result in fewer problem gamblers. A gambling addiction is a complex psychological condition which is influenced by many factors.

• Pub gaming is a valid and enjoyable source of entertainment for Manawatu District residents and tourists. Most players regard gaming as light entertainment and know when to stop.

• Recognises that the Manawatu District Council aims, through its Long-Term Plan to balance the needs of visitors and residents while achieving economic development. NZCT supports this objective and believes that a vibrant hospitality sector is a vital part of achieving this outcome.

• NZCT is fully aware of its obligations under the Gambling Act 2003 and takes these obligations very seriously.

• Support is available for problem gamblers. The world’s largest clinical trial for problem gambling treatment found that, one year after calling the Gambling Helpline, three-quarters of callers had quit or significantly reduced their gambling. This research provides a level of assurance for local communities, councils and the government.

Decisions Sought in the Submission

That Council reduce the cap on gaming machines to a level slightly higher than the current number of consented gaming machines to allow for modest future growth in hospitality and long-term sustainability of community funding.

Alternatively, we recommend that Council sets the cap based on a ratio of machines to population (for example, 1:300) to allow for more flexibility to respond to demographic changes.

Other suggestions arising from the Hearing

That if Council chooses to retain a machine cap, that this be set at 90 machines. This would allow for one additional Class 4 Gambling Venue to establish in the District, operating up to 9 gaming machines.

That Council maintains the existing relocation policy to allow venue owners to move for their own business reasons, as well as when they are forced to for reasons beyond their control.

Implications

The Gambling Act 2003 allows new venues to operate up to 9 gaming machines. If the machine cap was raised from 81 to 90 machines this would allow for one new Class 4 Gambling Venue to establish in the District. The Policy contains requirements that govern where the new venue could locate and the information that must be provided with the application. Class 4 gambling venues must meet the requirements imposed on them by the
Gambling Act 2003 and the Department of Internal Affairs, which include measures to address problem gambling.

Raising the gaming machine cap is contrary to the decision sought by the other two submitters.

**Officer Comment**

Raising the proposed machine cap from 81 machines to 90 machines would enable one additional Class 4 Gambling venue to establish in the District, operating up to 9 gaming machines. The establishment of one additional gambling venue would have both positive and negative effects, as outlined in the Social Impact Assessment that was prepared in support of the policy review.

No changes are proposed to the existing relocation policy. No submissions have been received in opposition to the current relocation policy.
Strategic Planning and Policy Committee

Meeting of 07 December 2017

Business Unit: Community and Strategy
Date Created: 20 November 2017

Manawatu District Quarterly Economic Update

Purpose

The purpose of this report is to provide an overview of the current state and structure of the Manawatu District economy.

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That the Strategic Planning and Policy Committee receives the Manawatu District Quarterly Economic update dated 7 December 2017.

Report prepared by:
Stacey Bell
Economic Development Adviser

Approved for submission by:
Brent Limmer
General Manager - Community and Strategy
1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

*Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand*

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<tr>
<th>Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga.</th>
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2 Background

2.1 The Manawatu District Quarterly Economic Update provides an overview of the current state and structure of the Manawatu District economy to inform local decision making.

2.2 Data included within this report is sourced from a number of reputable Government and professional economic data sources including Infometrics, ANZ, StatsNZ, MBIE, Ministry of Education, Marketview, QV and a range of financial and tourism sector economic reports.

3 Discussion and Options considered

3.1 The report and supporting information are for information purposes. Any matters that require resolution would be reported separately to Council.

3.2 Economic indicators for the District continue to reflect strong growth in the local economy.

- Gross Domestic Product for the District has grown by an estimated 4.3% to the year ended September 2017. This is an increase of $37m from the previous year. This compares with a regional growth rate of 3.2% and a national growth rate of 2.5% over the same period.

- Population has increased to 30,307 people to the year ended June 2017. This is an annual average growth rate of 1.7% over the period 2014 to 2017.

- Average annual house prices to the year ended September increased by 13% when compared with the previous year. This compares to regional annual average growth of 15% with national house price growth considerably subdued at 3.1%.

- The average number of houses sold in the District to the year ended September 2017 has grown by 12%. This compares with growth of 0.6% for the region and a decline of 17% across New Zealand. Data for October indicates that national volumes have continued to decline with a further 16% reduction when compared with October 2016 while volumes in the District have declined by 24.3% from October 2016.

- The number of consents for new dwellings in the District increased by 15% to the year ended September. This compares with an increase in residential consents of 28% across the region with national growth falling to 3%.
• The value of non-residential consents in the District grew by 93.3% to $30m to the year ended September. This figure includes $14m for the Feilding New World Development. This compares with regional growth of 1.7% and national growth of 5.9%.

• The average unemployment rate for the District over the four quarters to September 2017 remained well below the national unemployment rate at 3.7%. This compares with a regional unemployment rate of 5.4% and a national unemployment rate of 4.9%.

• Retail spending in the District increased by 4.1% to the year ended September 2017. This was followed by an increase of 5.1% to the year ended October 2017.

• The number of people receiving the jobseeker benefit in the District declined by 12 to 646 over the September quarter. Interestingly, latest data indicates that the number of people receiving superannuation in the District increased by 239 people to 7,999 to the year ended October 2017. This is an increase in recipients of 6.9% over the period.

• Tourism spending increased by 1.5% to the year ended September. International tourism spending increased by $1m to $8m while domestic tourism spending was unchanged at $37m.

• The Commercial Accommodation Monitor (CAM) is reporting a 6.7% increase in the number of guest nights in the District over the September 2017 quarter compared with the previous September quarter.

3.3 With growing global demand, favourable trade conditions and low unemployment, business and consumer confidence remains strong in the wake of the 2017 General Election. The continued confidence is well founded with the New Zealand economy demonstrating considerable resilience relative to many other advanced economies. As always however, there are things to watch.

3.4 At the domestic level, emerging central government policy will be met with great interest as will the spending plans of the new government. Amendments to immigration settings and limitations on foreign ownership will also be watched closely to determine any negative impacts on labour supply, levels of foreign investment and overall economic activity. Internationally, the climbing debt levels of Chinese households and geopolitical tensions around North Korea and the United States will remain prominent as will the growing trade tensions between the United States and China.

3.5 Any developments on the above alongside implications for the New Zealand economy will be monitored and reported on throughout the quarterly economic reporting series.

4 Operational Implications

4.1 There are no capital or operating expenditure implications or maintenance costs associated with this paper.

5 Financial implications

5.1 There are no financial implications associated with this paper.
6 Statutory Requirements

6.1 There are no statutory requirements associated with this paper.

7 Delegations

7.1 The Strategic Planning and Policy Committee has authority to consider this matter.

8 Consultation

8.1 There are no consultation requirements associated with this matter.

9 Cultural Considerations

9.1 There are no cultural considerations associated with this report.

10 Conclusion

10.1 The report alongside the Manawatu District Quarterly Economic Update presents the most up-to-date economic information to Council to support governance functions. The report and attached Quarterly Economic Update are submitted for your consideration and discussion.

11 Attachments

- Manawatu District Quarterly Economic Update
Introduction

“The New Zealand economy is currently a positive story with relatively strong growth over a range of sectors – manufacturing, services and agriculture – backed up by continued strong migration and a tourism sector which keeps going from strength to strength.”

Despite the recent post-election political uncertainty, business and consumer confidence and economic activity has remained strong across the domestic economy. On the basis of confidence, an improved global growth outlook and relative strength in commodity prices and Terms of Trade, ANZ forecasts that the New Zealand economy is likely to continue to grow beyond 3.0% per annum to September 2019.

Putting this into global context, the International Monetary Fund (IMF) forecasts average GDP growth for advanced global economies of 1.7% to 2.2% over the period 2017 to 2022. In contrast, the New Zealand economy is projected to grow between 2.4% and 3.5% over the same timeframe. The following chart illustrates GDP growth rates from 2007 through to projected annual GDP growth over the period 2017-2022.

Annual GDP growth %
Advanced Economies versus New Zealand

Our District

Economic indicators for the District continue to reflect a particularly strong local economy.

Gross domestic product growth
Annual average percentage change

Infometrics estimates that GDP for the Manawatu District grew by 4.3% to $907m to the year ended September. This is an estimated increase of $37m when compared with the previous year. Estimated economic growth for the District exceeds growth in both Palmerston North and across the wider Manawatu-Whanganui Region at 2.6% and 3.2% respectively.

