

Item	Cost
Depreciation	317.271
Rates	178.138
Response maintenance	171.415
Payroll costs	117.633
Consultancy services (internal)	94.220
Property maintenance	82.425
Property renewals	68.914
Computer IM fixed charges	45.696
Occupancy costs	30.150
Corporate overhead allocation	42.381
Insurance	41,170
Legal costs – fees & costs	28.877
Water	31,317
Power	17,752
Security – property	7.425
Pest control	2,403
Building compliance costs	2,006
Grounds Maintenance	1,495
Cleaning	779
Cell phones	746
General expenses	161
<b>Total</b>	<b>1,288,029</b>

### 9.1.3. Running costs per unit

The villages differ in their annual running costs when averaged out per unit with the highest being \$4,696 for Tane Street in New Lynn and the lowest being \$3,616 for Godley Court. A difference of \$1,080. Significant differences are apparent across the villages with maintenance costs and renewals.

For property maintenance, the most expensive units to maintain are Godley Court and North Karaka Street at over \$400 per unit, and least expensive are Westview Village and Wilsher Village, at below \$200 per unit. Reasons why Wilsher has low running costs may be partly due to the high vacancy rate and that repairs and maintenance are carried out only in response to requests by tenants.

Table 19: Total running cost per unit

Village	Property Maintenance \$	Property Renewals \$	Depreciation \$	Other <sup>1</sup> \$	Total \$
Flagstaff Village	201	290	1,015	2,392	3,898
Godley Court	436	122	703	2,355	3,616
Harmony Village	186	314	852	2,354	3,706
Hutchinson Avenue	251	223	1,019	2,411	3,904
Kaurilands Court	268	137	998	2,347	3,750
Kaumatua Village	287	141	950	2,426	3,804
Jack Smythe Village	207	200	1,153	2,590	4,150
North Karaka St	449	-	948	2,681	4,078
South Karaka St	328	210	1,130	2,484	4,152
Tane Street	370	585	1,069	2,672	4,696
Westview Village	192	313	877	2,632	4,014
Wilsher village	169	144	995	2,389	3,697

Note: Other <sup>1</sup> = various costs including, water, security of property, payroll costs, legal costs, internal consultancy services, Computer IM fixed charges, response maintenance, occupancy costs, and corporate overhead allocation.

## 9.2. Current income from the housing portfolio

The 2004/05 financial year's revenue from the housing portfolio is nearly \$1.1million (\$1,082,949), which is roughly half of the revenue that would be achieved if market rents were set (see Table 20 below). Across the villages there are differences in the rent levels when compared to the market rent. For example, in Jack Smythe Village and North Karaka Street the average rent represents 56% of market rent, whereas in Tane Street and Westview village, this ratio falls to 46% and 47% respectively.

Frequently the rent received is less than 25% of gross benefit because benefit increases have outpaced the rental increase. Our current rental policies are: 25% of gross benefits, 6 monthly rent increase at \$10 maximum.

Rents are affected by the percentage of tenants who receive national superannuation or who receive other benefits (for example, unemployment or sickness benefit which are paid at lower levels than superannuation). Council's rental policy suggests that the main target group for housing are older people who receive superannuation. Two thirds of the tenants receive superannuation (66%) see Table 20 below, which in turn means that the amount of superannuation affect rent levels and therefore overall rental income.

Table 20: Current rent levels compared to market rent levels

Village	% of tenants receiving Super-Annuation <sup>1</sup>	Market rental	Current rental Policies	Current rent as % of market rent	Difference between market rent and current rental policy
Flagstaff Village	79	188,160	99,792	53%	88,368
Godley Court	69	201,840	107,184	53%	94,656
Harmony Village	75	270,000	147,840	55%	122,160
Hutchinson Avenue	69	115,680	59,136	51%	56,544
Kaurilands Court	64	147,840	81,312	55%	66,528
Kaumatua Village	45	312,960	162,624	52%	150,336
Jack Smythe Village	90	138,720	73,920	53%	64,800
North Karaka St	77	84,720	48,048	57%	36,672
South Karaka St	100	59,520	29,568	50%	29,952
Tane Street	50	45,120	22,176	49%	22,944
Westview Village	52	276,480	155,232	56%	121,248
Wilsher village	65	355,200	251,328	71%	103,872
<b>Total</b>	<b>66% average</b>	<b>2,196,240</b>	<b>1,238,160</b>	<b>56% average</b>	<b>958,080</b>

Note: <sup>1</sup> Percentage of tenants on superannuation in the village (target group). The remaining tenants are on other benefits (eg. sick benefit, widows pension).

The different rent levels according to the type of benefit can be seen in Table 21 below. Rent per unit across all the villages is \$77 per week for a single person on superannuation, and \$117 for a couple.

Table 21: Rent levels for a single person and two person unit

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Benefit type	Fortnightly gross benefit	Fortnightly rent (25% of gross benefit)	Weekly rent
Superannuation	619.46	154.86	77.43
Double Superannuation (couple)	940.64	235.16	117.58
Invalids	505.12	124.44	62.22
Sickness	399.06	99.76	49.88
Unemployment	399.06	99.76	49.88

### 9.3. Income from the housing portfolio – 6 options

There are 6 options to Council as to how it can receive a return on the housing for older adults portfolio. These options include retaining the portfolio with a variety of rent levels, or earning interest on the capital received from selling the housing to another provider. See Table 22 below for details on these options.

In all instances, the current model produces less income than all the alternative options, and the opportunity cost represents that difference. The amount of 'lost' income per year, ranges from just over \$200,000 by selling to a social housing provider, to \$1.1 million by increasing rent to a market level. Two social housing variations are offered. One is to divest the housing to another provider, the other is to continue the service, but increase the rent so it stays within the confines of an 'affordable rent' in order to raise revenue.

In 2004/2005, HFOA business unit required a rate subsidy of \$205,000 (actual result of Financial Report). Therefore, rentals were \$205,000 less than all expenditures.

#### 9.3.1. Continue to provide housing

Option 1 – current rental return

Option 2 – market rental return

Option 3 – social housing at 70% market rental return

Option 4 – social housing (local context)

Four income options are presented should the Council want to continue to provide housing. Rent levels could remain at the current level which would be status quo (option 1) or be raised to increase income so that the portfolio would become more commercially viable. The highest return would be generated by charging rents at market rate (option 2), which would double the current income and return \$2.2 million. This would not constitute social housing. The two social housing models (options 3 & 4) would also generate more revenue but to a lesser extent. For example, if rent were increased to 70% of market rent (option 3), this would generate additional revenue of \$299,208. Rents could be set at a higher level and still be considered social housing, by pitching rent at 70% of Housing New Zealand's lowest 25% of rent levels in Waitakere City (option 4).

If rents are increased to say 70% of the market rate, this is likely to have an effect on the demand for the housing. The extent of the impact upon demand is not known. Potential tenants may choose instead to search the private rental market for accommodation perhaps of better quality but not at a significantly higher cost. Tenants of privately owned accommodation are also entitled to apply for the accommodation supplement. Rents for the Council's units are currently set at \$77 per person (on superannuation) per week, and if pitched at 70% of market rate, rents would vary from \$77 for the cheapest unit to \$115 for the most expensive unit (see Table 23 for further details).

The rents suggest that the condition of our HFOA stock is generally below market, given that 70% of our market rent is actually *less* than 70% of the *lowest* quarter of market rents for Housing New Zealand's one bedroom flats.

#### 9.3.2. Sell the housing

Option 5 – sale at market value

Option 6 – sale to social housing provider at 70% market value

Options for selling the portfolio, include selling at market price (option 5), or below market price in order to divest the asset to another social provider or an agency or organisation who are keen to enter the affordable housing market (option 6). The income received through interest accrued from the capital following a sale would be dependent on the sale price of the portfolio. The annual return from interest following realisation of capital (\$1.5 million at market price sale or \$1.3 million with a sale at 70% of market price), is similar to the revenue generated through the provision of social housing with rent levels at 70% market rent (\$1.5 million).

