

Te Pūrongo ā-Tau Annual Report

2022-2023



Mihi

**Ki ngā atua, ngā tūpuna me ngā iwi o te rohe
nei kei te mihi, kei te mihi, kei te mihi**

**Ko te rohe tēnei e hora ai te whenua mai i ngā
pae maunga o Tararua ki Te Tai o Rehua.**

**He kanohi rau o ngā pae maunga o Tararua, arā,
he hukarere, he kāpuapua, te whitinga o te rā
me to rongu hoki i te kō a ngā manu.**

**Kei te take o ngā maunga te wāhi e nōho ai ngā
patupaiarehe i te Riu o Makahika.**

**He maringa nui nō tātou kia whai wāhi ki te
taha uru o Te Tai o Rehua, pēnā i te takutai o
Waitārere, te wāhi takoto o Okatia, te taniwha.**

**Ko ngā moana te wāhi e kitea ai te rātō hei
whakatau i te whatumanawa, ko ngā hua hoki
o te moana hei whāngai i ngā whānau.**

**Toro atu ki ngā tauārai o te rohe, ki te awa o
Ōhau, ki te awa o Manawatū, ki te wahapū o
Manawatū anō, te kohanga o ngā tini manu.**

**Piua ngā mata ki te rangi, ki ngā whetū ārahi
i a tātou, ki te wāhi i topa atu ai te Hōkioi ki
ngā rangi.**

**Hoki mai ki te whenua haumako, ki ngā wai
rērere, kei reira ngā kai hei orange mō tātou.**

**Ko Mangaore te wāhi tākaro, te waioranga me
te tūhonotanga ki te whenua me ngā awa.**

**Mai i Tokomaru ki Te Awahou, ki Taitoko, ki
Manakau rā anō, e karapotitia ana tātou e ngā
pae maunga o Tararua ki te rāwhiti, ko tēnei
whenua, tōku kāinga.**

**I whakatipu ai tātou i te ahurea rangatira, te
manaakitanga me te ngākau mahana o ngā
tāngata o Horowhenua, koia nei tō tātou rohe.**

**Toitū te marae a Tāne
Toitū te marae a Tangaroa
Toitū te tangata**

Tīhei mauri ora!

To the gods, the ancestors and the people of
the district

Thank you, thank you, thank you

Boasting the shortest distance from mountain to sea,
the land flows all the way from the majestic Tararua
Ranges to the Tasman Sea.

The Tararua Ranges show us many faces, from snow
kissed, to cloud cloaked, to sun drenched, to filled
with bird song.

In the foothills, the Patupaiarehe or fairy people were
said to have inhabited the Makahika Valley.

We are blessed by the spacious sandy west coast of
the Tasman Sea, such as Waitārere Beach where the
mighty taniwha, Okatia is said to rest.

Beaches with stunning sunsets to soothe the soul,
and plentiful kaimoana to feed the whānau.

Bordered by our treasured Ōhau and Manawatū
rivers, the latter of which features the Manawatū
estuary that beckons numerous species of birds
home to its abundant shores.

Wide open spaces to see the stars that guide us, and
where the powerful Hōkioi bird soared to the heavens.

Our unique rich fertile soil, along with our waterways,
boasts a plethora of foods nourishing all.

Mangaore area bestows a range of outdoor
recreational activities, strengthening our wellbeing,
and connection to the whenua and awa.

From Tokomaru, to Foxton, to Levin, to Manakau,
and surrounded by the Tararua Ranges to the east,
ko tēnei whenua, tōku kaingā (this land my home).

Built on the rich culture and natural hospitality
and warmth of the Horowhenua people, this is
our beloved rohe.

If the land is well
And the sea is well
The people will thrive

I sneeze the breath of life

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Te kupu whakataki a ngā Kaikaunihera me te Tumu Whakarae

Introduction from the Mayor and Chief Executive

We are proud to celebrate and reflect on the many successes and challenges during the 2022-2023 financial year for Te Kaunihera ā rohe o Horowhenua/ Horowhenua District Council. This Annual Report looks back on key moments, decisions and learnings that took place between 1 July 2022 and 30 June 2023, and in line with legislative requirements, was audited prior to its release.

A new Council was elected in October 2022 paving the way for important decisions that will impact how Horowhenua prepares for the future. With a voter turnout of 45.07%, Mayor Bernie Wanden was reelected for a second term and eight new Elected Members were welcomed. Four Councillors returned. The 2022 Horowhenua local government election featured a Māori Ward with two Māori Ward Councillors; a first for our rohe (district) – this Ward was established after Council unanimously supported the idea in May 2021.

Following the triennial election, the newly formed Council discussed the key issues and opportunities facing Te Kaunihera ā rohe o Horowhenua/ Horowhenua District Council and confirmed the general direction they want to lead Horowhenua in. These discussions led to the formation of the Council Plan on a Page, outlining hapori (community) outcomes, values and key priorities.

During this financial year we have been preparing for and responding to Three Waters reform proposals,

the most significant local government changes facing ratepayers and our hapori since the 1980s. In September 2021 Council provided feedback on the central government's initial proposal, strongly advocating for a local voice, local ownership and protection against the future privatisation of three waters assets. All major decisions related to Three Waters now need to go to the Three Waters reform National Transition Unit (NTU) for approval. While it is reassuring to see that some of these issues have been addressed by the three waters working group. We still hold concerns that the voice of Horowhenua could get lost among other councils, the uncertainty around the Three Waters reform and how the general election may impact the reforms adding another layer of complexity. The uncertainty around the Three Waters reform and how the general election results may impact the reforms also adds another layer of complexity.

Some big decisions were made regarding some of these priorities in the Long Term Plan Amendment (LTPA). Key water infrastructure

projects were brought forward and a rates review for a fairer distribution of rates was discussed. Significantly, a landmark decision was made on the future of the Levin Landfill with Council unanimously deciding that it will remain closed and alternative uses will be investigated for the site.

We tried new ways of engaging with our hapori on these topics as we consulted on the LTPA, introducing Cuppa with a Councillor drop-in sessions, forming a citizen's panel for feedback, hosting bus tours of our water and wastewater treatment plants and the Levin Landfill, and we launched online consultation platform Let's Kōrero to give our hapori an interactive and informative space online to share their thoughts and ideas.

Our hapori was clear that they are concerned about water supply. During the 2022-2023 financial year a lot of work was done to progress one of the most significant and aspirational Three Waters infrastructure projects in our recent history – the Poads Road Water Supply Reservoir. Feasibility, hydrology, ecological, archaeological and technical assessments were completed in the 2022-2023 financial year to move the project forward.

This is not the only major infrastructure project we focused on. The Ōtaki to North of Levin project (Ō2NL) will accommodate expected future traffic volumes and support the growth of our communities. The project will see

the construction of a four-lane expressway with a range of safety features, including median barriers, wider shoulders, new intersections and a shared walking and cycling pathway. Approximately 21km of a total 24km of the new expressway is proposed to be built in our district. We recognise the importance of this work and the significant impact it will have on Horowhenua. We have, and will continue to, advocate for the best interests of our hapori as this project is completed.

There were also key achievements celebrated in 2022 regarding the revitalisation and enhancement of the district brand and the Horowhenua District Council organisation. In October 2022 we launched a new destination brand encouraging people to visit, work and move to our rohe and in November 2022 we launched our Organisation Roadmap to help us grow great people, put a focus on partnerships and customers, and lift performance through a focus on accountability and alignment to strengthen the Horowhenua District Council working culture and outputs.

Our teams have produced impressive results. For the first time ever, we delivered on our targeted \$36 million capital programme, a remarkable achievement by our hard working teams who demonstrated excellent project management and proactive engagement with our stakeholders. Our staff were committed to balancing financial prudence, managing supply issues with meeting the needs of the capital projects for the benefit of our hapori. Our Mayor's Taskforce for Jobs (MTFJ) team led Aotearoa in terms of job placement outcomes, connecting more than 100 people with local employers. Our Aquatics and Parks and Property teams worked together to open an accessible Splash Pad and amenity block at Jubilee Park for people to enjoy for years to come, and we are proudly home to five Green Flag awarded parks. During the 2022-2023 financial year we also

celebrated District Plan Lead Lauren Baddock receiving the 2023 Taituarā Emerging Leader of the Year Award for her mahi in leading the delivery of the Tara-Ika Master Plan and associated District Plan change.