Highlights

- StatsNZ estimates the population has increased to 30,307 to the year ended June 2017. This is an annual average growth rate of 1.7% over the period 2014 to 2017.
- The unemployment rate in the District remains significantly below the national unemployment rate at 3.8% (NZ 4.9%).
- Residential property market indicators remain strong with growth in house sales, house prices and consents rising by 12%, 13% and 15% respectively.
- The value of non-residential consents increased by 93% to $30m to the year ended September 2017. This includes $14m for the New World development.
- Registration of both commercial vehicles and cars increased by 20% over the year to Sept.
- Retail spending increased by 4.1% over the year to September, while tourism spending increased by 1.5% over the same period.
- Guest nights in the September quarter increased by 6.7% when compared with the September quarter 2016.
Lowlights
Dairy prices fall for the fourth consecutive auction raising speculation that Fonterra may drop the Farmgate Milk Price from the current level of $6.75 kg/MS. Contributing to declining dairy commodity prices, NZ production levels rose 2.9% in October when compared with October 2016. This outcome was in contrast to expectations, which forecast lower production levels into the NZ summer. While the weakening NZ dollar will support leaving the forecast payout at $6.75, market expectations of softening demand from China and stockpiles of milk powder in Europe may tip the balance.

Based on available data, analysts are signalling a revised figure of $6.50 kg M/S. As illustrated below, while not moving in the preferred direction $6.50 kg M/S remains significantly above forecast payout levels during the downturn of 2015/16. All will be revealed in December when Fonterra provides an update on the forecast payout for 2018.

The Property Market
The Manawatū District property market continues to build value amidst a softening domestic market.

House Price Growth
House price versus annual percentage change

Annual average house prices continue to grow. Average house prices for the District increased by 13% to $312,089 in September, strengthening further to $320,089 in October. This is a 15.4% increase on October 2016. Average house prices in the District are now 25.9% higher than the market peak of 2007. In contrast, average house price growth across the country fell to 3.9% to the year ended October, while in Auckland the average value of houses decreased by 0.6%. Continued growth in house prices in the District reflects the strong local economy and consumer confidence.

House Sales
Annual number versus percentage change

Number of houses sold remains strong despite continuing decline in national volumes. The number of houses sold in the district increased by 54 or 12% when compared with the year ended September 2016. Over the same timeframe, national house sales decreased by 17% with house sales in Auckland decreasing by 21%. REINZ signals a moderate recovery in volumes in October relative to the preceding three months however, volumes remain well below 2016 volumes. In light of the trend, the Reserve Bank decision on whether to review the LVR restrictions due later this month will be eagerly awaited by the industry.
Investment in new dwellings remains strong. 166 consents for new dwellings were granted in the District to the year ended September. This is a 15.3% increase from the previous year. Demonstrating strong demand across the wider Manawatū Region, consents for new dwellings in Palmerston North increased by 41.9% while consents for new dwellings across the country grew by a modest 3.0%.

Non-residential investment boosted by New World Development. The value of non-residential consents to the year ended September 2017 grew by $15m to almost $30m. This is an increase of 93% when compared with the previous year. In contrast, the value of non-residential consents across the wider Region increased by 2.2% while growth in value across the country grew by 5.9%.

The average annual unemployment rate for the district increases to 3.8% in the September quarter. This compares with unemployment of 5.3% in Palmerston North City, 5.4% for the wider Manawatū-Whanganui region and a national unemployment rate of 4.6%. With unemployment levels considerably below regional and national rates, it becomes increasingly important to address limitations to employment. The upcoming CEDA labour market research will seek to identify actions to reduce limitations to employment for the benefit of business, individuals and their families.

The number of young people receiving the jobseeker benefit declines by 8 (4.4%) in the September quarter with the number of jobseeker beneficiaries over all age groups declining by 12. Recipients aged between 15 and 24 make up 26.7%
of the total unemployed in the District versus 19.2% across the country. The identification of skills required to support entry to the workforce will improve the prospects of our unemployed while providing the necessary resources for businesses to grow.

Ageing population
The number of residents receiving superannuation increased by 6.9% to the year ended October 2017. Latest data indicates that the number of people receiving superannuation in the District increased by 352 to 5,465 to the year ended October 2017.

In contrast, the rate of growth in superannuitants was considerably lower across both the Manawatu-Whanganui region and the nation at 3.2% and 3.4% respectively. While the sudden increase in superannuation entitlement may indicate a spike in the number of residents in the over 65 age group, it may also average out to near national average over the longer term. To understand the significance of the above average growth in superannuation entitlement for the District, monitoring will be undertaken and reported back to Council.

Along with the need to understand the incidence of residents on fixed incomes, with emerging labour constraints over 65’s are also an important resource for our District.

Retail Trade
Growth in retail spending exceeds national growth. Marketview reports an increase in retail spending of 4.1% to the year ended September followed by a further 5.1% increase to the year ended October. Bucking the trend of below national average growth, retail spending in the District has exceeded national growth since June of this year. Spending on takeaways increased by 14.3% followed by home and hardware at 10.9% and accommodation at 9.2%.

The only category to decline was Majors falling by 1.15%.

Change in retail sales (YE)

Tourism
Tourism spending continues to strengthen.

Change in tourism spending 2017-2017

Following a $3.15m increase in total tourism spending to the year ended June, tourism spending continued to strengthen in the September quarter. International spending increased by 7.9% adding $1m to the District economy while domestic spending held at 0.2% annual growth. Overall tourism expenditure increased by 1.5% from September 2016.
Things to watch

The uncertainty created by the recent general election is dwindling and businesses and consumers are demonstrating continued confidence in the domestic economy. There is much to be confident about as employment levels remain strong despite a growing population, consumer spending continues to grow and businesses expand to cater for increasing demand from a population arguably close to full employment.

Trade conditions remain favourable despite the recent downturn in Dairy prices. Growth of global economies finally emerging from the aftermath of the Global Financial Crisis are forecast to further support economic growth in commodity producing countries such as New Zealand.

The spending plans of the new government will also stimulate the economy over the short to medium term as infrastructure projects, tree planting and mass construction of affordable homes gets underway.

So what could possibly go wrong?

Geopolitical tensions

The ongoing tension between North Korea and the current United States administration continues to pose the greatest threat to global conditions. With our five largest trading partners including China, Australia, United States, Japan and South Korea, in the event of war the impact on our economy would be profound. This would quite likely be the last thing on our minds if war did result from the current tensions, however it is worth considering the importance of maintaining the resilience of our domestic economy. A strong domestic economy will provide some protection for New Zealanders in the event of a significant shock to global economic conditions.

The future of global trade

While a number of commentators foresee a strengthening in global trade as a result of increasing levels of economic growth, there are concerns of increased protectionism of the US alongside brewing tensions over trade between the US and in particular China.

The US are reportedly preparing tough punitive measures against China for perceived unfair trade practices. Well publicised, President Trump has been vocal in his criticism of global trade, citing responsibility for the loss of American jobs on trade with nations such as China. Research has repeatedly shown however, that international trade creates jobs and expands economic activity. Specific to the US, research undertaken in 2016 by the American ‘Business Roundtable’ found that trade supports 41 million jobs for US citizens.

In the event of a trade war between the US and China, the negotiation of multilateral deals will become more difficult and decisions may have to be made on allegiances. Considering the strength of our trade relationships with both nations, in the event of a trade war it would be difficult to avoid impacts on the NZ economy.

Global indebtedness

While we have reaped the economic rewards of a growing Chinese middle class and skyrocketing demand for our goods and services, increasing incomes have also been accompanied by significant increases to household debt levels. Trading economics reports the debt to GDP level in Chinese households has increased from 11 per cent of GDP in 2006 to 45.5 per cent of GDP in 2017. Rapidly increasing household debt levels in China call into question the sustainability of high levels of demand from Chinese households. As one of our top two trading partners, unavoidably a decline in demand from Chinese households would have a significant impact on the NZ economy.

Resource constraints and Government Policy

As indicated, the expansion of government spending will stimulate the economy over the short to medium term. However, the signalled reduction in net migration alongside evidence of mounting resource constraints in the supply of labour to support business activity, may result in GDP growth and tax revenue falling short of Treasury forecasts.

That leads us to the potential for increased levels of government debt to deliver on the election promises of the new Government. The mini budget reportedly available this side of Christmas will be eagerly awaited to judge the fiscal prudence of the Government alongside any need to raise revenue from increasing levels of debt.