### *9.3.3. Social housing at 70% market rental (option 3) and accommodation supplement*

There is the potential to access central government funding through a rental supplement (accommodation supplement) which would help to fund a rental increase and is likely to minimise the rent impact for residents. Refer to Table 23.

These figures about the accommodation supplement should be read with caution as further research needs to be done to validate them. However, for present purposes, it acts as a benchmark, and gives an indication of how the supplement would work and the financial impact on the tenants.

The majority of a rental increase to 70% of market rate (Option 3), appears to be covered by the accommodation supplement. This means that most of the additional \$299,208 revenue generated would be covered by a benefit paid by central government. In three units occupants would need to pay an extra \$1 per week, and in one unit an occupant would need to pay an extra \$1.50 per week (see Table 23). The cost to tenants totals \$216 per year. The figures are based on the assumption that the superannuants in the villages are currently not applying for rental supplement from Work & Income New Zealand. The scenario covers only tenants receiving superannuation, although the rental supplement can be paid to older people receiving other benefits (such as sickness benefit or widows benefit), however, for these other types of beneficiaries, they are likely to have to pay more of the rental increase because currently they are paying less rent than the superannuants.

Table 22: Income options (x 6) for the housing for older adult portfolio

Income options	Income for all villages	Opportunity cost (1)	Comments
<i>Continue to provide housing</i>			
Option 1	\$1,238,160	-	<ul style="list-style-type: none"> <li>Two thirds of tenants are superannuants (66%) overall. One third are on other benefits.</li> <li>2004/2005 actual rental income was \$1,082,949, which is \$155,211 less than the maximum revenue.</li> <li>Current rental policies are: 25% of gross benefits, 6 monthly rent increase at \$10 maximum.</li> <li>Market rent assessment carried out by property valuers: Bristow, Barbour &amp; Waiker – June 2005. Rent covers 48 weeks (so vacancy rate of 8% - 4 weeks factored in).</li> <li>Rents based on 70% of market rent.</li> <li>Housing New Zealand have indicated this level of rent still fits the social housing definition.</li> </ul>
Option 2	\$2,196,240	\$958,080	<ul style="list-style-type: none"> <li>Market rent assessment carried out by property valuers: Bristow, Barbour &amp; Waiker – June 2005. Rent covers 48 weeks (so vacancy rate of 8% - 4 weeks factored in).</li> </ul>
Option 3	\$1,537,368	\$299,208	<ul style="list-style-type: none"> <li>Rents based on 70% of market rent.</li> <li>Housing New Zealand have indicated this level of rent still fits the social housing definition.</li> </ul>
Option 4	\$1,941,005	\$702,845	<ul style="list-style-type: none"> <li>Rents based on 70% of Housing New Zealand's lowest quartile (25%) of their housing stock around Waitakere City.</li> </ul>
<i>Sell the housing to another provider</i>			
Option 5	\$1,573,373	\$335,213	<ul style="list-style-type: none"> <li>Market value: \$23,152,281</li> <li>Net sale value \$22,476,750 (minus selling expenses of \$693,250: real estate fees, legal fees &amp; others)</li> </ul>
Option 6	\$1,320,304	\$82,144	<ul style="list-style-type: none"> <li>Market value: \$16,219,000</li> <li>Net sale value \$15,987,300 (minus selling expenses of \$231,700: real estate fees, legal fees &amp; others)</li> </ul>

**Notes**

(1) Opportunity cost – is the cost to the Council of providing the current service (subsidised housing to superannuants) as the other income options would produce significantly better returns. The opportunity cost is the difference between the current rental policy return and each of the other income options.

Table 23: Income options – Rent at 70% of market rate and amount paid by accommodation supplement

Number of units in portfolio	Market rent per week	70% of market rent	Rental supplement	Rent out of Super (pension)	WCC rent (25% of gross benefit)	Superannuantant having to pay		From superannuants	Total income
						Per week	Annual total		
45	100.00	70.00	5.00	65.00	77.00	-	10,800	140,400	151,200
4	115.00	80.50	12.00	68.50	77.00	-	2,304	13,152	15,456
18	130.00	91.00	19.00	72.00	77.00	-	16,416	62,208	78,624
48	135.00	94.50	22.00	72.50	77.00	-	50,688	167,040	217,728
99	140.00	98.00	24.00	74.00	77.00	-	114,048	351,648	465,696
55	145.00	101.50	27.00	74.50	77.00	-	71,280	196,680	267,960
43	150.00	105.00	29.00	76.00	77.00	-	59,856	158,928	218,784
19	155.00	108.50	32.00	76.50	77.00	-	29,184	70,224	99,408
3	160.00	112.00	34.00	78.00	77.00	1.00	4,896	11,088	16,128
1	165.00	115.50	37.00	78.50	77.00	1.50	1,776	3,696	5,544
335 total							<b>361,248</b>	<b>1,175,064</b>	<b>1,536,528</b>

**Note:**

The total income based on 70% market rent is stated as \$1,536,528, although it differs by \$840 from the figure describing the same option in Table 22, (option 3) due to a small discrepancy in the calculation.

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#### 9.4. Retaining the housing portfolio – four scenarios

There are many different scenarios regarding the future use of the villages, if Council were to retain ownership of the portfolio. The four scenarios present a variety of possibilities with different unit numbers, village numbers and standards of service provision. Costs given are for an average year over a 5 year period. See Tables 24 and 25 below.

For each scenario, a “break even” rent per week per unit is estimated, when the rent is increased to the “break even” rent, there will be no “rate subsidy” required. The cost of the scenarios to the Council via rates vary significantly, from \$56,308 for maintaining the portfolio but selling one of the villages (scenario 3) to \$2.3 million to redevelop one of the villages with larger size units (scenario 4). The current level of service with the same number of unit would require a “rate subsidy” of \$600k per year over 5 years (scenario 1). With each level of service, the cost of improvements increase, so the cost to Council also increases.

##### **Scenario 1 – Current levels of service (Table 24)**

Current levels of service could be improved as there are questions about the suitability of the villages and units for older as discussed above.

##### **Scenario 2 - Provide for Growth (Table 24)**

It is forecasted that the proportion of older people in need of social housing will increase, and that the current housing stock would be fully occupied. The city's population is forecasted to grow and it is estimated that an additional 150 units for older people will be needed to accommodate growth between 2001 – 2011. This scenario looks at increasing the number of units by 40 in the next 5 years. The example is based on Harmony Village that has 40 units. Assumptions:

- (a) Year 1: Purchase land at Harmony Village's land value - \$750,000
- (b) Year 4: Build 40 units. Harmony Village's Building area is 1,600m<sup>2</sup>.
- (c) Current building cost at \$2,000 per m<sup>2</sup> = \$3.2 million.
- (d) Interest cost is 7% per year on land purchase cost and building cost.

Depreciation on the building: Structure 50 years of life; Roof 20 years of life; Internal furnishings 15 years of life; Fittings 20 years of life; Services 22 years of life. Depreciation costs start from year 5.

##### **Scenario 3 - Redevelop one of the villages (Table 25)**

Housing NZ funding (up to \$1 million) is available for this option as there would not be a reduction in the number of Housing units. The example used is Wilsher village. This would involve demolishing and rebuilding at Year 1. Cost of demolition is estimated to be \$200,000. The units are the smallest across all the villages (approximately 24m<sup>2</sup>) so redevelopment would increase the unit size by 100%. The building area will double to 5,238 m<sup>2</sup>. At \$2000 per m<sup>2</sup> the building cost will be \$10.476 million. From Year 2, the village can be rented out and returning a rental income.