While we were able to deliver strongly in some areas, we were not able to deliver our operational budget in line with the budgets that we set. Overall we spent \$11.8m more than was planned. The key reasons were higher interest costs, higher maintenance costs and lower levels of income from our regulatory services because of the slowing economy.

We acknowledge that we can improve our performance measures. There were times we didn't reach our targets, and other times we didn't have the right documentation to demonstrate we met them. As part of our emphasis on Getting the Basics Right (a Council Plan on a Page Top Ten Priority) we are working on improving our performance measure results and validating those results. We are also planning to implement a performance measure review as part of the 2024 Long Term Plan programme.

Our hapori is at the heart of what we do, and to gauge how our hapori are perceiving us we used Ask Nicely online Voice of the Customer software, for the second time to run a series of surveys for honest feedback. It was heartening to find that our Net Promoter Score (NPS) has improved from -16.0% in 2022 to -8% in 2023, meaning our hapori (community) are more satisfied with Council's performance. There was also a significant positive shift in Public Sector NPS (%Promoters + %Passives) – %Detractors) which has improved from 16.0 in 2022 to 31.0 in 2023.

The 2022-2023 financial year was not an easy one for many districts in Aotearoa. We were extremely fortunate that Horowhenua was not in Cyclone Gabrielle's path. Our Civil Defence Emergency Management function braced for the worst, but

there was minimal impact to our rohe during the weather event. We supported Central Hawke's Bay and Tararua districts by deploying staff and resources to assist the emergency response and promoted and helped coordinate a district-wide fundraising event 'The Black Out'.

We are proud of the huge efforts and focus of our Councillors and Officers who continue to make Horowhenua a great place to be. Our ratepayers and residents saw continued development across the rohe while still receiving essential services. New facilities, such as the Jubilee Park Splash Pad and refurbished Youth Space, were opened much to the delight of our community, and other major projects are progressing well. We look forward to more successes in the next financial year as we work hard for our hapori.



Bernie Wanden
Mayor Bernie Wanden



Monique Davidson
Chief Executive Monique Davidson

Mō tēnei pūrongo

About this report

The Annual Report 2022-2023 tells the story of Horowhenua District Council's performance between 1 July 2022 and 30 June 2023, reporting against year 2 of our Long Term Plan 2021–2041 (LTP).

We are committed to being transparent and accountable to our community, and this Annual Report provides detailed information on the financial performance of the organisation as a whole, and for each individual activity. It also sets out how we are tracking our performance measures and fulfils our obligations under the Local Government Act 2002 to report on our past year's highlights, performance results and budget. A separate summary of the Annual Report is also available.

We also produce an Organisation Performance Report (OPR) that is presented at each Council meeting throughout the year. These reports share our stories, our successes, our concerns and where we need to improve. The report is a snapshot of the great work we do across the community. To view past OPRs visit <https://www.horowhenua.govt.nz/Council/Documents/Organisation-Performance-Reports>

You can find these reports:
<https://www.horowhenua.govt.nz/Council/Documents/Organisation-Performance-Reports>





He tirohanga ki ā tātou mahi me tō mātou tūnga

Our Performance and Position at a Glance

Financial performance

OPERATING DEFICIT FOR THE YEAR

\$6.3m

This is mainly due to additional depreciation (unfunded) from the higher 2021/22 valuation of the Three Waters and roading assets, higher net finance costs due to higher interest rates, and underlying additional rates deficit.

64%

64% of our total income comes from rates.

\$13.4m

Capital projects carried over to 2023/24.

REVENUE FOR THE YEAR

\$75m

Total revenue was \$1.5m higher than planned due to funding for the transitional support package and Three Waters reform stimulus fund from DIA which was not planned.

7%

Average rates increase 2022/23.

EXPENSE FOR THE YEAR

\$81.2m

Total operating expenditure was \$11.8m above budget due to additional unfunded depreciation, higher finance costs due to higher interest rates, and underlying additional spending.

\$36m

Actual spend on capital projects. We achieved our target spend of \$36m. The 2022-23 Annual Plan had a total capital programme of \$52m but \$35m was budgeted to be spent.

Financial position

\$694m

Council's net value as at 30 June 2023.

\$149m

Net debt at 30 June 2023.

NET DEBT IS

213%

of operating income against a limit of 225%.

COUNCIL'S ASSETS AS AT 30 JUNE 2023

\$890m

Property, plant and equipment (PPE) of \$847m made up 95 percent of the total asset value. PPE ended the year \$55m higher than budget mainly due to higher than expected revaluation.

COUNCIL'S LIABILITIES AS AT 30 JUNE 2023

\$197m

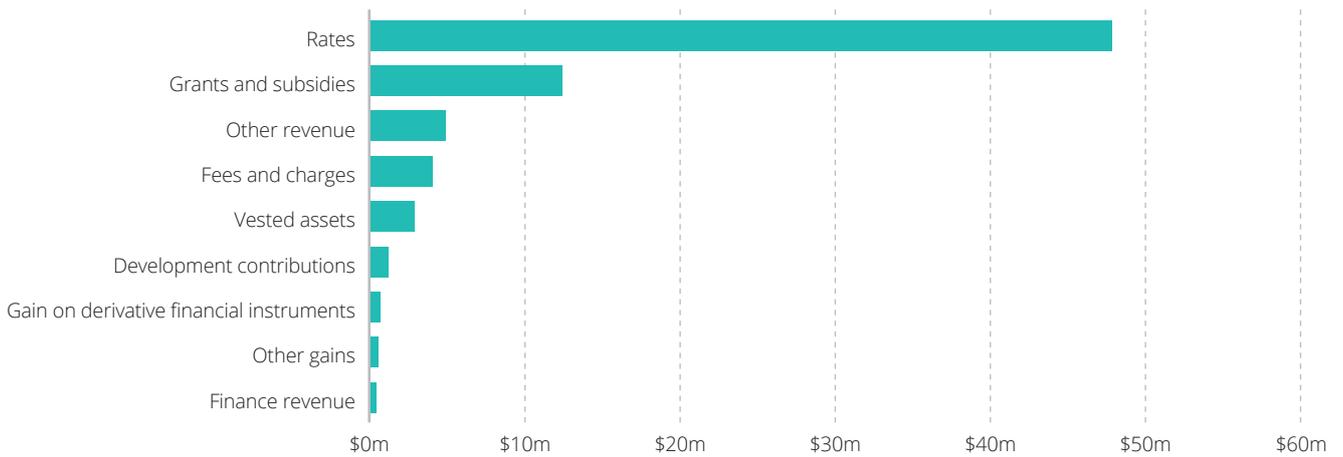
\$168m was medium to long term borrowings from the Local Government Funding Agency, and the remainder mainly trade creditors and accruals.

AA-

Credit rating from S & P Global.