The signalled increase in spending will also place upward pressure on the rate of inflation potentially tipping the balance toward earlier than forecast increases to the Overnight Cash Rate (OCR). The outcome of the review of the Reserve Bank Act will shed further light on the risk of increasing interest rates to NZ households.
## Economic Outlook

### Summary Economic Indicators to the year ended September 2017

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Manawatū District</th>
<th>Manawatū Whanganui Region</th>
<th>New Zealand</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Average % change over four quarters</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross domestic profit</td>
<td>4.3%</td>
<td>3.2%</td>
<td>2.5%</td>
</tr>
<tr>
<td>Traffic flow</td>
<td>4.0%</td>
<td>3.7%</td>
<td>2.3%</td>
</tr>
<tr>
<td>Residential consents</td>
<td>15%</td>
<td>28%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Non-residential consents</td>
<td>111%</td>
<td>1.7%</td>
<td>5.9%</td>
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<tr>
<td>House prices</td>
<td>15%</td>
<td>15%</td>
<td>3.1%</td>
</tr>
<tr>
<td>House sales</td>
<td>12%</td>
<td>0.6%</td>
<td>-17%</td>
</tr>
<tr>
<td>Guest nights</td>
<td>-0.6%</td>
<td>4.5%</td>
<td>2.6%</td>
</tr>
<tr>
<td>Car registrations</td>
<td>20%</td>
<td>16%</td>
<td>9.4%</td>
</tr>
<tr>
<td>Commercial vehicle registrations</td>
<td>20%</td>
<td>21%</td>
<td>19%</td>
</tr>
</tbody>
</table>

**Level**

<table>
<thead>
<tr>
<th>Indicator</th>
<th>September quarter</th>
<th>Year ended September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate</td>
<td>3.8%</td>
<td>5.4%</td>
</tr>
<tr>
<td>Retail trade</td>
<td>4.1%</td>
<td>4.5%</td>
</tr>
<tr>
<td>Tourism expenditure</td>
<td>1.5%</td>
<td>5.4%</td>
</tr>
</tbody>
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*Table source: Infometrics & Marketview*

The data included within this report is sourced from a number of reputable Government and professional economic data sources including Infometrics, StatsNZ, MBIE, Ministry of Education, Marketview, QV and a range of financial and tourism sector economic report.

**Disclaimer**

Information provided in this document is based solely on records held by, or provided to, Manawatū District Council. The accuracy of the information provided has not been checked. Use of this information for any purpose what-so-ever is at the discretion of the user. Manawatū District Council accepts no liability for any loss or hurt which may be suffered due to that use.
Notes

**Gross Domestic Product**

Gross Domestic Product is estimated by Infometrics. A top down approach breaks national industrial production (sourced from production based GDP measures published by Statistics New Zealand) is broken down to TA level by applying TA shares to the national total. Each TA’s share of industry output is based on earnings data from LEED. GDP growth in recent quarters is based on a model which uses the various partial economic indicators presented in this report as inputs.

**Net Migration**

Net migration is the difference between the number of arrivals and departures of permanent and long-term migrants. Data is sourced from International Travel and Migration statistics from Statistics New Zealand.

**Unemployment**

Regional level unemployment rates are sourced from Statistics New Zealand’s Household Labour Force Survey. Trends in the number of Jobseekers at TA level are used to break down regional unemployment rates to TA level. To reduce volatility the unemployment rate is presented as an average for the last four quarters.

**Traffic Flow**

Traffic flow growth rates are calculated from the number of vehicles passing approximately 110 sites monitored by New Zealand Transport Agency. Each of the sites has been mapped to a territorial authority.

**Retail Sales**

The retail spending data is sourced from Marketview. It measures total electronic card spending using spending through the Paymark network and adding to it an estimate of non-Paymark network spending using the pattern of BNZ card holder spending at non-Paymark retailers. For further breakdown of the data by storetype and other variables contact Marketview.

**Accommodation**

The number of guest nights is sourced from Statistics New Zealand’s Accommodation Survey. A guest night is equivalent to one guest spending one night at an establishment. For example, a motel with 15 guests spending two nights would report that they had provided 30 guest nights.

**House sales**

The number of house sales is sourced from REINZ. The indicator measures the number of house sales at the point when the sale becomes unconditional. The unconditional date is the date when all the terms of an agreement have been satisfied and the sale and purchase can proceed to settlement.

**House values**

House value (dollar value) are sourced from QVNZ. The levels quoted in the report are average current values over the past 12 months. An average current value is the average (mean) value of all developed residential properties in the area based on the latest house value index from QVNZ. It is not an average or median sales price, as both of those figures only measure what happens to have sold in the period. These average current values are affected by the underlying value of houses (including those not on the market) and are quality adjusted based on the growth in each house’s price between sales.

**Building consents**

Building consents data are sourced from Statistics New Zealand. Non-residential consents include the value of both new buildings and alterations.

**Vehicle sales**

Car and commercial vehicle sales data are sourced from New Zealand Transport Authority. Sales are based on new registrations which include the first time registration of new vehicles and used vehicles imported from overseas.

**Jobseekers support**

In July 2013 the New Zealand’s welfare system changed to better recognise and support people’s work potential. As part of this the Jobseekers Support benefit was introduced. This benefit is for people who can usually look or prepare for work but also includes people who can only work part-time or can’t work at the moment, for example, because they have a health condition, injury or disability.

Data presented for the September 2013 quarter onwards is provided by the Ministry of Social Development (MSD). Data prior to September 2013 are Infometrics estimates based on re-grouping pre-July 2013 benefit categories to be consistent with the post-July 2013 benefit categories. The pre-July 2013 benefit categories used to estimate the number of Jobseekers Support recipients are: Unemployment Benefit and Unemployment Benefit Hardship; Unemployment Benefit Training and Unemployment Benefit Hardship Training; Sickness Benefit and Sickness Benefit Hardship; Domestic Purposes Benefit - Sole Parent (if youngest child is 14 or over); Women Alone and Widow’s Benefit (without children or with children 14 or over).

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i ANZ Member briefings Nov. 2017, p. 4.

ii Advanced economies include Australia, Austria, Belgium, Canada, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Iceland, Ireland, Israel, Italy, Japan, Republic of Korea, Latvia, Lithuania, Luxembourg, Macao, Malta, Netherlands, NZ, Norway, Portugal, Puerto Rico, San Marino, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, Taiwan, China, UK, US.
Strategic Planning and Policy Committee

Meeting of 07 December 2017

Business Unit: Corporate and Regulatory
Date Created: 23 November 2017

Statement of Accounting Policies

Purpose

To seek approval of the Strategic Planning and Policy Committee to include the Statement of Accounting Policies in the draft Long Term Plan 2018-28.

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That the Strategic Planning and Policy Committee approves the Statement of Accounting Policies, as appended to the report of the General Manager Corporate and Regulatory dated 23 November 2017, for inclusion in the draft Long Term Plan 2018-28.

Report prepared by:
Colleen Morris
Chief Financial Officer

Approved for submission by:
Shayne Harris
General Manager - Corporate and Regulatory

1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand

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2 Background

2.1 A number of policies and strategies help guide Councillors and staff to plan and make decisions.

2.2 The Local Government Act 2002 requires some of these policies and strategies to be adopted and included in the Council’s draft Long Term Plan prior to consultation on the draft Long Term Plan being undertaken.

2.3 The Statement of Accounting Policies is one of the policies required to be included in the Long Term Plan.

3 Discussion and Options considered

3.1 The Statement of Accounting Policies sets out the specific principles, rules and procedures used to prepare the Council’s financial statements. It includes the detail of general accounting policies and explains how the Council accounts for specific transactions.

3.2 The Council received a presentation explaining the content of the Statement of Accounting Policies at its workshop held on 7 September 2017, where it was noted that the accounting policies may change if accounting standards are amended or Council’s Auditors request changes.

3.3 The Statement of Accounting Policies proposed for inclusion in the draft Long Term Plan 2018-28 has now been completed, and is attached to this report for adoption by the committee.

4 Operational Implications

4.1 There are no capital / operating expenditure implications or maintenance costs associated with this paper.

5 Financial implications

5.1 There are no financial implications associated with this paper.

6 Statutory Requirements

6.1 The Statement of Accounting Policies is a requirement of the Local Government Act 2002 and Accounting Standards.

7 Delegations

7.1 The Strategic Planning and Policy Committee has the responsibility for overseeing, coordinating and directing the development and review of both the Long Term Plan and Statutory Policies.

8 Consultation

8.1 Consultation will be included in Long Term Plan process.
9 Cultural Considerations

9.1 There are no cultural considerations associated with this paper.

10 Conclusion

10.1 The proposed Statement of Accounting Policies has been reviewed and is presented for approval to include in the draft Long Term Plan 2018-28.

11 Attachments

- Proposed Statement of Accounting Policies
Statement of Accounting Policies

Reporting entity

Manawatu District Council (Council) is a territorial local authority governed by the Local Government Act 2002 and is domiciled and operates in New Zealand.

The Group consists of Manawatu District Council, which is the controlling entity and four controlled entities; The Feilding Civic Centre Trust, the Manawatu Community Trust, Awahuri Forest / Kitchener Park Trust and Heartland Contractors Ltd (100% owned). The Group also includes Central Economic Development Agency Limited, (50% owned) and Manawatū Wanganui LASS (14.3% owned). All entities are incorporated and domiciled in New Zealand.

The primary objective of Council is to provide goods or services for the community and social benefits, rather than making a financial return. Accordingly, Council has designated itself and the Group as Public Benefit Entities (PBEs) as defined under the Public Benefit Entities International Public Sector Accounting Standards (PBE IPSAS).