##### **Scenario 4 - Sell one of the villages (Table 25)**

With this scenario the Housing NZ funding is not available for any upgrade or reconfiguration work for any of the villages, as there would be a reduction in the number of units. There is the opportunity to sell off a village and use the proceeds (annual interest income) to fund the cost of other villages. Wilsher village is used as an example for this scenario. Like some of the other villages, tenants on superannuation occupy only a portion of the units at Wilsher (65%). The balance is occupied by other beneficiaries or are vacant. This indicates that there is a surplus of units for superannuants that meet the WCC rental criteria.

Notes for Tables 24 & 25

<sup>1</sup> Current level of service

The current level of service is the minimum that can be offered, although the conditions of the HFOA units are in some cases unsuitable. This level of service does not include funding to:

- Fix problems identified at the village sites in a health and safety survey that was carried out by WCC officers (at a cost of \$83,000 per year for the next 5 years).
- This level of service is below Threshold 1 in the “Property Quality Standard” approach.
- At this level of service, we cannot charge 70% of Housing New Zealand lower quartile rent.

<sup>2</sup> *Upgrade to Threshold 2*

This is a medium level of service in the "Property Quality Standard" approach. It includes funding to fix problems identified in the units in a condition survey and at the village sites in a health and safety survey.

<sup>3</sup> *Upgrade to Threshold 3*

This is a medium to high level of service in the "Property Quality Standard" approach. It includes funding to fix problems identified in the units in a condition survey and at the village sites in a health and safety survey.

<sup>4</sup> *Reconfiguration*

Increasing the size of a unit significantly. It includes funding to fix problems identified in the units in a condition survey and at the village sites in a health and safety survey.

<sup>5</sup> *Housing NZ funding*

Housing NZ has indicated that funding will not exceed \$1 million for any upgrade or reconfiguration work on Waitakere City Council HFOA housing stock.

Table 24: Retaining the housing portfolio: scenarios 1 & 2

Level of service	Scenario 1: Existing number of units			Scenario 2: Provide for growth 2% per year		
	2004/2005 actual income	70% of Market Rent	70% Housing NZ Lower Quartile Rent	2004/2005 actual income	70% of Market Rent	70% of Housing NZ Lower Quartile Rent
<sup>1</sup> Current Level of Service	Rent Income					
	HNZ Funding <sup>5</sup>					
	Total funding	(\$1,082,949)	(\$1,537,368)	(\$1,110,651)	(\$1,583,064)	(\$1,954,351)
	Expenditure			(\$200,000)	(\$200,000)	(\$200,000)
<b>WCC rate Subsidy</b>	\$1,681,748	\$1,681,748		\$1,846,661	\$1,846,661	\$2,430,196
Capital Cost	<b>\$598,799</b>	<b>\$144,380</b>		<b>\$536,010</b>	<b>\$63,597</b>	<b>\$275,846</b>
Break-even rent per unit per wk	Increase to \$105	Increase from current rent by \$28 week		\$790,000	Increase from current rent of \$35 week	\$0
<sup>2</sup> Upgrade to Threshold 2	Rent Income					
	HNZ Funding <sup>5</sup>					
	Total funding	(\$1,064,900)	(\$1,511,745)	(\$1,092,602)	(\$1,557,441)	(\$1,954,351)
	Expenditure	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
<b>WCC rate Subsidy</b>	\$2,265,283	\$2,265,283		\$2,430,196	\$2,430,196	\$2,430,196
Capital Cost	<b>\$1,000,384</b>	<b>\$553,538</b>	<b>\$156,629</b>	<b>\$1,137,595</b>	<b>\$672,755</b>	<b>\$275,846</b>
Break-even rent unit per week	Increase to \$128	Increase from current rent by \$51 week		\$790,000	Increase from current rent by \$71 week	\$0
<sup>3</sup> Upgrade to Threshold 3	Rent Income					
	HNZ Funding <sup>5</sup>					
	Total funding	(\$1,046,850)	(\$1,486,122)	(\$1,074,553)	(\$1,531,818)	(\$1,922,001)
	Expenditure	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
<b>WCC rate Subsidy</b>	\$2,494,883	\$2,494,883		\$2,659,796	\$2,659,796	\$2,659,796
Capital Cost	<b>\$1,248,033</b>	<b>\$808,761</b>	<b>\$418,579</b>	<b>\$1,385,244</b>	<b>\$927,978</b>	<b>\$537,796</b>
Break-even rent per unit per wk	Increase to \$143	Increase from current rent by \$66 week		\$790,000	Increase from current rent by \$85 week	\$0
<sup>4</sup> Reconfigure	Rent Income					
	HNZ Funding <sup>5</sup>					
	Total funding	(\$1,028,801)	(\$1,460,500)	(\$1,074,497)	(\$1,460,500)	(\$1,843,955)
	Expenditure	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)	(\$200,000)
<b>WCC Rate Subsidy</b>	\$3,477,283	\$3,477,283		\$3,642,196	\$3,642,196	\$3,642,196
Capital Cost	<b>\$2,248,482</b>	<b>\$1,816,784</b>	<b>\$1,433,329</b>	<b>\$2,367,699</b>	<b>\$1,981,697</b>	<b>\$1,598,242</b>
Break-even rent /unit / wk	Increase to \$204	Increase from current rent by \$127 week		\$790,000	Increase from current rent by \$144 week	\$0

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Table 25: Retaining the housing portfolio -- scenarios 3 & 4