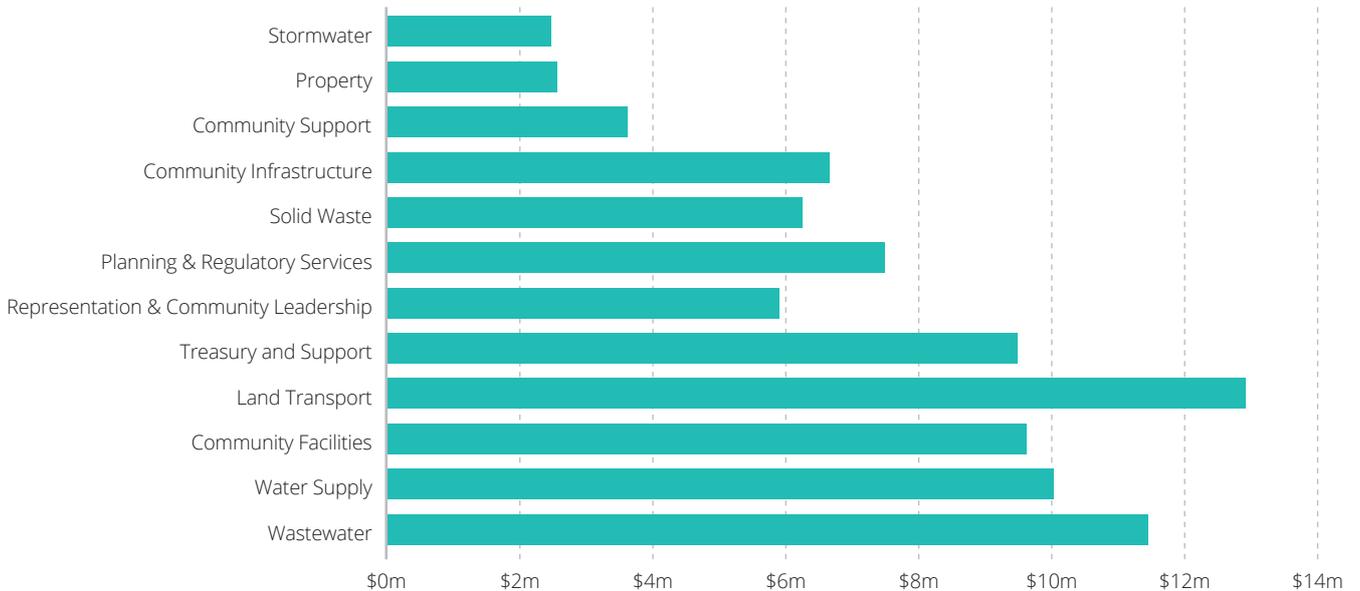
The graph below shows Council's revenue for the 2022/23 financial year.

Revenue

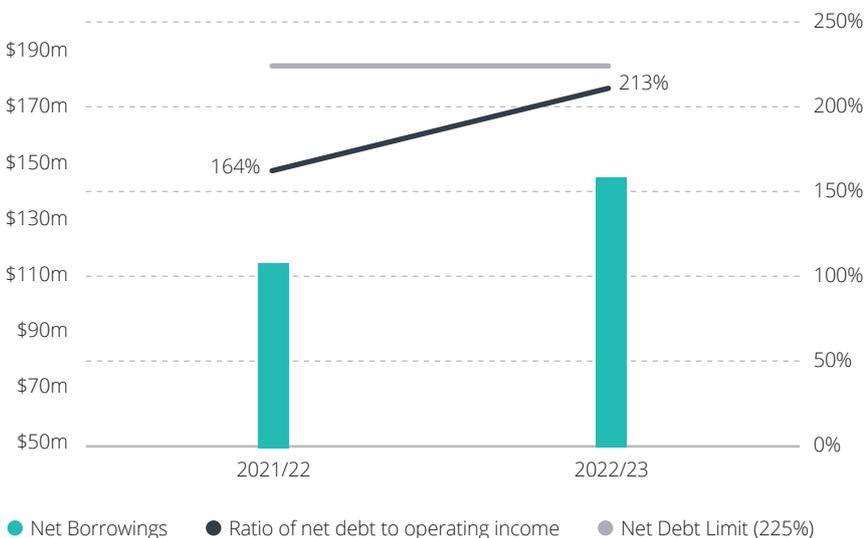


The graph below shows Council's operating expenditure by activity for the 2022/23 financial year.

Operating Expenditure



Net Debt



Net Debt (total borrowings less term deposits, borrower notes and cash) is well below the limit of 225 percent set out in the 2021-2041 Long Term Plan.

We budgeted to borrow an additional \$12m as part of the 2022/23 Annual Plan. However, for the year our net borrowings increased by \$31m. This contributed to a higher than planned Net Debt to Operating Revenue ratio of 213% in June 2023. The table below shows the main reasons for the higher net borrowing requirements in 2022/23.

	Increase/ (decrease) in net borrowings
Higher Opening net debt	\$14m
Lower proceeds from sale of assets	\$3m
Lower than expected capital grants (largely due to timing)	\$1.6m
Additional operational deficit (include higher net interest)	\$4.5m
Higher Debtors and Payables	\$6.9m
Higher than budgeted capital spend	\$1m
Increase in Net Debt for 2022/23	\$31m

Non-Financial Performance Measure Results

Activity	Achieved	Not Achieved	Total
 Land Transport	4	1	5
 Solid Waste	4	6	10
 Stormwater	5	1	6
 Wastewater	4	2	6
 Water Supply	6	4	10
 Community Facilities	8	5	13
 Community Infrastructure	6	1	7
 Property	2	1	3
 Community Support	16	8	24
 Regulatory Services	10	6	16
 Representation and Community Leadership	5	3	8
TOTAL	70	38	108

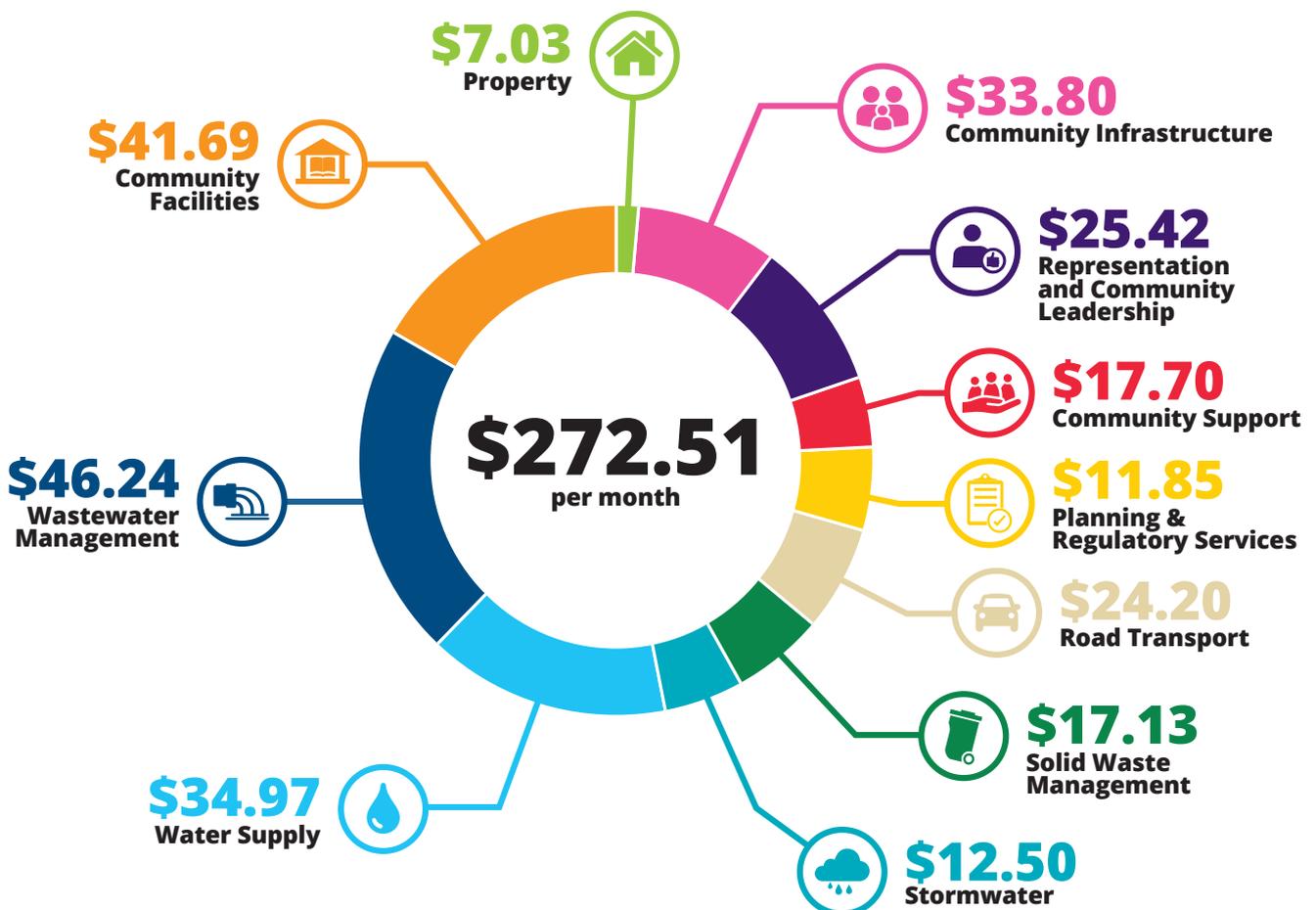
Ngā wāhi i whakapaua ai ngā rēti

Where My Rates Are Spent

This is based on rates levied on a property in Levin with an average Capital Value of \$616k, and an average Land Value of \$335k.