These prospective financial statements are for the Manawatu District Council as a separate legal entity. Consolidated prospective financial statements comprising the Council and its controlled entities have not been prepared because the differences to Council prospective financial statements are not material.

Basis of preparation

The accounting policies set out below have been prepared on a going concern basis and have been applied consistently to all periods present in these prospective financial statements. These prospective financial statements have also been prepared based on the assumptions stated.

The prospective financial statements have been prepared on an historical cost basis, except for assets and liabilities, which are recorded at fair value. These are detailed in the specific policies below.

Statement of compliance

The prospective financial statements of Council have been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements have been prepared to comply with PBE accounting standards for a Tier 1 entity.

Presentation currency and rounding

The prospective financial statements are presented in New Zealand dollars and values are rounded to the nearest thousand dollars (‘000). Consequently there may be rounding discrepancies in the financial statements.

The functional currency of Council and its controlled entities and associates is New Zealand dollars.
Summary of significant accounting policies

Basis of consolidation

Controlled entities

In the Group financial statements Council consolidates all entities where Council has the capacity to control its financing and operating policies, to obtain benefits from the activities of that entity. This power exists where Council controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by Council, or where the determination of such policies is unable to impact materially on the level of potential ownership benefits that arise from the activities of the controlled entity.

Council’s investment in its controlled entities is carried at cost in Council’s parent entity financial statements.

Associates

Council’s associates are accounted for in the Group financial statements using the equity method. An associate is an entity over which Council has significant influence and that is neither a subsidiary nor an interest in a joint venture. The investment in an associate is initially recognised at cost and the carrying amount in the Group financial statements is increased or decreased to recognise the Group’s share of the surplus or deficit of the associate after the date of acquisition.

Distributions received from an associate reduce the carrying amount of the investment. If the share of deficits of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of further deficits. After the Group’s interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that Council has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

Where the Group transacts with an associate, surpluses or deficits are eliminated to the extent of the Group’s interest in the associate. Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is carried at cost in Council’s parent entity financial statements.

Joint ventures

A joint venture is a contractual arrangement whereby two or more parties undertake an economic activity that is subject to joint control. For jointly controlled operations Council and Group recognises in its financial statements the assets it controls, the liabilities and expenses it incurs, and the share of income that it earns from the joint venture.

Exchange transactions

Exchange transactions are transactions where Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services, or use of assets) to another entity in exchange.
Non-exchange transactions
In a non-exchange transaction Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation (recognised as a liability) in respect of an inflow of resources from a non-exchange transaction (recognised as an asset), it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue
Revenue is measured at the fair value of consideration received or receivable. Revenue may be derived from either exchange or non-exchange transactions.

Specific revenue policies
Specific accounting policies for major categories of revenue are outlined below:

- Rates are set annually by a resolution by Council and are recognised at the start of the financial year to which the resolution relates. All ratepayers are invoiced within the financial year to which the rates have been set.

- Rates arising from late payment penalties are recognised as revenue when penalties are applied on overdue rates as per Council’s rates resolution.

- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.

- Water billing revenue is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

- Government grants and subsidies are recognised upon entitlement, which is when the conditions pertaining to eligible expenditure have been fulfilled. The most significant government grant is from New Zealand Transport Agency, which subsidises part of the costs in maintaining the local roading infrastructure network.

- Revenue from other services is recognised when the service has been rendered to a third party.

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

- Sales of goods are recognised when the goods are delivered.

- Interest revenue is accrued on a time basis, by reference to the investment principle and the effective interest applicable.

- Dividends (net of imputation credits) are recognised when the right to receive payment has been established.

- Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.
• Revenue derived through acting as an agent for another party is recognised as a commission or fee on the transaction.

• Development contributions are recognised as revenue when Council provides, or is able to provide, the services that gave rise to the charging of the contribution. Otherwise, development contributions are recognised as liabilities until Council provides, or is able to provide, the service.

Borrowing costs

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

Cost allocation

Costs directly attributable to an activity are charged directly to that activity. Indirect costs are charged to activities using appropriate cost drivers such as; actual usage, staff numbers and floor area.

Foreign currency

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denomination in foreign currencies are recognised in the surplus or deficit.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets a specified criteria. Expenditure is recognised when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application. Expenditure is recognised when a successful applicant has been notified of Council’s decision.

Income tax

Income tax expense includes current tax and deferred tax.

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

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

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

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

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

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

**Goods and Service Tax (GST)**

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

**Financial instruments**

Council is party to financial instruments as part of its normal operations. These include bank accounts, investments, accounts receivable, accounts payables and borrowings. All financial instruments are recognised in the statement of financial position and all revenues and expenses in relation to financial instruments are recognised in the statement of comprehensive revenue and expense.

Unless otherwise covered by a separate policy, all financial instruments are reported at their fair value.

**Cash and cash equivalents**

Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. All these deposits are reflected at their fair value.
Debtors and other receivables

Debtors and other receivables are recorded at their face value, less any provision for impairment.

A provision for impairment is established when there is objective evidence that Council will not be able to collect all amounts due, according to the original terms of the agreements. The amount of the provision is the difference between the assets’ carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the allowance account for receivables.

Financial assets

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

Financial assets are categorised into the following four categories for the purpose of measurement: financial assets at fair value through surplus or deficit; held-to-maturity investments; loans and receivables; and financial assets at fair value through other comprehensive revenue and expense. The classification depends on the purpose for which each investment was acquired. Management determines the classification of its investments at initial recognition.

The fair value of financial instruments traded in active markets is based on the quoted market prices at the balance date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

Financial assets at fair value through surplus or deficit

This category has two sub-categories: financial assets held for trading, and those designated at fair value through surplus or deficit at inception.

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading. Gains or losses due to change in fair value are recognised in the surplus or deficit.

Currently, Council does not hold any financial assets in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.
After initial recognition, they are measured at amortised cost using the effective interest method, less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return of a similar financial instrument. The difference between the face value and the present value of the expected future cash flows of the loan recognised in the surplus or deficit as grant expenditure. The loans are subsequently measured at amortised costs using the effective interest method.

Council has provided a number of loans or advances to community-based organisations that have specific conditions attached. In some circumstances these loans are only repayable should the community-based organisation cease to operate in accordance with the loan conditions. Those loans that are not expected to be repaid to Council in the foreseeable future are recorded at fair value and shown as a contingent asset.

Receivables are classified as "Accounts Receivables" in the statement of financial position. Advances and loans are classified as “Other Financial Assets” in the statement of financial position.

**Held-to-maturity investments**

Held-to-maturity investments are assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. e.g. Local Government Stock and Bonds.

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

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

Financial assets at fair value through other comprehensive revenue and expense are those that are designated as fair value through equity or are not classified in any of the other categories above.

This category encompasses:

- Investments that Council intends to hold long-term, but may be realised before maturity; and
- Shareholdings held for strategic purposes (other than Council's investments in its controlled entity).

Gains and losses are recognised directly in other comprehensive revenue and expense except for impairment losses, which are recognised in the surplus or deficit. In the event of impairment, even though the asset has not been derecognised, any cumulative losses previously recognised in other comprehensive revenue and expense will be recognised in the surplus or deficit. On derecognition of the asset the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised in the surplus or deficit.
Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment losses are recognised in the surplus or deficit.

Non-current assets held for sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal economic entity) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal economic entity classified as held for sale continue to be recognised.

Property, plant and equipment

Property, plant and equipment consists of:
- Operational assets: includes land, buildings, library books, plant and equipment, and motor vehicles.
- Restricted assets: includes parks, reserves and associated assets owned by Council, which provide a benefit or service to the community and cannot be disposed of because of legal or other Council restrictions.
- Infrastructure assets: the fixed utility systems that provide a continuing service to the community and are generally regarded as non-tradeable. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Cash and non-cash generating assets

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

For non-cash generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Cash generating assets are those assets that are held with the primary objective of generating a commercial return. Council does not hold any cash-generating assets.
Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land (which is not depreciated), at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The residual value and useful life of an asset is reviewed and adjusted, if applicable, at each financial year-end.