Level of service	Scenario 3: Sell Wisner Village (68 units)			Scenario 4: Redevelop Wisner Village			
	2004/2005 actual income	70% of Market Rent	70% of Housing NZ Lower Quartile Rent	2004/2005 actual income	70% of Market Rent	70% of Housing NZ Lower Quartile Rent	
<sup>1</sup> Current Level of Service	Rent Income HNZ Funding <sup>5</sup> Total funding Expenditure <b>WCC Rate Subsidy</b> Capital Cost Breakeven rent /unit / wk	(\$1,106,135) (\$1,490,083) \$1,433,775 <b>\$327,640</b> Increase to \$112 \$35 week	(\$1,248,670) (\$200,000) (\$1,448,670) \$2,574,718 <b>\$1,126,048</b> \$2,135,200 \$156 Increase from current rent by \$79 week	(\$1,688,995) (\$200,000) (\$1,888,995) \$2,574,718 <b>\$685,723</b> \$2,135,200 Increase from current rent by \$79 week	(\$1,667,516) (\$200,000) (\$1,867,516) \$3,021,402 <b>\$1,153,886</b> \$2,135,200 Increase from current rent by \$107 week	(\$2,036,706) (\$200,000) (\$2,236,706) \$2,430,196 <b>\$193,491</b> \$2,135,200 Increase from current rent by \$107 week	
<sup>2</sup> Upgrade to Threshold 2	Rent Income HNZ Funding <sup>5</sup> Total funding Expenditure <b>WCC Rate Subsidy</b> Capital Cost Breakeven rent unit per week	(\$1,091,055) (\$1,468,604) (\$1,091,055) \$1,880,459 <b>\$789,404</b> Increase to \$147 \$70 week	(\$1,233,590) (\$200,000) (\$1,433,590) \$3,021,402 <b>\$1,587,812</b> \$2,135,200 \$184 Increase from current rent by \$70 week	(\$1,667,516) (\$200,000) (\$1,867,516) \$3,021,402 <b>\$1,153,886</b> \$2,135,200 Increase from current rent by \$107 week	(\$2,036,706) (\$200,000) (\$2,236,706) \$2,430,196 <b>\$193,491</b> \$2,135,200 Increase from current rent by \$107 week	(\$2,036,706) (\$200,000) (\$2,236,706) \$2,430,196 <b>\$193,491</b> \$2,135,200 Increase from current rent by \$107 week	(\$2,036,706) (\$200,000) (\$2,236,706) \$2,430,196 <b>\$193,491</b> \$2,135,200 Increase from current rent by \$107 week
<sup>3</sup> Upgrade to Threshold 3	Rent Income HNZ Funding <sup>5</sup> Total funding Expenditure <b>WCC Rate Subsidy</b> Capital Cost Breakeven rent /unit / wk	(\$1,075,975) (\$1,447,125) \$2,236,706 \$2,058,459 <b>\$982,483</b> Increase to \$161 \$84 week	(\$1,218,511) (\$200,000) (\$1,418,511) \$3,199,402 <b>\$1,780,891</b> \$2,135,200 \$194 Increase from current rent by \$84 week	(\$1,646,037) (\$200,000) (\$1,846,037) \$3,199,402 <b>\$1,353,365</b> \$2,135,200 Increase from current rent by \$117 week	(\$2,011,020) (\$200,000) (\$2,211,020) \$2,659,796 <b>\$448,777</b> \$2,135,200 Increase from current rent by \$117 week	(\$2,011,020) (\$200,000) (\$2,211,020) \$2,659,796 <b>\$448,777</b> \$2,135,200 Increase from current rent by \$117 week	(\$2,011,020) (\$200,000) (\$2,211,020) \$2,659,796 <b>\$448,777</b> \$2,135,200 Increase from current rent by \$117 week
<sup>4</sup> Reconfigure	Rent Income HNZ Funding <sup>5</sup> Total funding Expenditure <b>WCC Rate Subsidy</b> Capital Cost Breakeven rent /unit / wk	(\$1,060,896) (\$1,425,647) (\$1,060,896) \$2,564,859 <b>\$1,503,963</b> Increase to \$200 \$123 week	(\$1,203,431) (\$200,000) (\$1,403,431) \$3,705,802 <b>\$2,302,371</b> \$2,135,200 \$225 Increase from current rent by \$123 week	(\$1,624,559) (\$200,000) (\$1,824,559) \$3,705,802 <b>\$1,881,243</b> \$2,135,200 Increase from current rent by \$148 week	(\$1,985,334) (\$200,000) (\$2,185,334) \$3,642,196 <b>\$1,456,863</b> \$2,135,200 Increase from current rent by \$148 week	(\$1,985,334) (\$200,000) (\$2,185,334) \$3,642,196 <b>\$1,456,863</b> \$2,135,200 Increase from current rent by \$148 week	(\$1,985,334) (\$200,000) (\$2,185,334) \$3,642,196 <b>\$1,456,863</b> \$2,135,200 Increase from current rent by \$148 week

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### 9.5. Selling the portfolio – two scenarios

A sale of the housing portfolio in its entirety would produce a positive financial return for the Council. Two scenarios are presented in Tables 26 & 27. The best financial return is if the portfolio is sold at market value (\$1.8million a year), compared to selling at a reduced market rate to a social housing provider (\$1.3 million a year).

#### Scenario 1 - Sell the portfolio at market value

Table 26: Selling the portfolio at market value

	Portfolio = market Value <sup>1</sup>	Selling expenses <sup>2</sup>	Net value <sup>3</sup> sale	Annual interest off income (7%) <sup>4</sup>	Current HFOA net loss <sup>5</sup>	Income from interest + saving of running cost <sup>6</sup>
	\$23,170,000	\$693,250	\$22,476,750	\$1,573,373	\$205,112	\$1,778,484

Notes:

<sup>1</sup> Market values – set by a valuation dated June 2005, by Bristow, Barbour & Walker

<sup>2</sup> Selling expenses – real estate expenses based on Barfoot & Thompson charge rate; and legal expenses set at 1% of market value

<sup>3</sup> Net sale value – Market values less selling expenses

<sup>4</sup> Annual interest off income at 7% - Net Sales value earning 7% interest per year

<sup>5</sup> Current HFOA Net Loss based on financial year 2004/2005 actual running cost less rental income

<sup>6</sup> Interest income + saving of running cost - If the HFOA assets were sold, there would be savings from not having to pay the running cost plus the benefit of earning interest from the capital following the sale

#### Scenario 2 - Sell the portfolio at 70% of market rate to another housing provider

Table 27: Selling the portfolio to another social housing provider

	Portfolio = 70% market Value <sup>1</sup>	Selling expenses <sup>2</sup>	Net value <sup>3</sup> sale	Annual interest off income (7%) <sup>4</sup>	Current HFOA net loss <sup>5</sup>	Income from interest + saving of running cost <sup>6</sup>
	\$16,219,000	\$231,700	\$15,987,300	\$1,119,111	\$205,112	\$1,324,223

Notes:

<sup>1</sup> 70% Market values – was 70% of market value set by a valuation dated June 2005, by Bristow, Barbour & Walker.

<sup>2</sup> Selling expenses – were legal expenses only. This is assuming that a Social Housing Provider can be found and a deal can be negotiated between the Council and the social housing provider without real estate agents.

<sup>3</sup> Net sale value – Market values less selling expenses

<sup>4</sup> Annual interest off income at 7% - Net Sales value earning 7% interest per year

<sup>5</sup> Current HFOA Net Loss based on financial year 2004/2005 actual running cost less rental income

<sup>6</sup> Interest income + saving of running cost - If the HFOA assets were sold, there would be savings from not having to pay the running cost plus the benefit of earning interest from the capital following the sale

## 10. Options for governance

Mechanisms for owning and managing housing:

- a) Keep within Council
- b) Keep within Council but contract out certain aspects
- c) Arms length – Trust or Limited Liability Company
- d) Contract out housing (private contractor, HNZ, another Council)
- e) Partnership

All alternative governance options are likely to increase the cost to Council – mainly due to the costs associated with setting up any new structure, Council oversight requirements and potential tax implications. As a stand alone entity, it may be difficult for the portfolio to sustain the levels of debt necessary to fund a capital expenditure programme.

Tax will be an issue unless the portfolio is carefully managed to a breakeven position. While theoretically possible this is difficult, due to timing differences in the treatment of things like depreciation and provisions.

- Offsetting taxable profit may be possible, but it likely to be difficult, although a Company should be able to offset its losses against Council's taxable income (from interest earned for example) in due course; and
- A trust won't be able to offset its loss against Council's tax although a Charitable Trust status, if attainable, would be non taxable.

In short, Council's housing for older adults portfolio is too small and insufficiently profitable as it stands to justify the set-up costs of many of the following options. In future, depending on how the portfolio and Council develop, options that seem unsuitable now are likely to become more relevant.

While each governance option will be outlined below it is not proposed to go into detail about the financial implications of each one at this stage. Should an option or options appear attractive Council officers would look to undertake a full investigation including (as necessary) obtaining binding rulings from the Inland Revenue Department on the tax implications of the various suggestions.

It is important to note that for many of these options a special consultative procedure is likely to need to be undertaken prior to any changes being made, as they amount to a change in the mode of delivery of a significant activity.

### 10.1. Governance Option 1: In-house cost centre – current set up

#### *Advantages & opportunities*

There are a number of advantages to carrying on business as usual.

- The housing for the older adults portfolio is presently managed with reasonable efficiency.
- Financial opportunity - If the portfolio was treated as investment property for accounting purposes (which is not recommended, as its primary purpose is social rather than rental or capital growth) then it may not need to be depreciated. i.e. we would not need to fund the depreciation through rates.
- Day-to-day management - Council officers have a number of years of experience in the housing for the older adults market, and in-house knowledge of the tenants and the portfolio is good.
- The property officer provides a valued service and tenants generally rate their experience in the units as a good one.