\$616k CAPITAL VALUE

\$335k LAND VALUE



Te Mahere Kaunihera i te Whārangī Council Plan on a Page

Following the October 2022 election, the newly formed Council took the time to discuss the key issues and opportunities facing Te Kaunihera ā rohe o Horowhenua/ Horowhenua District Council and to set its direction.

Council recognised that the platform built by Horowhenua 2040, and the Horowhenua Blueprint has provided building blocks for success. The context of growth, reform and change, means that they wanted to put a focus on the future through tackling the hard issues, lifting organisation performance and ultimately shifting the dial on how the communities we serve see value in Horowhenua District Council.

Through these discussions Plan on a Page was developed which confirmed the general direction Council wishes to take our rohe.

The development of the Plan and its priorities was guided by our Community Outcomes, it put a deliberate focus on 10 top priorities and nine other areas that were considered important to focus on.

The Plan also sought to align the organisation's vision, values and pillars with governance to demonstrate a commitment for both the governance and operational sides of Council to work together to achieve the priorities.

Council adopted their Plan on a Page at the February 2023 Council Meeting. Like all priority setting documents, the Plan will be reviewed on a regular basis.

Since then, both the operational and governance side of Council have been looking at ways it can use the Plan on a Page to provide the focus, prioritisation and resource needed to achieve the best results for our hapori through the Plan.

A large component of the newly drafted Chief Executives Key Performance Indicator (KPIs) measures were structured around the Top Ten Priorities. This will ensure the organisation has the focus it needs in its strategic direction, organisational planning and prioritisation of work.

To help Elected Members monitor our progress on how we are achieving the priorities of the Plan, the Organisation Performance Report (OPR) highlights how we are tracking.

You can find all OPRs on our website <https://www.horowhenua.govt.nz/Council/Documents/Organisation-Performance-Reports>

The Full OPR provides detailed updates from the organisation on how it has progressed both the Top Ten Priorities and Other Areas of Focus. The Interim OPR provides a brief update on just the Top Ten priorities until a comprehensive update is provided in the next Full OPR.

Discussions have started on how to ensure all decision making on both the operational and governance side of the organisation includes consideration of the Plan on a Page.

The Outcomes we want to achieve



We uphold Te Tiriti o Waitangi and its principles and recognise the role of Mana Whenua as kaitiaki of their rohe. We support them to maintain and enhance tikanga with their ancestral lands and waterways, wāhi tapu and other taonga, and build mutually respectful partnerships with tangata whenua, supporting whanau, marae, hapū and iwi in achieving their aspirations.



We contribute to improving our natural environment for current and future generations to enjoy, and protect the important natural features in our district. We ensure our built environment supports the wellbeing of our people and manage competing pressures on resources sustainably.



We provide efficient, reliable and affordable infrastructure, developing and maintaining facilities and infrastructure to meet the needs of current and future generations. Our community facilities and infrastructure are resilient, helping us to respond to climate change and natural hazards, working with partners to develop infrastructure that enables growth.



We are business friendly, supporting diversity and resilience in our local economy and work with others to make our economy grow. We aspire for economic security for all of our people and seize growth opportunities for our district.



We value the diversity of our people, and how our districts heritage shapes our communities sense of identity and pride. We provide infrastructure, services, facilities and places to build resilient and connected communities where people of all ages and backgrounds feel included and safe. We are building collaborative relationships with service providers to enable all people to live positive and healthy lifestyles, encouraging our people to participate in local decision making.

Our values – what we stand for

Mahi Tahī

We are one team, stronger together as we work with and for our community to deliver outcomes that matter.

#arohatōmahi

We love our work and know that our work matters. That is why we do what we say we will do and apply energy and enthusiasm across our mahi.

Manaakitanga

We put our people first by showing them that they matter, through a focus on whānau's needs and aspirations.

Tiakitanga

We proudly and professionally contribute every day to the care of our community and whenua with courage, positivity and mana – leaving a legacy which future generations will embrace.

Our top 10 priorities



Enabling affordable **housing** that meets the needs of a growing population through the implementation of the Housing Action Plan



Get the basics right and support the customer focused delivery of **core services**



Achieve the best outcome for Horowhenua in the face of **Three Waters Reform** Transition



Deliver the **capital infrastructure programme**, and achieve an increase in the percentage of completed works



Enable the **rebuilding** of the Horowhenua District Council organisation, with a focus to empower a culture of excellence, service and continuous improvement



Reset our **engagement and partnership** approach, and work more with and for the community



Complete a **Rates review** as part of the Long Term Plan Amendment, to ensure a rating system that is fair and equitable



Deliver on the Levin **Town Centre Transformation** Strategy



Provide advocacy and leadership to **Ōtaki to North Levin** expressway project



Make a decision on the **Future of the Levin Landfill** and follow through on the review of our WMMP

He rau ringa e pakari ai nga taura whiri I o tatou hapori – maii te pae maunga o Tararua ki te moana

With many hands the threads which weave our neighbourhood and communities together will be strengthened from the Tararua ranges to the sea. Growing neighbourhoods and building stronger communities together.

Our other areas of focus



Undertake a review of Council policies



Undertake a review of Council Bylaws



Monitor the implementation of CouncilMARK recommendations and progress



Review and approve Section 17a Reviews, to ensure we are reviewing the way we deliver services



Implement zero based budgeting across the organisation



Increase resiliency to weather events by dealing with longstanding stormwater issues



Develop a Māori Engagement Framework



Develop the Horowhenua Blueprint Implementation Plan



Continue to foster our community wellbeing networks, preparing ourselves for a new future for Local Government

Our four pillars



'You' Matter



Work Matters



Performance Matters



Partnerships Matter

Our committee structure – how we work



Risk and Assurance Committee

The purpose of the Risk and Assurance Committee is to contribute to improving the governance, performance, and accountability of Horowhenua District Council by ensuring that Council has appropriate financial, health and safety, risk management and internal control systems in place. The committee seek reasonable assurance as to the integrity and reliability of Council's financial and non-financial reporting while providing a communications link between management, Council and the external and internal auditors and ensuring their independence and adequacy.



Chief Executive Employment and Performance Committee

The Chief Executive Employment and Performance Committee will have responsibility for the effective monitoring of the Chief Executive Officer's performance and has the authority to undertake the annual remuneration review.



Delivery of Capital Projects Steering Group

Monitor the delivery of the Capital Projects Programme, and guide scope and direction of the programme achieving an increase of % of works completed.



Review of District Plan Steering Group

Monitor the delivery of the District Plan project, and guide scope and direction of the project.



Rating and Financing Review Taskforce

Lead and monitor Rates Reviews, and a review of associated Rates and Revenue and Financing Policies as part of the Long Term Plan Amendment and Long Term Plan 2024 – 2034.



Three Waters Transition and Planning Taskforce

Lead and monitor the transition of Three Waters Assets to the new Water Entity, and provide direction to the organisation throughout transition.



Community Funding and Recognition Committee

The Community Funding and Recognition Committee is responsible for the effective allocation and monitoring of Council's grants. In addition, the committee is responsible for considering applications and making recommendations for Civic Honours and Youth Excellence Scholarships.



Community Wellbeing Committee

The Community Wellbeing Committee brings together representatives from Council, government and non-government organisations, and community forums.



Hearings and Regulatory Committee

The Hearings and Regulatory Committee will consider and determine matters under the Resource Management Act 1991 and Dog Control Act 1996.