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

<table>
<thead>
<tr>
<th>Asset class</th>
<th>Useful life</th>
<th>Depreciation rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buildings</td>
<td>40 – 80 years</td>
<td>1.25 – 2.5%</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>4 – 10 years</td>
<td>10 – 25%</td>
</tr>
<tr>
<td>Motor vehicles</td>
<td>3 – 5 years</td>
<td>20 – 33%</td>
</tr>
<tr>
<td>Library books</td>
<td>10 years</td>
<td>10%</td>
</tr>
<tr>
<td>Infrastructural assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roading network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Top surface (seal)</td>
<td>5 – 18 years</td>
<td>5.5 – 20%</td>
</tr>
<tr>
<td>Pavement (base course)</td>
<td>67 years</td>
<td>1.49%</td>
</tr>
<tr>
<td>Sealed</td>
<td>25 – 60 years</td>
<td>1.6 – 4%</td>
</tr>
<tr>
<td>Unsealed</td>
<td>5 – 15 years</td>
<td>6.6 – 20%</td>
</tr>
<tr>
<td>Formation</td>
<td>-</td>
<td>not depreciated</td>
</tr>
<tr>
<td>Culverts</td>
<td>50 – 100 years</td>
<td>1 – 2%</td>
</tr>
<tr>
<td>Footpaths</td>
<td>25 – 70 years</td>
<td>1.4 – 4%</td>
</tr>
<tr>
<td>Kerbs</td>
<td>50 – 100 years</td>
<td>1 – 2%</td>
</tr>
<tr>
<td>Signs</td>
<td>13 years</td>
<td>7.5%</td>
</tr>
<tr>
<td>Streetlights</td>
<td>50 – 70 years</td>
<td>1.4 – 2%</td>
</tr>
<tr>
<td>Bridges</td>
<td>80 – 120 years</td>
<td>0.8 – 1.25%</td>
</tr>
<tr>
<td>Water system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pipes</td>
<td>60 – 100 years</td>
<td>1 – 1.66%</td>
</tr>
<tr>
<td>Valves, hydrants</td>
<td>25 – 50 years</td>
<td>2 – 4%</td>
</tr>
<tr>
<td>Pump stations</td>
<td>25 years</td>
<td>4%</td>
</tr>
<tr>
<td>Treatment, supply and storage</td>
<td>15 – 50 years</td>
<td>2 – 6.66%</td>
</tr>
<tr>
<td>Wastewater system</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pipes</td>
<td>50 – 90 years</td>
<td>1.1 – 2%</td>
</tr>
<tr>
<td>Manholes</td>
<td>60 – 100 years</td>
<td>1 – 1.66%</td>
</tr>
<tr>
<td>Pump stations</td>
<td>25 years</td>
<td>4%</td>
</tr>
<tr>
<td>Treatment plant</td>
<td>25 – 50 years</td>
<td>2 – 4%</td>
</tr>
<tr>
<td>Drainage network</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pipes</td>
<td>60 – 100 years</td>
<td>1 – 1.66%</td>
</tr>
<tr>
<td>Manholes, cesspits</td>
<td>60 – 100 years</td>
<td>1 – 1.66%</td>
</tr>
</tbody>
</table>

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that the asset will provide future economic benefits or service potential to Council and the cost of the item can be measured reliably.
In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

**Disposals**

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

**Work in progress**

All assets constructed by Council are initially recorded as work in progress. Work in progress is recognised at cost less impairment and it is not depreciated. Upon completion, these assets are transferred to their relevant asset class and depreciation commences.

**Revaluation**

Those asset classes that are revalued are valued on either a one-year or a three-yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value. If a material difference exists, a revaluation will be undertaken.

- **Operational and restricted – land and buildings**

  These assets are revalued to fair value as determined from market-based evidence by an independent valuer. The most recent valuation was performed by Quotable Value NZ as at 30 June 2017. Council’s policy is to revalue land and buildings every three years.

- **Infrastructural asset classes: water supply, wastewater, stormwater, drainage systems and roads**

  These assets are revalued annually to fair value on a depreciated replacement cost basis. The valuation was performed internally by engineering staff and will be peer reviewed every three years. Council’s policy is to revalue these assets annually. The most recent valuation was 1 July 2016.

- **Land under roads**

  Land under roads was valued based on fair value of adjacent land determined by Tony Jones of Quotable Value NZ, effective 1 July 2005. Council has elected to use the fair value of land under roads as at 30 June 2005 as deemed cost. Land under roads is therefore no longer revalued.

- **Library collections**

  The library collections were initially valued at depreciated replacement cost in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ. This is considered deemed cost and is no longer revalued.
Accounting for revaluations

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

The results of revaluing are credited or debited to other comprehensive revenue and expense and are accumulated in an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is recognised in the surplus or deficit. Any subsequent increase on revaluation that offsets a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then credited to other comprehensive revenue and expense.

Intangible assets

Software acquisition and development

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

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

Staff training costs are recognised in the surplus or deficit when incurred.

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

Software is amortised on a straight-line basis over the estimated useful life of the asset (usually 5 years). The amortisation charge for each period is recognised in the surplus or deficit.

Costs associated with development and maintenance of Council’s website are recognised as an expense when incurred.

Easements

Easements that are an integral part of an infrastructure asset are included in the value of the asset. Other easements are not recognised.

Impairment of property, plant and equipment and intangible assets

Council’s non-financial assets are split between cash generating assets and non-cash generating assets. Cash generating assets are assets held with the primary objective of generating a commercial return. Non-cash generating items are non-financial assets other than cash generating assets. The majority of Council non-financial assets are non-cash generating assets.

At each balance date, Council assesses whether there is any objective evidence that any non-financial asset has been impaired (unable to provide the intended level of service). Any impairment losses are recognised in the surplus or deficit.
If the carrying amount of a class of assets is increased as a result of a revaluation, the increase shall be credited directly to revaluation surplus. However, the increase shall be recognised in surplus or deficit to the extent that it reverses a revaluation decrease of the same class of assets previously recognised in surplus or deficit.

If the carrying amount of a class of assets is decreased as a result of a revaluation, the decrease shall be recognised in surplus or deficit. However, the decrease shall be debited directly to revaluation surplus to the extent of any credit balance existing in the revaluation surplus in respect of that class of assets.

**Financial liabilities**

**Trade payables**

Trade payables, (also income in advance, bonds and deposits) are initially recognised at their face value.

**Loans and borrowings**

Loans/borrowings are initially recognised at their fair value.

Borrowings are classified as current liabilities unless Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

**Short-term employee entitlements**

Employee benefits are expected to be settled within 12 months after the end of the period in which services are rendered for current rates of pay. These include salaries and wages accrued up to balance date and annual leave earned, but not yet taken, at balance date.

Annual leave has been calculated on an actual entitlement basis at current rates of pay. Sick leave has not been included, as the amount of accumulated sick leave that is anticipated to be taken in future periods is not considered to be material.

**Superannuation schemes:**

**Defined contribution schemes**

Obligations for contributions to Defined Contribution Superannuation Schemes are recognised as an expense in the surplus or deficit as incurred.

**Defined benefit schemes**

The Council belongs to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine, from the terms of the scheme, the extent to which the surplus/deficit will affect future
contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a Defined Contribution Scheme.

Provisions – landfill closure and aftercare costs

As the previous operator of landfills, Council has a legal obligation to rehabilitate landfill sites post-closure and to provide ongoing maintenance and monitoring services after closure. The costs to meet these post-closure landfill obligations are recognised within the provision.

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

Financial guarantee contracts

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

Financial guarantee contracts are initially recognised at fair value, even if a payment under the guarantee is not considered probable. If a guarantee contract was issued in a stand-alone arm’s-length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, a liability is recognised based on the probability that Council or economic entity will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, a liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

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

Leases

Finance leases

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

At the commencement of the lease term, Council recognises the leased asset and corresponding liability in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The asset is depreciated over the period Council is expected to gain benefit from the use of the asset.
Operating leases

An operating lease is a lease where the lessor effectively retains all the risks and benefits of ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Net assets/equity

Net assets or equity is the community's interest in Council and is measured as the difference between total assets and total liabilities.

The components of equity are:

- Retained earnings
- Restricted and Council created reserves
- Asset revaluation reserves
- Fair value through other comprehensive revenue and expense reserve

Restricted and Council created reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. These reserves may be legally restricted or created by Council.

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

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

Asset revaluation reserves

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

Fair value through other comprehensive revenue and expense reserve

This reserve comprises the cumulative net change in the fair value through other comprehensive revenue and expense assets.

Related parties

Related parties arise where one entity has the ability to affect the financial and operating policies of another through the presence of control or significant influence. Related parties include controlled entities and key management personnel, including the Mayor and elected members, the Chief Executive and members of the executive team.
Critical judgements in applying accounting policies, estimates and assumptions

All judgements, accounting estimates and assumptions are included in the accounting policies. None is considered critical, with the exception of the following:

Properties that receive rent

Properties that receive rent have been classified as Property Plant and Equipment rather than Investment Properties, as these are held for strategic purpose rather than to earn rentals or for capital appreciation.

Landfill aftercare provision

The exposure of Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision is based on discounted cash flows of estimated liability costs.

Infrastructural assets

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

- The physical determination and condition of an asset. For example, Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example, storm water, wastewater and water supply pipes that are underground.

  This risk is minimised by Council performing a combination of physical inspections and condition modelling assessment of underground assets;

- Estimating any obsolescence or surplus capacity of an asset; and

- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth.

If useful lives do not reflect the actual consumption of the benefits of the asset, then Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit.

To minimise this risk, Council’s infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Economic Entity, and have been adjusted for local conditions based on experience.

Asset inspections, deterioration and condition modelling are also carried out regularly as part of Council’s asset management planning activities, which gives Council further assurance over its useful life estimates.