#### *Weaknesses & challenges*

- Financial situation: more funds need to be allocated for maintenance than have been in recent years the availability of funding from Housing New Zealand Corporation should ease the

burden of large scale redevelopment on the Council. Council officers are building on existing relationships and developing networks within Housing New Zealand Corporation to facilitate this.

- In-house processes could be improved, for example, around maintenance, refurbishment, debt management and information management about tenants and units.

### **10.2. Governance Option 2: In house Business Unit - with increased responsibility and accountability**

Similar in many ways to Option 1, however this option involves ring fencing the housing for the older adults portfolio as a business unit.

#### *Strengths & opportunities*

- May provide a more flexible and focussed environment to help ensure the portfolio is better managed and generate better returns by the setting of commercial type performance targets.
- More transparent in that any cross subsidisation will be more apparent.
- By concentrating solely on all aspects of the business at hand, this may in turn ensure that it was more accommodating of all of the well-beings with which Council is concerned.
- Separation of the maintenance and mowing contracts from the main Council contracts may have advantages as the requirements of the housing for the older adults portfolio differ significantly from those of the rest of Council's property.

#### *Weaknesses & challenges*

- More general accounting staff time required to cover off increased accounting and database management. Also more focus and time needed by Business Analyst to manage data, set up and monitor performance measures and to develop and maintain quasi commercial reports on a regular basis.

### **10.3. Governance Option 3: In house – but contract out certain aspects**

#### *Strengths & opportunities*

- There may be opportunities to outsource services relating to the housing for the older adults portfolio.
- Outsource debt management - This would involve an external provider undertaking all of the debt management for the portfolio including taking action should tenants fall into arrears. While some oversight by Council officers would be required, it may be less than the time taken now. Caution would need to be exercised to ensure that the funds were collected appropriately and without excessive pressure, given the nature of the tenants.
- Outsource tenancy management including the allocation of tenants – savings may be able to be made, depending on the terms on which management was outsourced. For example, with maintenance.
- Other public or voluntary providers may also be interested in managing Council units.

### **10.4 Governance Option 4 – Arms Length options**

This would generally entail the setting up of either a trust or a limited liability company and transferring the assets and operation to the new entity.

#### *Strengths & Opportunities*

- The arms length set up would mean stronger transparency and accountability which should result in efficiencies.
- May lend itself to attracting commercial joint ventures.

#### *Weaknesses & challenges*

- Both of these options would be costly to set up and administer.

- Compliance costs, including those required by council-controlled organisations, would be increased significantly.
- Likely to attract income tax and, although this can be offset against group losses, would result in more compliance issues.
- The relatively small size of the operation would exaggerate the negative effect of the three preceding points.
- At a glance it is difficult to envisage how this could operate as a stand alone commercial entity without either a subsidy from Council or the levying of market rents.

Various options and scenarios could be explored with regard to an arms length set-up, whether it be through a limited liability company or through some form of Trust structure (eg Charitable or Beneficial). Further work needs to be undertaken to present these options in more detail.

### **10.5 Governance Option 5: Partnership**

#### *Strengths & opportunities*

- This option is possibly best combined with one of the other governance options in order to ensure that both parties are comfortable with the structure created.
- Flexible - Partnerships are fairly flexible, but the taxation implications of this type of structure would need to be carefully considered.

#### *Weakness & challenge*

- The difficulty is finding a suitable partner or partners and then deciding how the partnership should work.

# **Project Twin Streams**

## **Project Plan**

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**Waitakere City Council – Waitakere Eco City  
Project Twin Streams – Working Together for Healthy Streams & Strong Communities: Creating a Sustainable Future**

**Sustainable Dynamic Just**

**Principles**

Open honest communication; responsiveness; accountability; partnership; innovation; excellence; integrity

**LTCCP Community Outcomes (to be reviewed 2006)**

A commitment to the Treaty of Waitangi; Sustainable Development; First Call for Children; A Safe City; Lifelong Learning; Urban & Rural Villages; Integrated Transport & Communication; Strong Innovative Economy; Strong Communities; Active Democracy; Green Network; Three Waters; Sustainable Energy & Clean Air; Zero Waste

**Project Twin Streams Philosophy**

Sustainability requires action across all four aspects of wellbeing – social, economic, environmental and cultural. For Project Twin Streams this will require actions to ensure strong, healthy, engaged local communities who understand the challenges facing their catchment and take responsibility for them. It recognises that creative ways of learning, respect for heritage and valuing and celebrating different world views are essential ingredients in all community processes. It also understands that strong, local economies require new skills and new approaches which in turn will lead to new opportunities and jobs. All of this requires a healthy natural base, the recreation of biodiversity and the wise management of our natural resources and urban design that achieves a lighter footprint on the earth. This sustainable community development approach has been developed to meet the Infrastructure Auckland contract.

**Environmental**

- Objectives:**
- Integrated land use planning & management of the three waters to minimise flooding & reduce pollution & siltation in streams and the harbour
  - Integrated catchment management planning & application of the treatment train approach
  - Recreate & restore ecological corridors, extending the Green Network
  - Create lower impact footprints in the future through low impact urban design and form
  - Encourage new sustainable technologies in households, business & the public sector
  - Contribute to mitigation of climate change including upholding the Kyoto protocol
  - Monitor & evaluate the effectiveness of PTS in improving the environmental & ecological health of the catchment

**Economic**

- Objectives:**
- Create opportunities for collaborative ventures with government, business, iwi, urban Maori and academic institutions
  - Be a catalyst for iwi, Maori & community economic & enterprise development
  - Develop opportunities for research and new water, waste & energy efficient technologies
  - Monitor & evaluate the effectiveness of PTS in increasing job & economic development opportunities

**Social**

- Objectives:**
- Encourage communities to understand & take responsibility for the social, environmental, cultural & economic development of their localities
  - Facilitate the development of locality & community PTS governance structures
  - Foster sustainable community leadership
  - Develop & promote an integrated holistic approach which connects with people's minds, bodies & spirits
  - Create life long learning about how to live, work & play sustainably
  - Provide pedestrian & cycle linkages that promote healthy lifestyles
  - Promote opportunities that advance affordable & sustainable housing
  - Evaluate effectiveness of the community development approach in improving the health & wellbeing of the catchment

**Cultural**

- Objectives:**
- Foster expression of iwi and diverse cultural world views through creative methods such as storytelling, art, music literature
  - Ensure inclusiveness of & learning from different cultural & world views
  - Recognise, respect & profile the heritage of local areas
  - Promote creative ways for learning & as a key agent of change
  - Monitor & evaluate the effectiveness of using arts & culture to increase the understanding and uptake of local communities and iwi

**Underlying Assumptions**

- Some goals will be achieved in the short and medium term (3-5 years) and others will be longer term (10-50 years)
- Success requires willingness from across Council to actively support the project
- The community will embrace the community development approach
- In adopting this community development programme additional resources (or re-prioritisation of existing resources) will be required for PTS through the 2006 LTCCP

## 1.0 Environmental Outcomes

Key Objectives		Actions		Responsibility		By When		Possible Partners (WCC & Others)		Outcomes		Possible Funding Sources	
1.1 Integrate land use planning & management of the three waters to minimise flooding & reduce pollution & siltation in streams & the harbour	Buy-out or other mechanisms for properties in areas required for stormwater management (including reserves & cycle/walk ways)	Project Director	Project Director	Progressively until 2008	Property Group External Consultants, Landcare Research IA funding, External Consultants	100% of property owners voluntarily agree to either sell the properties or other mutually acceptable arrangements	WCC	Infrastructure Auckland					
	Investigate sustainable methods for stormwater management in flooding areas	Project Director	Project Director	Progressively from June 2005	Ecowater Engineers, External Consultants, Landcare Research	Sustainable stormwater management methods will be implemented in flood prone areas		Infrastructure Auckland					
	Progressively implement appropriate sustainable stormwater management methods in each relevant area of the catchment	Project Director	Project Director	Progressively from June 2005	Ecowater Personnel, External Consultants	<ul style="list-style-type: none"> <li>▪ Reduced pollution &amp; siltation in streams and in the Waitemata Harbour</li> <li>▪ Improved water quality</li> <li>▪ Flooding damage in PTS catchment is significantly reduced</li> <li>▪ Longer term improved water quality</li> <li>▪ Improved bank stability</li> </ul>		Infrastructure Auckland					
1.2 Integrate catchment management planning & application of the treatment train approach	Develop catchment management plans utilising the treatment train approach	Project Director	Project Director	Progressively from June 2005	Ecowater Personnel, External Consultants		WCC	Infrastructure Auckland					