District Licensing Committee

The Sale and Supply of Alcohol Act 2012 (the Act) requires Council to appoint a District Licensing Committee to deal with licensing matters. The District Licensing Committee is appointed to administer Council's alcohol licensing framework, as determined by the Act.



Ō2NL and Town Centre Taskforce

Lead and monitor key inputs required by Council for the Ōtaki to North Levin Project with a key focus on delivering Levin Town Centre Transformation.



Waste and Landfill Taskforce

Lead and monitor the development and implementation of the WMMP and Section 17a Review of Solid Waste for Horowhenua.

Te Rārangi Wā hei Tirohanga Whānui i te Tau Year Overview Timeline

JUL

12 July

CDEM on standby after stormy weather caused flooding, minor property damage and fallen trees

15 July

Candidate nominations for local elections closed

28/29 July

July Heavy rainfall floods multiple roads and sixteen homes were without power for an extended period of time. Sandbags deployed to isolated properties and emergency bunting put in place to protect the Hyderabad Holiday Park

Late July

To raise awareness for Parkinson's New Zealand 2,400 Tulips planted in a joint initiative with the charity at Te Awahou Nieuwe Stroom

AUG

4-6 August

Bledisloe Street, Levin Police Incident

17 August

Horowhenua District Council candidates confirmed

27 August

Rainbow Youth and Allies Uenuku ball held

SEPT

14 September

Recommendation to defer the Future of the Levin Landfill to the incoming Council to consider as part of a future Long Term Plan consultative and decision item adopted

16 September

Local body elections voting opens

21 September

Construction started on new Jubilee Park Splash Pad

28 September

Outgoing Elected Members farewelled

29 September

Te Takeretanga o Kura-hua-pō celebrates 10 year anniversary

JAN

11 January

Cyclone Hale hits Aotearoa

23 January

Early engagement opens for the LTPA

25 January

Storytime adventure Steam Train

30 January

Construction began on Foxton Pool Upgrade

FEB

1 February

Council adopts the Council Plan on a Page

10 - 14 February

CDEM monitoring the effects of Cyclone Gabrielle on Horowhenua

15 February

Horowhenua District Council sent team to Hawkes Bay for support following Cyclone Gabrielle

21 February

Dawn blessing and opening ceremony for Gladstone Realignment project

22 February

Horowhenua 'adopts' Tararua District as a show of support and aroha for the cyclone ravaged area.

24 February

Purple Poppy day commemorated and plaque unveiled

25 February

Horowhenua hosted the opening match 2023 Super Rugby Aupiki competition

MAR

3 March

Horowhenua Volunteer Expo

9 March

First Cuppa with a Councillor held

21 March

Donnelly Park resurfacing complete

22 March

Council formally adopts the LTPA and Annual Plan 2023/24 Consultation Document

27 March

LTPA Let's Kōrero launched and Community Consultation opens

31 March

The Blackout – a fundraising initiative to support Hawkes Bay and Tararua districts following Cyclone Gabrielle held

There were a number of important dates in Horowhenua when we responded to challenges, celebrated successes, connected with our community. This timeline highlights only some of the key moments for Horowhenua in the 2022-2023 financial year.

OCT

5 October

New destination brand launched

8 October

Local body elections voting closes. Progress results announced

10 October

Preliminary election results released

14 October

Final election results announced

28 October

Age on the Go

NOV

Early November

Construction begins on new Waitārere Beach Surf Life Saving Community Facility

1 November

Mayor Bernie Warden joins the call for a rethink on the path forward for Three Waters Reform

4 November

Council Waiata group Te Karanga o te tui perform at Te Aruhei o Horowhenua Kapahaka festival for the first time

9 November

Let's Get working job expo

16 November

Council Committee Structure adopted and Chairs appointed

22 November

2022 Civic Honours Awards and Youth Excellence Scholarships presented

23 November

Donnelly Park netball court renewal funding brought forward

26 November

Taste trail

DEC

10 December

Jubilee Park Splash Pad opened

17 December

New Waikawa Beach amenity block opened

17 December

Community planting day as part of the Waitārere Beach Surf Life Saving Community Facility project

APR

4 April

First Citizen's Panel Focus Group held

19 April

Work has begun on Ramona Avenue and Forest Road, Waitārere Beach to alleviate flooding in the area. As part of the Emergency Flood Management project, a pump station was installed 3.5m deep into the road, and pipelines were laid along Forest Road.

22 April

Water & Wastewater Treatment Plant and Levin Landfill Bus Tour

25 April

Ten ANZAC Events supported by HDC held across the district

29 April

Big Dutch Day Out held at Te Awahou Nieuwe Stroom

MAY

1 May

LTPA Submissions closed

6 May

Coronation Day Tree Planting & Community Volunteer Recognition Event

10-11 May

LTPA Hearings

15 May

Youth Week – a number of events held throughout the district

17 May

First Events workshops held to make the event planning process in Horowhenua easier

31 May

LTPA deliberations
Future of Levin Landfill decided
Decision made to keep rating system as is
Water Infrastructure projects bought forward

JUN

1 June

First time Pride flag raised at HDC

14 June

First Matariki event in the 2023 programme held

12 June

Voice of the customer surveys sent

13 June

Refurbished Youth Space opens

24 June

Multicultural event WEAVE held in Levin

28 June

2023/2024 Annual Plan and Long Term Plan Amendment adopted

Te Wāhi o te Māori ki te Whakatakotoranga Whakataau

Māori contribution to the decision-making process

Te Kaunihera ā rohe o Horowhenua/Horowhenua District Council is committed to continually enhancing our relationship with Māori. Council recognises the unique position of Tangata whenua in our rohe and we are dedicated to fostering the development of Māori capacity to contribute to the decision making processes of the Council. While it is a requirement in Schedule 10 of the Local Government Act (LGA) 2002, Council aims to extend beyond the legislative framework, to build and maintain strong and meaningful relationships with the Māori hapori (community). This is acknowledged through Council's community outcomes, specifically the outcome "Partnership with Tangata Whenua".

Background

The Local Government Act 2002 recognises and respects the Crown's obligations under Te Tiriti o Waitangi by placing some specific obligations on councils. These obligations are intended to facilitate participation by Māori in local authorities' decision making processes. The Act includes requirements for councils to:

- ensure they provide opportunities for Māori to contribute to decision making processes
- establish and maintain processes for Māori to contribute to decision making
- consider ways in which they can foster the development of Māori capacity to contribute to decision making processes
- provide relevant information to Māori
- take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.

The Local Government Act 2002 places a clear mandate on local authorities, requiring them to be well informed about the potential impact of their decision making on the wellbeing of the Māori hapori. These provisions apply to all Māori, emphasising the need for local authorities to gain a comprehensive understanding of Māori values, concerns, and aspirations relating to economic, social, cultural, and environmental wellbeing.

This responsibility extends to acknowledging and comprehending the unique challenges faced by pre- (Te Tiriti o Waitangi) settled Iwi in contrast to those Iwi who have reached settlements with the Crown, and in a Horowhenua context requires us to acknowledge that two of our Iwi are presently in a pre-settlement stage. The underlying intent behind these provisions is to encourage both local authorities and Māori organisations to move beyond engaging on matters of environmental or cultural importance only, to become an integral part of decision making.

Māori Ward Councillors

After unanimous Council support in May 2021, a Māori Ward was established for the 2022 local government elections. This financial year we welcomed Māori Ward Councillors – Nina Hori Te Pa and Justin Tamihana to Council. We look forward to their contribution and input as Council looks to strengthen Iwi/Māori partnerships.

Council continues to foster our partnerships across all Iwi partners and has active Memorandum of Partnerships in place with:

- Muaūpoko Tribal Authority
- Te Iwi o Ngāti Tukorehe Trust – representing Ngāti Tukorehe, Te Mateawa, Ngāti Te Rangitawhia and Ngāti Kapu (Ngāti Raukawa)
- Te Kotahitanga o Te Iwi o Ngāti Wehi (Ngāti Raukawa)
- Rangitāne o Manawatū.