Experienced valuers perform Council’s infrastructural asset revaluations.
Comparatives

To ensure consistency with the current year, certain comparative information has been reclassified where appropriate. This has occurred:

- where classifications have changed between periods;
- where Council has made additional disclosure in the current year, and where a greater degree of disaggregation of prior year amounts and balances is therefore required; and
- where there has been a change of accounting policy.

Public Benefit Entity Prospective Financial Reporting Standards

The Council has complied with PBE FRS 42 in the preparation of these prospective financial statements.

Description of the nature of the entity’s current operation and its principal activities

The Council is a territorial local authority, as defined in the Local Government Act 2002. The Council’s principal activities are outlined within this Long Term Plan.

Purpose for which the prospective financial statement are prepared

It is a requirement of the Local Government Act 2002 to present prospective financial statements that span 10 years and include them within the Long Term Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of the Council. Prospective financial statements are revised annually in the Annual Plan to reflect updated assumptions and costs.

Bases for assumptions, risks and uncertainties

The financial information has been prepared on the basis of best estimate assumptions as the future events which the Council expects to take place. The Council has considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined within the Significant Forecasting Assumptions section of this Long Term Plan.

Cautionary Note

The financial information is prospective. Actual results are likely to vary from the information presented, and the variation may be material.

Other Disclosures

The prospective financial statements were authorised for issue on 29 March 2018 by Manawatū District Council. The Council is responsible for the prospective financial statements presented, including the assumptions underlying the prospective financial statements and all other disclosures. The Long Term Plan is prospective and as such contains no actual operating results.
Strategic Planning and Policy Committee

Meeting of 07 December 2017

Business Unit: Corporate and Regulatory
Date Created: 23 November 2017

Rates Remission and Postponement Policy

Purpose

To seek approval of the Strategic Planning and Policy Committee to include the Rates Remission and Postponement Policy in the draft Long Term Plan 2018-28.

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That the Strategic Planning and Policy Committee approve the Rates Remission and Postponement Policy, as appended to the report of the General Manager Corporate and Regulatory dated 23 November 2017, for inclusion in the draft Long Term Plan 2018-28.

Report prepared by:
Colleen Morris
Chief Financial Officer

Approved for submission by:
Shayne Harris
General Manager - Corporate and Regulatory

1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

| Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand |
|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| Manawatu District will improve the natural environment, stewarding the district in a practice aligned to the concept of kaitiakitanga. | The Manawatu will attract and retain residents. | Manawatu district develops a broad economic base from its solid foundation in the primary sector. | Manawatu and its people are connected via quality infrastructure and technology. | Manawatu’s built environment is safe, reliable and attractive. | Manawatu District Council is an agile and efficient organisation. |
2 Background

2.1 A number of policies and strategies help guide Councillors and staff to plan and make decisions.

2.2 The Local Government Act 2002 requires some of these policies and strategies to be adopted and included in the Council’s draft Long Term Plan prior to consultation on the draft Long Term Plan being undertaken.

2.3 The Rates Remission and Postponement Policy is one of the policies required to be included in the Long Term Plan.

3 Discussion and Options considered

3.1 The Rates Remission and Postponement Policy sets out the Council’s policy for providing rates relief for specified ratepayers and the Council’s policy on whether it provides for the collection of rates to be deferred until a future time or event.

3.2 The Council received a presentation explaining the purpose of a Rates Remission and Postponement Policy and an explanation of the content of the current policy at its workshop held on 21 September 2017, with a follow up presentation to Councillors on 15 November 2017.

3.3 The proposed policy includes the following changes from the previous version:

- Minor title changes and format changes;
- Penalty remission – added written request, and added instalment penalty remission when direct debit set up to pay rates by year end;
- Wastewater / water – added “remission will not be applied retrospectively”;
- Public utilities – changed from “not-for-profit” to “not-for-profit or local government owned”;
- Natural calamity – removed the requirement for a government scheme to be established prior to Council being able to approve a remission.

3.4 A new remission policy has been included for land subject to a Queen Elizabeth II (QE II) Open Space Covenant. A recent interpretation of the definition of “non rateable” in relation to QE II covenants meant there is the possibility that a number of properties may no longer qualify. This remission policy enables Council to provide the same rates relief that had been available in the past.

3.5 A new remission policy has also been add to provide relief from water by meter charges in the event of a water leak. The policy provides relief for the period the leak was identified and the following period allowing time to repair the leak.

3.6 The Rates Remission and Postponement Policy proposed for inclusion in the draft Long Term Plan 2018-28 is attached to this report for adoption by the committee.
4 Operational Implications

4.1 There are no capital / operating expenditure implications or maintenance costs associated with this paper.

5 Financial implications

5.1 There are no financial implications associated with this paper.

6 Statutory Requirements

6.1 The Rates Remission and Postponement Policy is a requirement of the Local Government Act 2002 (Sections 102(3) (a) and (b)).

7 Delegations

7.1 The Strategic Planning and Policy Committee has the responsibility for overseeing, coordinating and directing the development and review of both the Long Term Plan and Statutory Policies.

8 Consultation

8.1 This policy will be included in the Long Term Plan consultation process.

9 Cultural Considerations

9.1 There are no cultural considerations associated with this paper.

10 Conclusion

10.1 The proposed Rates Remission and Postponement Policy has been reviewed and is presented for approval to include in the draft Long Term Plan 2018-28.

11 Attachments

- Proposed Rates Remission and Postponement Policy
Manawatū District Council

Rate Remission and Postponement Policy
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Rates Remission and Postponement Policy

1. **Introduction**

1.1. **This policy explains the conditions and criteria under which the Council might consider it appropriate to assist a ratepayer by providing rates relief.**

2. **Definitions**

2.1. Remission of a ‘set of rates’ refers to the Uniform Targeted Rate and differentiated targeted rates for the Makino Aquatic Centre and District Libraries.

2.1.2. ‘Contiguous properties’ is defined in section 20 of the Local Government (Rating) Act 2002.

   “Two or more rating units must be treated as one rating unit for setting a rate if those units are:
   
   a) owned by the same person or persons;
   
   b) used jointly as a single unit; and
   
   c) contiguous or separated only by road, railway, drain, water race, river or stream.”

3. **Remission for properties farmed as one**

3.1. **Objective**

3.1.1. This policy is to provide relief from a ‘set of rates’ for rating units that are farmed as a single entity.

3.2. **Conditions and criteria**

3.2.1. The following criteria must be met to be granted this remission:

   - A rate remission of one or more ‘set of rates’ will be given to ratepayers who own or occupy more than one non-contiguous rating unit
   
   - Where the rating units are used as a single farming operation
   
   - Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the rating units will be operated as a single farm.

3.2.2. Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.
3.3. Delegations

3.3.1. The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

4. Remission for additional dwellings that are unoccupied

4.1. Objective

4.1.1. This policy is to provide relief from a ‘set of rates’ applicable to an additional unoccupied dwelling.

4.2. Conditions and criteria

4.2.1. The policy applies to ratepayers who have additional dwellings that:

- Are currently uninhabited and will be uninhabited for the next 12 months
- Have had the power, water and telephone services disconnected
- Are part of contiguous or non-contiguous rating units that are owned or occupied by the same ratepayer
- Each rating unit will be charged at least one ‘set of rates’
- Annual reapplication is required on a form supplied by Council. This includes a statutory declaration signed by the owner or ratepayer confirming that the additional dwelling is uninhabited and will be uninhabited for the next 12 months, and that the power, water and telephone services are disconnected.

4.2.2. Applications must be received before the end of the first quarter of the rating year (30 September). Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

4.3. Delegations

4.3.1. The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

5. Remission of penalties

5.1. Objective

5.1.1. This policy is to provide relief from the penalty incurred for non-payment of rates.

5.1.2. Council is to act fairly and reasonably in its consideration to provide this relief due to circumstances outside the ratepayer’s control.
5.2.  **Conditions and criteria**

5.2.1.  The Council may remit the penalty incurred where the application meets the following criteria:

- Automatic remission of the penalty incurred on instalment one will be made where the ratepayer pays the total amount due for the year on or before the due date of the second instalment

- Instalment penalty will be remitted if a direct debit has been established to pay the rates in full by the end of the financial year

- Remission of penalty will be considered in any one rating year where payment has been late as a result of significant family disruption. Remission will be considered in the case of death, illness or accident of a family member

- Remission of the penalty will be granted if the ratepayer is able to provide evidence that their payment has gone astray in the post, or the late payment has otherwise resulted from matters outside their control. Each application will be considered on its merits and remission will be granted where it is considered just and equitable to do so

- The Council may remit small balances because of cash rounding

- Where the ratepayer has entered into an arrears repayment agreement, negotiations may be entered into regarding the amount of penalty charges to be repaid. For the duration of the agreement, and provided that the conditions are adhered to, the account will be exempt from current instalment penalty charges and fifty percent of arrears penalties.