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## 1.0 Environmental Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes	Possible Funding Sources	
						Council	External
1.3 Recreate & restore ecological corridors, extending the Green Network	Re-vegetate 128 km of stream banks in ways that foster community stewardship of the streams	Environmental Programme Leader	Progressively to 2012	Parks, Contracted community organisations Informal community groups Contractors	<ul style="list-style-type: none"> <li>128 of stream banks are revegetated with a significant percentage planted &amp; maintained by the community</li> <li>Improved water quality</li> <li>There is an increase in the number of native animals, invertebrates &amp; plants</li> </ul>		Infrastructure Auckland
	Develop & implement best practice guidelines for planning, planting & maintenance	Environmental Programme Leader	Guidelines developed by June 2006	Parks, Landcare Research, Environmental Groups, Contracted Community Organisations	<ul style="list-style-type: none"> <li>Best practice guidelines are developed &amp; implemented</li> <li>Ecosystems are self-sustaining</li> </ul>		Infrastructure Auckland
	Provide environmental expertise & support to contract community organisation & informal groups in ways which creatively engage people & build understanding & ownership of the Project	Environmental Programme Leader & Environmental Awareness Leader Community Arts Co-ordinator	Ongoing	Contracted Community Organisations, Parks, Environmental Groups	<ul style="list-style-type: none"> <li>Communities will develop their knowledge &amp; capacity for local stream restoration</li> </ul>	WCC	Infrastructure Auckland
	Work with communities & iwi to trial different forms of "natural" weed control	Environmental Programme Leader	Ongoing	Iwi, Contracted Community Organisations, Landcare Research, Parks	<ul style="list-style-type: none"> <li>There is a developing knowledge base of natural weed control methods</li> </ul>		Infrastructure Auckland
	Promote & develop local & regional biodiversity initiatives such as the North West Wildlife	Environmental Programme Leader &	Ongoing	Other WCC Personnel, Other Councils, ARC,	<ul style="list-style-type: none"> <li>Biodiversity increases locally within the catchment &amp; across the</li> </ul>	WCC	Infrastructure Auckland

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## 1.0 Environmental Outcomes

Key Objectives	Actions		Responsibility	By When	Possible Partners (WCC & Others)	Outcomes		Possible Funding Sources	
	Link	Biodiversity Leader				Environmental Groups	region	Council	External
1.4 Create lower impact footprints in the future through a low impact urban design and form	Research & implement best practice urban design & form	Programme Director	Ongoing	Environmental Groups Other WCC Personnel, BEACON, TUSC,	region	WCC			
	Encourage & contribute to research on urban design & form	Programme Director	Ongoing	Sustainable Business Network, BEACON, TUSC, Landcare Research, Sustainable Auckland, Other WCC Personnel etc	<ul style="list-style-type: none"> <li>Low impact urban design &amp; form methods will be progressively trialled &amp; implemented</li> <li>Consumer buying patterns recognise the importance of eco choice</li> <li>Case studies/demonstration pilots are available as learning examples for Council, developers, industry &amp; community learning</li> <li>Property owners &amp; developers will progressively implement low impact urban design &amp; form choices</li> </ul>	WCC			
1.5 Encourage use of sustainable technologies	Develop a strategy to promote use of sustainable technologies	Programme Director	June 2006	WCC, Enterprise Waitakere	<ul style="list-style-type: none"> <li>A strategy to promote use of sustainable technologies is developed &amp; has key stakeholder buy in.</li> </ul>	WCC			
	Implement & monitor the use of sustainable technologies	Programme Director	Progressively from June 2006		<ul style="list-style-type: none"> <li>Every new public building in Waitakere is a sustainable building from 2007</li> <li>Water quality &amp; retention</li> </ul>	WCC			

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## 1.0 Environmental Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes	Possible Funding Sources	
						Council	External
1.6 Contribute towards the mitigation of climate change & upholding the Kyoto protocol	Develop a template to ensure all PTS programmes & practices support mitigation of climate change	Programme Director	June 2006	Other WCC Personnel, ARC, ARTA, NIWA, Ministry for the Environment	<ul style="list-style-type: none"> <li>devices installed progressively in residential sectors</li> <li>Households are increasingly using low impact technologies</li> <li>Support programmes are in place &amp; used by businesses to make sustainable choices</li> <li>A template is developed &amp; implemented resulting in increase numbers of trees planted in public &amp; private areas</li> <li>More people are using public transport</li> <li>There is improvement in the 5 rs of waste</li> </ul>	WCC	Infrastructure Auckland
1.7 Monitor & evaluate the effectiveness of PTS in improving the environmental & ecological health of the catchment	Design & develop effective mechanisms for monitoring & evaluation  Involve communities in research, learning & monitoring the improved environmental & ecological health of the catchment	Monitoring & Evaluation Leader	Ongoing	Landcare Research, Specialist consultants, community organisations & other WCC personnel	<ul style="list-style-type: none"> <li>Effective monitoring &amp; evaluation mechanisms will be developed &amp; implemented</li> <li>The learnings will be incorporated into the PTS programme</li> <li>Communities will actively participate in the monitoring &amp; evaluation &amp; incorporate learnings into local practice</li> </ul>		Infrastructure Auckland

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## 2.0 Economic Outcomes

Key Objectives		Actions		Responsibility		By When		Possible Partners (WCC & Others)		Outcomes		Possible Funding Sources	
												Council External	
2.1	Create opportunities for collaborative ventures with government, business, iwi, urban Maori & academic institutions	Facilitate cross council & external stakeholders economic working group to explore common goals & opportunities for new industries, business opportunities & job creation	Programme Leader (Soc, Ec, Cul) & S&D Rep	June 2006	Sustainable Communities NZTE MSD Enterprise Waitakere Ecomatters Trust, Other WCC personnel, community organisations	<ul style="list-style-type: none"> <li>Key stakeholders develop common ground to progress joint goals</li> </ul>	WCC	Sustainable Communities					
		Develop & implement business plans to progress joint goals that encourage sustainable economic development opportunities in the city	Programme Leader (Soc, Ec, Cul) & S&D Rep	From June 2006	As above	<ul style="list-style-type: none"> <li>A collaborative business plan is prepared &amp; implemented that has key stakeholder buy in</li> <li>New business opportunities &amp; jobs are created</li> </ul>	WCC						
2.2	Be a catalyst for iwi, Maori & community-based economic & enterprise development	Broker training that supports emerging economic/employment opportunities in partnership with tertiary institutions & private training providers	Programme Leader (Soc, Ec, Cul) & Environmental Awareness Leader	Ongoing from March 2006	Sustainable Communities, UNITEC & other tertiary & private training providers, Enterprise Waitakere, other WCC personnel & Contract Organisations	<ul style="list-style-type: none"> <li>New economic &amp; training initiatives are implemented</li> <li>Community organisations have skills in recognising &amp; developing economic opportunities</li> </ul>	WCC	Sustainable Communities					