Whilst an active Memorandum of Partnership is not currently in place with Te Runanga o Raukawa Inc, Council values the partnership and understands the key role they have in the rohe.



Council is working closely with Te Tūmatakahuki to navigate a wide range of common interests. Te Tūmatakahuki is made up of membership from 12 of the 13 Raukawa hapū who reside in Horowhenua, and are named as follows – Ngāti Turanga, Ngāti Rakau, Ngāti Te Au, Ngāti Takihiku, Ngāti Ngārongo, Ngāti Whakatere, Ngāti Pareraukawa, Ngāti Huia ki Poroutawhao, Ngāti Huia ki Matau, Ngāti Kikopiri, Ngāti Hikitanga and Ngāti Wehi Wehi.

Te Tūmatakahuki Navigator role was established in January 2023 and is positioned within the Community Infrastructure Group. Te Tūmatakahuki is a partnership between Council and mandated Ngāti Raukawa ki te Tonga hapū representatives, from within the Horowhenua.

This newly established position plays a pivotal role in advocating for the perspectives of Te Tūmatakahuki hapū members. Additionally, it carries the responsibility of creating and managing a register of key strategic projects and commitments of both parties. The role works alongside Council Officers, hapū representatives and technical experts to build and maintain relationships.

Te Tūmatakahuki Navigator reports to Te Tūmatakahuki on progress and develops project scopes for support and input at Te Tūmatakahuki monthly hui. This role has contributed to the significant increase in Māori engagement during this financial year. This role is an example of Council listening to the needs of Iwi/hapū and being open to different ways of working to enhance Māori Contribution to Decision Making.

Additionally, it is important to note that Ngāti Apa have a statutory acknowledgement within Horowhenua and although there is no Memorandum of Partnership, we recognise their standing in the rohe.

Council is on a journey of learning as we take steps towards improving our knowledge and understanding in Te Ao Māori. Significant progress has been made in growing cultural capacity and capability across the organisation, with the introduction of Te Tiriti o Waitangi and Cultural Competency training across the organisation. In May 2023, a Māori Culture Induction Toolkit – Tūhono ki Te Ao Māori – was launched to assist all staff in their knowledge and continued learning.

As part of our journey, Council have identified the need for the development of a Māori Engagement Framework. This work has been prioritised to be undertaken during the 2023/24 financial year. Council sees this as an opportunity to reset existing relationships and agreement with Iwi/hapū, but to also provide greater expectations on what good looks like, as we seek to bring our community outcomes of Partnership with Tangata Whenua to life.

Whether it be our annual Matariki programme, engagement on the closure of the Levin Landfill, planting days or better understanding cultural aspirations across our Capital Programme, there are numerous touch points across the daily mahi (work) of Council where we continue to rely on the cultural expertise and aspirations of Māori to guide our mahi.

Māori see people and the environment as closely interrelated – Ko au Ko te taiao, Ko te taiao Ko au (I am the environment, the environment is me), and share with Council, a strong interest in maintaining and protecting the environment, as well as achieving a bright future for the Horowhenua. Council is committed over the period covered by this Annual Report and beyond, to enhance relationships and enable more meaningful opportunities for Māori Contribution to Decision Making.

Ko ā mātou haepapa

Our Role

He rau ringa e pakari ai ngā taura whiri i ō tātou kāinga noho me ō tātou hapori – mai te pae maunga o Tararua ki te moana.

With many hands, the threads which weave our neighbourhoods and communities together will be strengthened from the Tararua Ranges to the sea.

Te Kaunihera ā rohe o Horowhenua/Horowhenua District Council enables democratic local decision making to promote the social, economic, environmental and cultural wellbeing of our rohe in the present and for the future.

Under the Local Government Act, we are required to promote these four wellbeings. The wellbeings and our Community Outcomes are at the heart of decisions made by Council.

Our current Community Outcomes were decided upon after consultation with the hapori during the 2021-2041 Long Term Plan process.

Council comprises the Mayor and 12 Councillors (Elected Members) who represent five wards including the newly introduced Māori ward. They are responsible for governance, and ultimately setting the direction for the future of our hapori. Representing our community, Council make decisions on behalf of our ratepayers and residents to determine local policy and legislation and defining the overall vision for the Horowhenua.

As well as the Council, we have Te Awahou Foxton Community Board which represents the Foxton area. The Board has five Elected Members who work with two members appointed from the Kere Kere general ward by the Council. The Board advocates for the community and makes recommendations to the Council about the Foxton area.

At the beginning of each term, Elected Members are selected to support special interest groups and community orientated bodies within the community, by joining statutory bodies, community associations and other organisations for the elected term.

Horowhenua District Council Tumuaki/Chief Executive Monique Davidson, and 278 staff oversee the day-to-day running of the Council and rohe, taking responsibility for everything from strategy to operations and project delivery. They also advise the Elected Members and implement their decisions. The areas the Council is responsible for are called 'council activities'; rates help pay for these services delivered to the hapori.

Council works with many organisations and performs many roles. We fund and lead projects that benefit the hapori and solve local needs, regulate local bylaws and plans and advocate for Horowhenua to Central Government, other local authorities and other agencies through:

- facilitating solutions to local needs
- management of local infrastructure including network infrastructure (e.g. roading, water supply, waste disposal, libraries, parks and recreational facilities)

- environmental management planning for the current and future needs of the local rohe
- preparing and adopting the 20 year budget (Long Term Plan (LTP)), annual budget (Annual Plan) and Annual Report
- setting rates and bylaws
- decision making on regulatory matters and on Horowhenua-wide non-regulatory matters
- setting strategies, policies and plans
- consulting with and considering the views of Te Awahou Foxton Community Board before making a decision which affects the communities in the area
- monitoring and reviewing the performance of the organisation.

Te Uiui Whakarata i te Hapori

Resident Satisfaction Survey



One of the ways we measure the public perception of how we are performing is through our annual survey of resident.

The survey was conducted in June and was available online from the 2 – 28 June. A total of 2091 surveys were completed, a 48% increase in individual responses compared to 2022.

Thank you to everyone who took the time to answer the survey questions and provide feedback on how we're progressing. Your input will help us determine which areas we need to focus on most.

Rubbish and Recycling



Council facilities



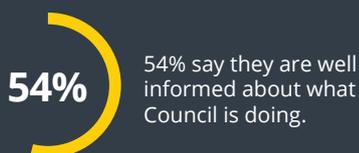
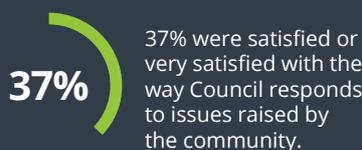
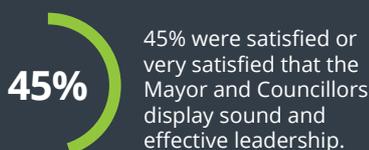
Water services



Roads

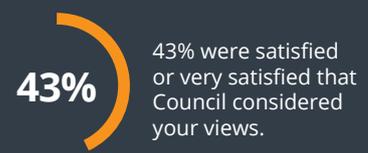


Leadership



Consulting with our community

We asked how satisfied you were with processes to provide feedback on Council plans or strategies.



69% Overall satisfaction with Council facilities and services for 2023 was 69%.

Alongside customer satisfaction measurements, for the last two years, we've also been measuring Net Promoter Score (NPS) - a customer loyalty and satisfaction metric. NPS can range from -100 to 100.

-8.0 Net Promoter Score (NPS) improved 8.0 points compared to 2022 which was -16.0.

Method used

The 2023 survey was conducted solely via Ask Nicely an online Voice of Customer survey tool. 10 surveys (broken down by different Council services and facilities) were sent via email to our emailable ratepayer base and via social media post to a broader Horowhenua target audience.

We received 6,051 collective survey responses (those people who completed more than one survey) and 2091 individual responses.

The surveys had a margin of error ranging from 3% to 5% with a 95% confidence level, meaning the sample size is robust and reflective of a cross section of our community, and results are statistically significant.



Customer service at Aquatics Horowhenua, Te Takeretanga o Kura-hau-pō, Horowhenua District Council Main Office and Te Awahou Nieuwe Stroom achieved 68% satisfaction, with the Library services scoring an overall 94% satisfaction rate.