5.2.2.  In implementing the policy, it is conditional that the full amount of rates due has been paid and circumstances of each case be taken into consideration on their individual merits.

5.2.3.  Unless the remission is initiated by Council staff, all requests for penalty remissions must be in writing.

5.3.  **Delegations**

5.3.1.  The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

6.  **Remission of the serviceable wastewater / water targeted rate (half charge)**

6.1.  **Objective**

6.1.1.  This policy is to provide relief from the serviceable wastewater targeted rate (half charge) and the serviceable water targeted rate (half charge) charged for rating units that had an
existing on-site wastewater disposal and/or water supply system prior to Council extending their reticulation system to the property.

6.2. Conditions and criteria

6.2.1. The following criteria must be met to be granted this remission:

• Written application is required from the ratepayer of such rating units

• Confirmation that the on-site wastewater disposal and water supply systems were in place prior to Council extending the reticulation scheme.

6.2.2. This remission will continue until such time as the ratepayer connects to the Council services available. This remission will not be approved retrospectively.

6.3. Delegations

6.3.1. The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

7. Remission of school sewerage charges

7.1. Objective

7.1.1. To recognise that schools may be disproportionately disadvantaged by Council’s present “pan charge system” and to ensure schools are fairly charged for sewerage services based on their staff and student numbers rather than number of connections.

7.2. Conditions and criteria

7.2.1. The following criteria must be met to be granted this remission:

• Schools must meet the definition of an “Educational Establishment” as defined under section 54B Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001

7.2.2. The remission will be calculated based on the following:

• Council will remit sewerage rates by subtracting the sum of calculation (b) from the sum of calculation (a)

• Calculation (a): Council’s standard sewerage charge (based on the number of water closets/urinals)

• Calculation (b): the number of full time equivalent on-site students and staff divided by 20 and multiplied by the Uniform Targeted Rate for Sewerage. If the sum of calculation (b) is greater than (a) no remission will apply
• The Council calculation, for practical reasons, will be based on the Ministry of Education roll numbers as at 1 March each year.

7.3. **Delegations**

7.3.1. The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

8. **Remission of rates charged to public utilities owned by not-for-profit organisations**

8.1. **Objective**

8.1.1. Public utilities in differential category 6 that are owned by not-for-profit organisations, can receive 100% remission of rates charged.

8.2. **Conditions and criteria**

8.2.1. The following criteria must be met to be granted this remission:

- The rating unit(s) must be a public utility rated under rating category 6
- The utility is owned by a recognised not-for-profit organisation (defined by the Charities Commission or determined through common law) or a local authority.

8.3. **Delegations**

8.3.1. The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

9. **Remission of rates charged to charitable organisations**

9.1. **Objective**

9.1.1. The purpose of granting rates support is to reduce the rating obligations on those charitable organisations that benefit the community.

9.1.2. This policy provides for additional rating support than is statutorily required through the Local Government (Rating) Act 2002 to support the arts, culture and heritage, sport and recreation and welfare, where these organisations support Council’s Vision and Outcomes.

9.1.3. This includes those organisations who qualify under Schedule 1 Section 9 of the Local Government (Rating) Act 2002.

9.2. **Conditions and criteria**

9.2.1. Rates support for charitable organisations will be administered annually and may be made for a multi-year term to a maximum of three years.
9.2.2. Council may remit rates where the application meets the following criteria:

- Directly links with the Council’s Vision and Outcomes; and
- A rating unit that may be owned by Council or owned and occupied by a charitable organisation, which is used principally for sporting, recreation, art or community purposes; or
- A rating unit that is leased by a charitable organisation for a period of at least one year; is used principally for recreation, sporting or community purposes, and where the organisation is liable for the payment of the Council’s rates under the property’s lease agreement.

9.2.3. The definition of “charitable organisation” is a charitable entity which means a society, an institution, or the trustees of a trust that is or are registered as a charitable entity under the Charities Act 2005.

9.2.4. The policy does not apply to organisations that are not income tax exempt.

9.2.5. In allocating the rates support, Council will prioritise against the following:

- Activities that support sport and recreation
- Activities that will attract and retain residents
- Activities that will encourage the arts and contribute to a vibrant, thriving Manawatū

9.2.6. Applications will also be assessed against:

- Opportunity for participation/accessibility to Manawatū District residents
- Compliance with previous reporting requirements.

9.3. Remission scale

9.3.1. Council may remit 50% of the total rates payable, including the annual water meter charge, for those organisations that qualify under this policy.

9.4. Application process

9.4.1. All applications must be submitted on the required form. Applications must be received before the end of April. Applications will not be applied retrospectively.

9.4.2. Organisations who apply need to include (where applicable):

- Statement of organisation’s objectives
- Current financial statement
• Proof of charitable status and copy of income tax exemption certificate
• Information on activities and programmes
• Details of membership or client numbers
• Any other information that supports the application in relation to the eligibility criteria.

9.4.3. Council will consider each application on its merits, and provision of rates support in any year does not set a precedent for similar level of support in any future years.

9.5. Delegations

9.5.1. The Community Funding Committee has the delegated authority to approve or decline applications under this policy.

10. Remission of rates for small dwellings

10.1. Objective

10.1.1. This policy is to provide for the relief from a ‘set of rates’ for ratepayers that own two or more separately used and inhabited parts of a rating unit, where the dwelling is considered to be small.

10.2. Conditions and criteria

• Floor area (not including garage) is less than 65sq metres
• The dwelling(s) must be used for residential purposes only
• The dwellings must be located on one rating unit
• Application must be submitted on the required form. This includes a statutory declaration signed by the owner or ratepayer confirming that the dwelling(s) have a floor space of less than 65sq metres
• Applications must be received before the end of the first quarter of the rating year. Applications received after this date will have the remission applied to the next rating year. Applications will not be applied retrospectively.

10.2.1. The Council may, on the written application from ratepayers of such rating units, reduce each ‘set of rates’ charged up to 35%, where an excess of one set of rates applies. i.e. the first ‘set of rates’ will be at the full rate with 35% remission applying to each subsequent ‘set of rates’.
10.3. **Delegations**

10.3.1. The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

11. **Remission of water by meter rates in the event of a water leak**

11.1. **Objective**

11.1.1. To provide relief from excess water by meter charges resulting from a water leak on a property.

11.2. **Conditions and criteria**

11.2.1. Ratepayers are liable for water supplied through the water meter and are responsible for the maintenance of the supply system on their property. However they may experience a leak or damage to the supply of which they are unaware. Council considers it reasonable to allow a remission in water charges in these circumstances.

11.2.2. In certain circumstances Council may provide for relief of water by meter charges that occur as a result of leaks. The following criteria apply:

- Application must be made in writing explaining the circumstances of the situation and providing evidence of the remedial action taken to repair the leak

- Council is satisfied a leak on the property has caused the excessive consumption

- The remission granted will be based on the excess water usage, less the normal consumption of water for similar periods

- The remission will apply to the quarter the leak was identified and the following quarter, providing adequate time to repair the leak. Where there are extenuating circumstances, the period of the remission may be extended

- It is the ratepayer responsibility to maintain the water assets on their property. Recurring leaks may be an indication of systemic failure and the remission may be declined

11.3. **Delegations**

11.3.1. The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy, following the recommendation from the General Manager – Infrastructure or Utilities Manager.
12. Remission of rates for land affected by natural calamity

12.1. Objective

12.1.1. To assist ratepayers experiencing financial hardship due to a natural calamity.

12.2. Conditions and criteria

12.2.1. Remissions approved under this policy do not set a precedent and will be applied only for each specific event and only to properties affected by the event.

12.2.2. The Council may remit all, or part of, any rate on any rating unit where the application meets the following criteria:

- Where erosion, subsidence, submersion or other natural calamity has affected the use or occupation of any rating unit

- It is applicable for each single event. This does not apply to erosion, subsidence etc. that may have occurred without a recognised major event

12.2.3. Council can set additional criteria for each event. This is because the criteria may change depending on the nature and severity of the event and available funding at the time.

12.2.4. The Council may require financial or other records to be provided as part of the remission approval process.

12.3. Delegations

12.3.1. An individual event or calamity is to be approved by Council. Council will determine the criteria for the remission at that time.

13. Remission of rates for Queen Elizabeth II National Trust Open Spaces Covenants

13.1. Objective

13.1.1. To provide rates relief where land is legally protected under a Queen Elizabeth II (QE II) Open Space Covenant.

13.2. Conditions and criteria

13.2.1. Council may remit rates where the application meets the following criteria:

- The land, or portion of land, has a legal binding QE II Open Space Covenant registered on the title.

- The land, or portion of land, covered by this remission is not being used for other purposes
• There are no buildings on the land, or portion of the land, covered by this remission

13.2.2. Calculation of the remission is on a case-by-case basis, with the determination of the capital value for the covenanted land to be made by Council’s valuation service provider.