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## 2.0 Economic Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes	Possible Funding Sources	
						Council	External
	Facilitate opportunities for community organisations to develop social enterprise development initiatives	Programme Leader (Soc, Ec, Cul) & S&D Rep	Ongoing from March 2006	Sustainable Business Network MSD Sustainable Communities, Wellbeing Collaboration Manager	<ul style="list-style-type: none"> <li>Community organisations are recognising &amp; developing economic opportunities</li> <li>Community organisations are generating an income stream to progress their goals</li> </ul>	WCC	Sustainable Communities
	Consult with iwi on their priorities and broker access to resources to support initiatives that are related to PTS goals	Programme Leader (Soc, Ec, Cul)	From June 2005	Iwi, Te Puni Kokiri, Sustainable Communities, Maori Partnerships Project, other parts of WCC	<ul style="list-style-type: none"> <li>Iwi are actively involved in iwi driven economic initiatives</li> </ul>	WCC	Department Internal Affairs funding Sustainable Communities
	Facilitate discussions with key stakeholders and create opportunities to develop & trial new methods/innovations	Programme Leader (Soc, Ec, Cul) & S&D Rep	From June 2006	Landcare Research, MED, UFDD group, Sustainable Cities, Local Communities, Earthsong Eco Neighbourhood, BEACON	<ul style="list-style-type: none"> <li>A research &amp; development group with key stakeholders is implemented</li> </ul>	WCC	
2.3 Develop opportunities for research and new water, waste & energy efficient technologies	Develop a strategy to develop & trial new sustainable technologies & methods & introduce them into wider community	Programme Leader (Soc, Ec, Cul)	June 2006	As above	<ul style="list-style-type: none"> <li>A collaborative &amp; achievable strategy is developed</li> </ul>	WCC	

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## 2.0 Economic Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes	Possible Funding Sources	
						Council	External
	Implement strategies to develop & trail new sustainable technologies & methods				<ul style="list-style-type: none"> <li>Tested &amp; effective sustainable technologies are progressively being used</li> </ul>	WCC	
2.4 Monitor & evaluate the effectiveness of PTS in increasing job opportunities & economic development opportunities	Design & develop an effective economic monitoring & evaluation framework	Economic Programme Leader & Monitoring & Evaluation Leader	June 2006	External Consultants, Ministry of Economic Development, Tertiary Institutions, S&D & Sustainable Communities	<ul style="list-style-type: none"> <li>Effective monitoring &amp; evaluation are developed &amp; implemented</li> <li>Learnings are incorporated into the PTS programme</li> </ul>	WCC	Infrastructure Auckland
	Implement monitoring & evaluation framework to measure the effectiveness of PTS in creating new & expanded economic development & job creation opportunities	Economic Programme Leader & Monitoring & Evaluation leader	From June 2006		<ul style="list-style-type: none"> <li>Accurate information is provided on new &amp; expanded economic development initiatives &amp; number of new jobs in the city as a result of PTS</li> </ul>		

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### 3.0 Social Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes		Possible Funding Sources	
					Council	External		
3.1 Encourage communities to understand & take responsibility for the social, environmental, cultural & economic development of their localities	Develop & implement a business plan, policies & processes for selection of localities to deliver PTS	Programme Leader (Soc, Ec, Cul)	June 2005 business plan developed & implemented by Sept 05	WADCOSS PTS Community Broker Local Community Organisations	<ul style="list-style-type: none"> <li>There is clear &amp; transparent criteria for selecting appropriate localities</li> <li>6-7 localities across the PTS catchment are identified</li> <li>Localities selected respect natural community boundaries</li> </ul>	WCC	Infrastructure Auckland	
	Develop & implement a business plan, policies & process for selection of contracted community organisations to deliver PTS in their localities through a sustainable community development approach	Programme Leader (Soc, Ec, Cul)	June 2005 business plan developed. Potential community contract organisation identified from July 2005-2006	WADCOSS PTS Community Broker Local community organisations	<ul style="list-style-type: none"> <li>There is clear &amp; transparent criteria for selecting appropriate community organisations to contract with PTS</li> <li>Community organisations that fit the criteria are identified &amp; ready to enter into contract discussions with PTS</li> </ul>			
	Explore options with local iwi regarding their interests & identify opportunities for mutually beneficial projects	Programme Leader (Soc, Ec, Cul)	June 2005 onwards	Iwi Sustainable Communities Te Puni Kokiri	<ul style="list-style-type: none"> <li>Iwi are actively involved in PTS &amp; mutually beneficial projects identified &amp; implemented</li> </ul>			

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### 3.0 Social Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes		Possible Funding Sources	
					Council	External	Council	External
3.2 Facilitate the development of locality and community governance structures for PTS	Engage 6 local community organisations in community contracts to deliver PTS in their locality	Programme Leader (Soc, Ec, Cul)	4 organisations contracted by Dec 2005 A further 2 organisations contracted by June 2006	WADCOSS PTS Community Broker, Community Organisations, Other WCC Personnel	<ul style="list-style-type: none"> <li>6 community organisations are contracted &amp; delivering PTS</li> <li>Community are planting &amp; maintaining local stream banks &amp; developing projects that advance the social, economic, cultural, spiritual goals of their communities</li> <li>Local communities know about PTS and what its' broad objectives are</li> </ul>		Infrastructure Auckland Sustainable Communities	
	Develop a strategic plan for a catchment-wide community governance structure & on-going funding for PTS	Programme Leader (Soc, Ec, Cul)	Dec 2007	Contracted Community Organisations, Iwi, Sustainable Communities, Central Government agencies, ARC, Environmental Groups & others As above	<ul style="list-style-type: none"> <li>A strategic plan is developed which has the buy-in &amp; support of key stakeholders</li> </ul>	WCC	Infrastructure Auckland	
	Implement the strategic plan for a catchment wide community governance structure which will ensure a sustainable future for PTS	Programme Leader (Soc, Ec, Cul)	June 2008-Dec 2010	As above	<ul style="list-style-type: none"> <li>A Community Governance structure is in place which has sustainable funding and integrates the interests of key government, business &amp; community stakeholders &amp; Iwi</li> </ul>	WCC	Infrastructure Auckland	

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### 3.0 Social Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes		Possible Funding Sources	
					Council	External	Council	External
3.3 Foster sustainable community leadership	Work with contracted community organisations to identify & implement education & training opportunities which ensure their organisations increase in capability & sustainability	Programme Leader (Soc, Ec, Cul)	June 2005	Community organisations, Training Providers, WADCOSS Community Broker, Sustainable Communities	<ul style="list-style-type: none"> <li>Education &amp; training opportunities will be in place to ensure Contract Organisations have the on-going capability &amp; sustainability to progress PTS in their localities</li> <li>More people &amp; groups have the confidence &amp; skills to develop &amp; sustain PTS in their localities</li> </ul>	WCC	Sustainable Communities	
3.4 Work in ways that develop & promote an integrated holistic approach & connect with people's minds, bodies & spirits	Facilitate discussion between local & central government and local communities to develop processes which support community initiatives emerging from PTS	Programme Leader (Soc, Ec, Cul)	June 2005 onwards	Sustainable Communities, Central Govt organisations, Community organisations & other WCC staff	<ul style="list-style-type: none"> <li>Community projects are supported and have access to ongoing skills, knowledge &amp; resources beyond the life of PTS</li> </ul>	WCC	Sustainable Communities	
	Develop a template & processes to achieve an integrated QBL approach in ways which creatively connect with peoples' minds, bodies & spirits.	All Programme Leaders	March 2006	Sisters of Mercy	<ul style="list-style-type: none"> <li>A template &amp; processes are developed &amp; implemented in all PTS programmes reflecting the QBL approach &amp; creative outcomes</li> </ul>	WCC	Infrastructure Auckland Sustainable Communities	
	Implement the QBL template & processes across all PTS programmes	PTS Team	From March 2006		<ul style="list-style-type: none"> <li>More people are actively engaging in activities that connect them with the natural environment &amp;</li> </ul>	WCC	Infrastructure Auckland	