Ko wai mātou

Who we are





Elected Members



**Bernie Wanden,
Mayor**

Chair - Community Wellbeing Committee
Chair - Chief Executive Employment and Performance Committee
Risk and Assurance Committee
Community Funding and Recognition Committee



**David Allan,
Deputy Mayor**

KERE KERE WARD
Chair - Hearings and Regulatory Committee
Deputy Chair - Chief Executive Employment and Performance Committee
Community Funding and Recognition Committee



Ross Brannigan

KERE KERE WARD
Chair - District Licensing Committee
Chair - Capital Projects Delivery Steering Group



Mike Barker

LEVIN WARD
District Plan Steering Group
Capital Projects Delivery Steering Group



Rogan Boyle

WAIOPEHU WARD
Community Funding and Recognition Committee
Capital Projects Delivery Steering Group



Clint Grimstone

LEVIN WARD
Risk and Assurance Committee
Community Wellbeing Committee
District Plan Steering Group



Nina Hori Te Pa

HOROWHENUA (MĀORI WARD)
Community Wellbeing Committee
Community Funding and Recognition Committee



Sam Jennings

LEVIN WARD
Chair - Risk and Assurance Committee
Chair - District Plan Steering Group
Chief Executive Employment and Performance Committee
Hearings and Regulatory Committee
Capital Projects Delivery Steering Group



Paul Olsen

MIRANUI WARD

Deputy Chair – Risk and Assurance Committee
Chief Executive Employment and Performance Committee
Capital Projects Delivery Steering Group



Jonathon Procter

WAIIOPEHU WARD

Risk and Assurance Committee



Justin Tamihana

HOROWHENUA (MĀORI) WARD

Deputy Chair – District Licensing Committee
Hearings and Regulatory Committee
District Plan Steering Group



Piri-Hira Tukapua

LEVIN WARD

Chair – Community Funding and Recognition Committee
Risk and Assurance Committee
Chief Executive Employment and Performance Committee
Hearings and Regulatory Committee
District Plan Steering Group



Alan Young

LEVIN WARD

Risk and Assurance Committee
Community Funding and Recognition Committee

Executive Leadership Team



Monique Davidson

CHIEF EXECUTIVE



Daniel Haigh

**GROUP MANAGER
COMMUNITY
INFRASTRUCTURE**

Responsible for Land Transport, Solid Waste, Water Supply, Stormwater and Wastewater activities.



Brent Harvey

**GROUP MANAGER
COMMUNITY EXPERIENCE
AND SERVICES**

Responsible for Community Support, Compliance, Property, Community Infrastructure, and Community Facilities activities.



David McCorkindale

**GROUP MANAGER
COMMUNITY VISION
AND DELIVERY**

Responsible for District and Strategic Planning (including long term and annual plans).



Blair Spencer

**GROUP MANAGER
HOUSING AND BUSINESS
DEVELOPMENT**

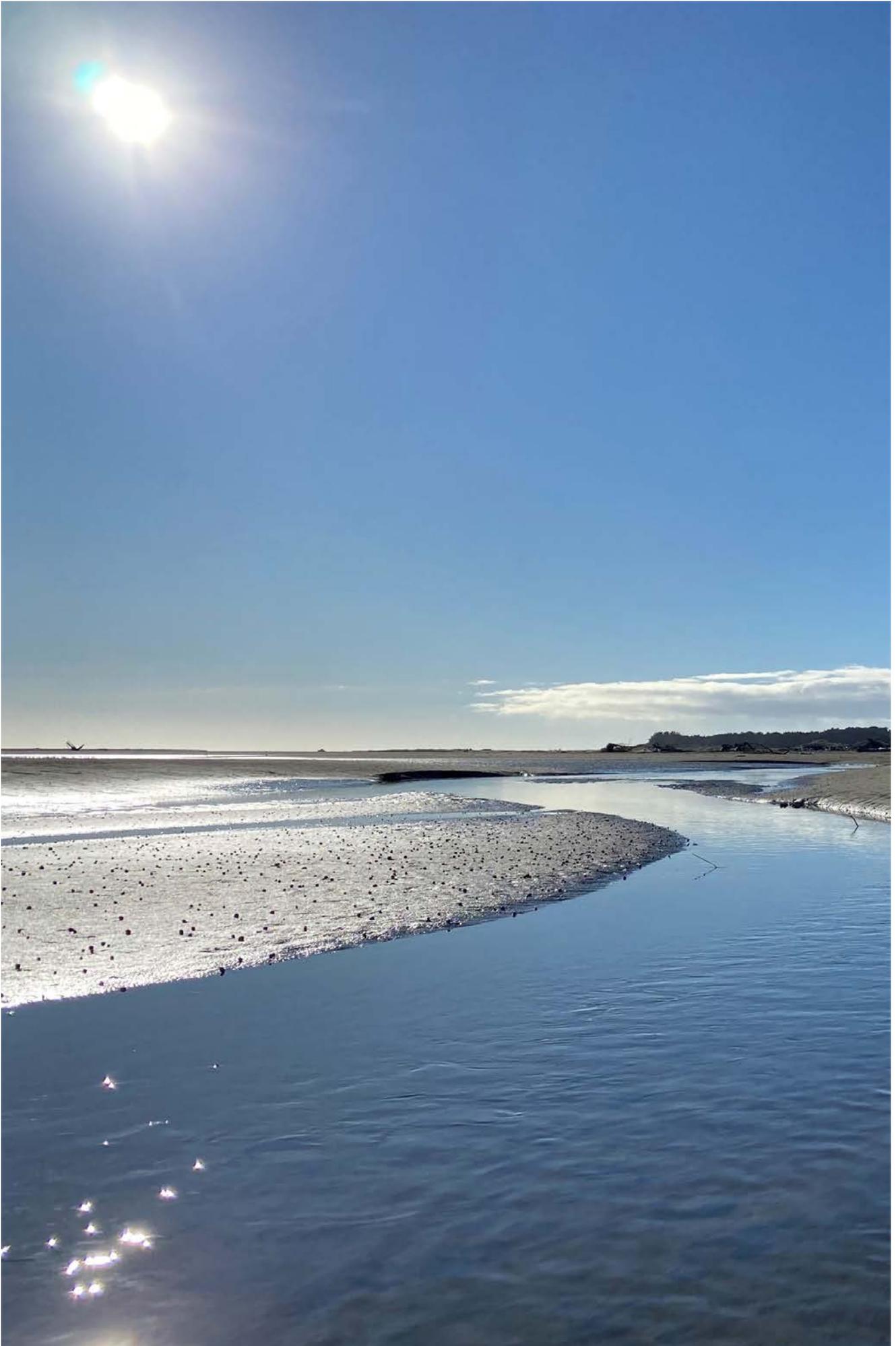
Responsible for consenting activities.



Jacinta Straker

**GROUP MANAGER
ORGANISATION
PERFORMANCE**

Responsible for democracy and corporate services activities.



NGĀ MAHI WHAKAHIRAHIRA KUA OTI I A MĀTOU



THE DIFFERENCE WE HAVE MADE THAT WE ARE PROUD OF



An aerial photograph of a rural landscape. In the upper left, there is a small building with a grey roof and a paved area. A dirt road or path winds through the scene. The central and right portions of the image are dominated by a large, irregularly shaped field with distinct, curved tracks, suggesting it has been recently mowed or plowed. The field is a mix of green and brownish-yellow. To the left of the field, there is a dense line of dark green trees. The bottom of the image shows a greener, more natural-looking area with some rocks or mounds of earth.

Engaging with our Hapori (Community) during the LTPA process

The Long Term Plan (LTP) sets out the services and projects the Council will provide to the Horowhenua hapori (community) all the way out to 2041.

This year we proposed making some changes to rates affordability, the future of the Levin Landfill and water projects through the LTP Amendment (LTPA).

The formal consultation period started on 27 March 2023 and ran until 1 May 2023. During this period we encouraged our community to engage with the LTPA process by making submissions. Hearings took place on 10-11 May, followed by deliberations on 31 May and 1 June 2023. Elected Members adopted the final Long Term Plan Amendment and Annual Plan on 28 June 2023.