13.3. Delegations

13.3.1. The Chief Executive, General Manager - Corporate and Regulatory or Chief Financial Officer have the delegated authority to approve or decline applications under this policy.

14. Remission of rates for miscellaneous circumstances

14.1. Objective

14.1.1. Council recognises that not all situations in which the Council may wish to remit rates will be provided for in Council’s specific policies or necessarily be known about by the ratepayer in advance.

14.2. Conditions and criteria

14.2.1. The Council, may remit on written application from ratepayers, all rates on a rating unit where it considers it just and equitable to do so:

• The application does not meet the circumstances provided for in any of the Council’s other remission policies

• Financial records may be required.

14.3. Delegations

14.3.1. The Chief Executive and the General Manager - Corporate and Regulatory have the delegated authority to approve or decline applications under this policy.

15. Rates postponement policy

15.1.1. Council maintains a policy of working with ratepayers who have fallen behind in their payments of rates. It has never experienced a situation where a ratepayer has got into extreme financial hardship and where rates postponement may have been a solution. Accordingly it does not believe it is necessary to postpone rates for those ratepayers who are in arrears. Instead Council will work with those ratepayers to manage the payment of their rates.

16. Remission and postponement policy for Māori freehold land

16.1.1. Council is required pursuant to section 102 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Māori freehold land.
16.1.2. Māori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Māori Land Court.

16.1.3. Section 108 of the Local Government Act 2002 prescribes that policy does not require Council to provide for remission of, or postponement of, the requirement to pay rates on Māori freehold land.

16.1.4. Council is aware that there is little, if any undeveloped Māori freehold land within the District that may require a policy to provide rates relief. It is also aware that applications for rates relief that meet certain criteria can be considered under existing Council policies and legislation. As a consequence the Council will not provide for any remissions or postponements under this policy.
LGOIMA Requests for Information - November 2017

Purpose

To present requests for information received by Council under the Local Government Official Information and Meetings Act 1987.

Significance of Decision

The Council’s Significance and Engagement policy is not triggered by matters discussed in this report.

Recommendations

That the report detailing the requests for information received under the Local Government Official Information and Meetings Act 1987 for the month of November 2017 be received.

Report prepared by:
Lorraine Thompson
Executive Assistant - GM Corporate and Regulatory

Approved for submission by:
Shayne Harris
General Manager - Corporate and Regulatory

1 Contribution to the Council Vision and Council Outcomes

1.1 Relationship to the Council Outcomes that underpin the Council’s Vision:

Connected, vibrant and thriving Manawatu – the best rural lifestyle in New Zealand

<table>
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<tr>
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</table>
2 Background

2.1 The Local Government Official Information and Meetings Act 1987 makes provision for public access to Council information.

2.2 The Act also provides requirements for how Council must deal with any requests for access to information that it holds.

2.3 Each month the Council makes available to elected members a list of requests received, including the name of the requestor, a description of the information being sought, and the timelines for that request.

3 Discussion and Options considered

3.1 The following table sets out the requests for information that have been received by Council in the past month:
SUMMARY OF LGOIMA REQUESTS RECEIVED TO 27 NOVEMBER 2017

Requests previously reported as in progress that have since been closed.

<table>
<thead>
<tr>
<th>File Reference</th>
<th>Date Received</th>
<th>Due Date</th>
<th>Requester Name</th>
<th>Organisation</th>
<th>Request Information</th>
<th>Request Status</th>
<th>Date Sent</th>
</tr>
</thead>
<tbody>
<tr>
<td>LG1719</td>
<td>4/10/2017</td>
<td>2/11/2017</td>
<td>Ann Fullerton</td>
<td>Individual</td>
<td>Liquor licensing statistics</td>
<td>completed</td>
<td>27/10/2017</td>
</tr>
<tr>
<td>LG1720</td>
<td>11/10/2017</td>
<td>9/11/2017</td>
<td>Tabitha Lorck</td>
<td>Taxpayers Union</td>
<td>Revenue from fines</td>
<td>completed</td>
<td>9/11/2017</td>
</tr>
<tr>
<td>LG1722</td>
<td>18/10/2017</td>
<td>16/11/2017</td>
<td>Brent Lahman</td>
<td>RNZSPCA</td>
<td>Details of dog uplifted from Duke Street, Feilding</td>
<td>completed</td>
<td>17/11/2017</td>
</tr>
</tbody>
</table>

The following requests have been received or closed in the month of November.

<table>
<thead>
<tr>
<th>File Reference</th>
<th>Date Received</th>
<th>Due Date</th>
<th>Requester Name</th>
<th>Organisation</th>
<th>Request Information</th>
<th>Request Status</th>
<th>Date Sent</th>
</tr>
</thead>
<tbody>
<tr>
<td>LG1723</td>
<td>25/10/2017</td>
<td>22/11/2017</td>
<td>David Gibson</td>
<td>Individual</td>
<td>All information Council holds relating to the matter of the trespass order, going back 5 years.</td>
<td>completed</td>
<td>9/11/2017</td>
</tr>
<tr>
<td>LG1724</td>
<td>26/10/2017</td>
<td>23/11/2017</td>
<td>Alexander Robertson</td>
<td>Local Focus - NZ Herald</td>
<td>Further questions about number of CCCs issued, disputed. Revenue received for CCCs</td>
<td>completed</td>
<td>23/11/2017</td>
</tr>
<tr>
<td>LG1725</td>
<td>1/11/2017</td>
<td>29/11/2017</td>
<td>Phil Pennington</td>
<td>Radio New Zealand</td>
<td>Buildings where Civil Def operations will run from in event of quake</td>
<td>completed</td>
<td>21/11/2017</td>
</tr>
<tr>
<td>LG1726</td>
<td>2/11/2017</td>
<td>30/11/2017</td>
<td>Milton Pedley</td>
<td>Individual</td>
<td>Confidential information re 5 Te Arakura Road</td>
<td>completed</td>
<td>15/11/2017</td>
</tr>
<tr>
<td>LG1727</td>
<td>8/11/2017</td>
<td>6/12/2017</td>
<td>David Lloyd</td>
<td>Individual</td>
<td>Approval and completion of storm water improvements in Feilding</td>
<td>in progress</td>
<td></td>
</tr>
<tr>
<td>File Reference</td>
<td>Date Received</td>
<td>Due Date</td>
<td>Requester Name</td>
<td>Organisation</td>
<td>Request Information</td>
<td>Request Status</td>
<td>Date Sent</td>
</tr>
<tr>
<td>---------------</td>
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<td>----------</td>
<td>----------------</td>
<td>---------------------</td>
<td>----------------------------------------------------------</td>
<td>---------------</td>
<td>----------</td>
</tr>
<tr>
<td>LG1728</td>
<td>10/11/2017</td>
<td>8/12/2017</td>
<td>Emma Hatton</td>
<td>Radio NZ</td>
<td>Amount in tonnes and cost to recover illegal dumping</td>
<td>in progress</td>
<td></td>
</tr>
<tr>
<td>LG1729</td>
<td>13/11/2017</td>
<td>11/12/2017</td>
<td>Vernon Sequeira</td>
<td>Colliers International</td>
<td>Council office buildings</td>
<td>in progress</td>
<td></td>
</tr>
<tr>
<td>LG1730</td>
<td>15/11/2017</td>
<td>13/12/2017</td>
<td>Vernon Sequeira</td>
<td>Colliers International</td>
<td>Records and Archives usage</td>
<td>in progress</td>
<td></td>
</tr>
<tr>
<td>LG1731</td>
<td>17/11/2017</td>
<td>15/12/2017</td>
<td>James Dalton</td>
<td>individual</td>
<td>Council votes on Maori Wards</td>
<td>completed</td>
<td>20/11/2017</td>
</tr>
<tr>
<td>LG1732</td>
<td>22/11/2017</td>
<td>20/12/2017</td>
<td>Kaysha Brownlie</td>
<td>Seven Sharp</td>
<td>Freedom Camping</td>
<td>completed</td>
<td>24/11/2017</td>
</tr>
</tbody>
</table>
4 Operational Implications

4.1 There are no capital / operating expenditure implications nor maintenance costs associated with this paper.

5 Financial implications

5.1 There are no financial implications associated with this paper.

6 Statutory Requirements

6.1 The statutory requirements for access to local authority information, and procedures for dealing with requests received for information held by local authorities is set out in Parts 1, 2, 3, 4, 5 and 6 of the Local Government Official Information and Meetings Act 1987.

7 Delegations

7.1 The committee has authority to consider this matter.

8 Consultation

8.1 There are no community consultation requirements associated with this paper.

9 Cultural Considerations

9.1 There are no cultural considerations associated with this paper.

10 Conclusion

10.1 The requests for information that have been received in the past month are reported to the Strategic Planning and Policy Committee for receipt.

11 Attachments

- There are no attachments.