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### 3.0 Social Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes		Possible Funding Sources	
					Council	External	Council	External
3.5 Create life long learning opportunities about how to live, work & play sustainably	1. Design and implement creative community education, training & environmental programmes tailored to the interests of diverse groups including Maori, children, other ethnic groups, people with disabilities	Environmental Awareness Leader, Community Arts Coordinator & Programme Leaders	From Dec 2005 onwards	Sustainable Communities, ARC, Environmental Groups	demonstrate understanding of the interconnectedness with the natural world	Education & training programmes will be implemented & well attended by diverse community members	Infrastructure Auckland & Other funders & sponsors yet to be identified	
3.6 Provide pedestrian & cycle linkages that promote healthy	2. Construct walkways & cycleways which connect people with each other, the natural environment, schools, town centres & public transport	Project Director	June-Dec 2006	External Consultants & other WCC personnel, Iwi, Communities	12.6 kms of cycle/walkways are completed	People use the pedestrian & cycleways	Infrastructure Auckland	

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### 3.0 Social Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes	Possible Funding Sources	
						Council	External
lifestyles					<ul style="list-style-type: none"> <li>to go about their daily lives</li> <li>People are more connected to their natural environment</li> </ul>		
	Promote community use of walkways and cycleways through linking, for example, with school travel plans and health promotion strategies	PTS team & contracted community organisations	From June 2006 onwards		<ul style="list-style-type: none"> <li>Decrease in number of cars to get young people to school, tertiary education, town centres &amp; tertiary facilities</li> <li>Health of children &amp; adults improve due to walking &amp; cycle use</li> <li>There is an increase in the use of public transport</li> </ul>		
	Use/trial permeable surfaces, solar lighting & environmentally friendly materials for walkway & cycleway construction	Project Director	June-Dec 2006	External Consultants	<ul style="list-style-type: none"> <li>Cycle/walkways demonstrate a range of permeable products</li> <li>There is greater community understanding &amp; use of a of permeable surfaces</li> </ul>	Infrastructure Auckland	
3.7 Promote opportunities that advance affordable & sustainable housing	Broker creative options for the relocation/sale & retrofitting of houses purchased through PTS	Project Director	From Sept 2004 to Dec 2009	Waitakere Properties Ltd, S&D, Collaboration Weilbeing Manager, Housing New Zealand Corporation	<ul style="list-style-type: none"> <li>The future use of PTS houses will advance affordable &amp; sustainable housing in the City</li> </ul>	Infrastructure Auckland	

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### 3.0 Social Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes		Possible Funding Sources	
					Council	External	Council	External
3.8 Evaluate & monitor the effectiveness of the community development approach & in achieving the integration of the QBL approach	Provide input into the development of Council's Housing Policy	Programme Leader (Soc, Ec, Cul)	Feb 05 onwards		<ul style="list-style-type: none"> <li>Council housing policy reflects PTS strategic objectives</li> </ul>	WCC		
	Explore potential purchase of vacant railway land next to Park & Ride areas by Sunnyvale Station for development of affordable sustainable housing	Project Director	June 2006	WCC properties, other WCC personnel, HNZC	<ul style="list-style-type: none"> <li>Land purchased for new affordable sustainable housing</li> </ul>	WCC	HNZC	
	Develop an effective overall QBL monitoring & evaluation framework which includes the community development approach	Programme Leaders & Monitoring & Evaluation Leader	Dec 2005	Landcare Research, External Consultants, other WCC personnel, Sustainable Communities	<ul style="list-style-type: none"> <li>Framework in developed</li> </ul>			Infrastructure Auckland, Sustainable Communities, Landcare Research
	Implement evaluation & monitoring framework	Programme Leaders & Monitoring & Evaluation Leader	March 2006 onwards	As above	<ul style="list-style-type: none"> <li>Framework is implemented</li> <li>Learnings are incorporated into PTS programme</li> </ul>	WCC		Infrastructure Auckland
	Develop methods of disseminating the learnings of a Sustainable Community Development Approach to implementing an environmental programme	All Sustainable Programme Leaders & Strategic Management Team	Ongoing	Sustainable Communities, Landcare Research	<ul style="list-style-type: none"> <li>The outcomes will inform central government, local authorities, communities &amp; other researchers in using a sustainable community development approach</li> </ul>	WCC		Sustainable Communities

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## 4.0 Cultural Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes	Possible Funding Sources	
						Council	External
4.1 Foster expression of diverse cultural world views through creative methods such as storytelling, art, music, literature & drama	Work with community contract organisations to develop stream storytelling projects	Programme Leader (Soc, Cul, Ec) & Community Arts Co-ordinator	From June 2005	Contracted community organisations, Iwi, Creative NZ, Sustainable Communities, Other WCC personnel	Community & iwi document stream stories & share them with the wider community	WCC	Infrastructure Auckland Sustainable Communities
	Work with iwi to support & develop creative ways to tell their stories	Programme Leader (Soc, Cul, Ec) & Community Arts Co-ordinator	From June 2005	Iwi Te Puni Kokiri Sustainable Communities	Iwi are actively involved in sharing their culture & heritage with the wider community	WCC	IA funding Sustainable Communities
	Develop & use diverse creative methods in local communities to build community understanding of the issues & ownership of the project	Programme Leader (Soc, Cul, Ec) & Community Arts Co-ordinator	From June 2005	ARC Sustainable Communities	A multiple range of creative expression are being utilised to deliver the PTS message	WCC	IA funding
	Develop projects that demonstrate integration of arts with the natural environment	Programme Leader (Soc, Cul, Ec) & Community Arts Co-ordinator	From June 2005	Sustainable Communities	Increasing numbers of people engaging with PTS to build understanding & celebration of their relationship with the natural environment	WCC	Creative NZ
	Organise a biennial city-wide water festival	Programme Leader (Soc, Cul, Ec) &	March 2007	Other WCC personnel,	A city-wide water festival is held bi-annually	WCC	Creative NZ Sponsorship

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## 4.0 Cultural Outcomes

Key Objectives	Actions	Responsibility	By When	Possible Partners (WCC & Others)	Outcomes		Possible Funding Sources	
					Community Arts Co-ordinator	Festivals stimulate understanding, participation & enjoyment in PTS	Council	External
4.2 Ensure inclusiveness of & learning from different cultural world views	Support locality based annual festivals	Community Arts Co-ordinator	November 2005 onwards			Local festivals organised by local contracted organisation have wide community support	WCC	Infrastructure Auckland, Sustainable Communities
	Develop processes which ensure project outcomes meet and are responsive to the interests of diverse sectors of the community including: women, children, people with disabilities, other cultures	Programme Leader (Soc, Cul, Ec) & Community Arts Co-ordinator	Dec 2005	Other WCC personnel, Sustainable Communities, Human Rights Commission, Disability Network, Iwi		<ul style="list-style-type: none"> <li>A template and processes will be available and in use to ensure all aspects of the programme reflects and includes the interests of diverse sectors of the community</li> <li>Stories &amp; creative expression demonstrate &amp; increase appreciation of different world views</li> </ul>	WCC	
4.3 Recognise, respect & profile the heritage of local areas	Work with Iwi to develop interpretations that mark significant sites within PTS	Programme Leaders (Soc, Cul, Ec)	Dec 2006 onwards			There are cultural interpretations & other forms that mark significant sites for Iwi	WCC	Infrastructure Auckland, Sustainable Communities
	Work in ways that make visible & celebrate the diverse heritage of local areas	Programme Leaders (Soc, Cul, Ec)	Ongoing			There are physical & anecdotal interpretations of heritage from all cultures throughout the PTS catchment	WCC	Infrastructure Auckland

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