As an organisation, we are always challenging ourselves to think outside the box about how we engage with our hapori. We want to work closer with the hapori we serve, putting them in front of mind in all that we do.

To break down the barriers which prevent our community from engaging with Local Government we tried innovative new ways to connect with our hapori in our 2021-2041 Long Term Plan Amendment (LTPA) and Annual Plan (AP) 2023/24 consultation process.

We invited people to engage with us in various ways – in person, in writing and online – so they could respond in their preferred channels, at times that suited them, and in ways that encouraged participation and interaction in Council's consultation process. Our goal was to be responsive, transparent and open.

We wanted to ensure our hapori felt heard, that their feedback was valued, and assured that decision making is transparent and not pre-determined.

Early engagement on the LTPA began on Monday 20 February and consultation closed Monday 1 May 2023. During this time we adopted a number of ways to connect with and respond to our community.

The Long Term Plan Amendment covered some complex topics. Early engagement helped us to introduce the topics and context surrounding those topics, so that when we asked our community for their views and provided our preferred options for each topic, they were able to feel more informed.

Water Infrastructure Video

One example of how we informed our community about complex topics in early engagement was our Water Infrastructure video. This was created to help show the impact of a severe weather event on our infrastructure and therefore why bringing forward planned investment or investing more in stormwater, wastewater and drinking water were critical to ensuring three waters infrastructure is fit for purpose, now and into the future. The video was uploaded to our Horowhenua District Council Facebook page and is available at www.facebook.com/HorowhenuaDC/videos/759593415617404

Let's Kōrero

Nurturing trust and confidence with our hapori (community) through effective visual storytelling was important when planning the LTPA consultation.

Traditionally our website content for Long Term Plans and Annual Plans has been condensed into a single consultation (engagement) page on our Horowhenua District Council website, with feedback largely limited to online forms.

Through 'Let's Kōrero', our online community engagement platform, we were able to break down each of the key topics in the LTPA/AP (Rates Review for a fairer distribution of rates, the future of the Levin Landfill, our key water infrastructure and adjusting fees and charges) into their own online engagement pages and provide our hapori with an online space to share ideas, ask questions, participate in quick polls, discuss important topics, and provide feedback.



Where possible, eye-catching infographics were used, and information was presented in ways to make it easy for the reader to understand and digest.

Bringing all of these pages together under a main 'Hub' page, we have also been able to share our growth story, outline key dates and profile our Elected Members.

In the early engagement phase (Friday 10 March to Sunday 26 March 2023) there was 550 total visits across all pages, and 113 total engagements with the online tools across all pages.

During formal consultation (Monday 27 March to Monday 1 May 2023) there was 3,140 total visits across all the pages, 113 total engagements with the online tools and 429 documents downloaded.

Water treatment plant and Levin Landfill tours

To help people get up close and personal to key issues in the LTPA of water infrastructure and the future of the Levin Landfill we tried something new in 2023. We offered tours so the community could learn first-hand how drinking water is treated at our water treatment plant, and to be at the Levin Landfill site as they were updated on the issue.

Two tours, with 20 people each, were run on Saturday 22 April 2023. The tours concluded at Te Takeretanga o Kura-hau-pō where attendees joined Elected Members for a BBQ, asked further questions and watched drone footage of the sites (including parts that could not be seen on the tour). The BBQ was open to all members of our hapori (community), not just those who had secured a place on the tour.

Social Media

Our Social Media channels, Facebook in particular, is a useful and popular tool we use to engage our community throughout the year.

Between Friday 10 March and Monday 1 May 2023, 20 posts were published on our Horowhenua District Council Facebook page relating to the LTPA. Twelve of these posts were boosted to reach a wider audience beyond our current Facebook followers.

During the six Facebook lives held, the Mayor, Elected Members and our Executive Leadership Team discussed the key topics and answered questions provided by the online audience in real time.

The posts reached an audience of 162,923, with an overall engagement of 22,557 (949 comments). Emoticon-based sentiment was measured at 632, with 508 of these being positive.

Eleven posts were published to Instagram in the same period. All posts were static images, organic posts and shared to stories. The overall account reach for these posts was 1,339, with a total of 28 engagements. 'Like' based sentiment was recorded at 24 across all posts.

Citizen's Panels

In December 2022 we emailed ratepayers and put a shout out on social media and in the local paper, asking our hapori (community) if they'd like to be included in a Citizen's Panel. We had 120 community members express their interest and held three focus groups which attracted approximately 40 people.

Participants were asked for their views on the strengths and weaknesses, challenges and opportunities of our rohe. Attendees sorted through a list of 24 programmes of work and were encouraged to prioritise those, then discuss as a group. Participants discussed their ideas for alternative revenue streams for Council and had a bit of fun when asked to personify the Horowhenua District Council brand. The final part of the session saw Mayor Bernie speak to the key topics in the Long Term Plan



Amendment, Council's preferred options and why they were Council's preferred options.

The Citizen's Panel provided an opportunity for our hapori to come together alongside Elected Members and Council staff to share ideas and debate key topics facing our rohe. We're excited to continue this approach with future community engagements.

Citizen's Panels help us to better understand our hapori and their needs, and to achieve shared aspirations.

Live illustrator

During one of the Levin Citizen's Panels, a live illustrator captured the kōrero, and this image was shared with the wider community online and in one of our regular print publications 'Community Connection'.

CHALLENGES WEAKNESSES

- HAVING TO DEAL WITH POOR DECISIONS FROM THE PAST
- LIMITED INCOME OPPORTUNITIES
- LANDFILL AND SECURITY
- RISK AVERSE LOCAL GOVT
- INFRASTRUCTURE NEEDS TO BE FIXED BEFORE MORE GROWTH
- TOO MUCH TO DO!
- NEED TO BUILD UPWARDS
- NEED TO RELATE TO DIVERSE POPULATION
- POPULATION IN THE PAST AROUND WHAT IS HAPPENING
- NEED FOR PUBLIC TRANSPORT
- NOT MUCH DRAW FOR TOURISTS
- PUBLIC PERCEPTION

LONG TERM PLAN

- GET THE BASICS RIGHT
- RECREATION PARKS & PLAYSPACES
- LEVIN TOWN CENTRE TRANSFORMATION
- WATER SUPPLY
- WATER TREATMENT
- WATER NETWORKS
- WASTE MINIMISATION
- TRANSPORTATION LOCAL BUSES & PATHWAYS
- COMMUNITY LEAD CHANGE
- DESTINATION MANAGEMENT
- ENGAGEMENT & PARTNERSHIP APPROACH
- CIVIL DEFENCE
- LAND MANAGEMENT
- COMMUNITY DEVELOPMENT
- DELIVERING CAPITAL INFRASTRUCTURE PROGRAMME
- HOUSING AFFORDABILITY
- OSIAL BOUNDARY & LEADERSHIP
- ECONOMIC DEVELOPMENT
- PLANNING FOR GROWTH
- RATES AFFORDABILITY

REVENUE STREAMS

- SOIL
- RAIN WATER
- TOURISM
- ATTRACTINGS
- HORTICULTURE
- REPURPOSE ASSETS
- SELL ASSETS
- A TERRITORY AUTHORITY
- PRIVATE LEASURES
- MAKE WETLANDS/LAKES A FEATURE (REQUIRES CLEANING)
- FIT LIKE
- WATER INFRASTRUCTURE
- 4x WATER IN THE REGION
- 60yr OLD SYSTEM
- REPAIR WHEN NEEDED
- LOSING WATER TO LEAKS
- 300 TO 500 LITRES PER CONNECTION PER DAY
- WATER NEEDS HAS GONE BEYOND REAL BENEFIT
- REDUCE PROGRAMME OF WORK TO MEET CURRENT BUDGET
- INCREASE BUDGET FOR PROJECTS EXCLUDING LEAK DETECTION

RATES REVIEW

- RATES BASED ON LAND VALUE
- RATES BASED ON CAPITAL VALUE
- NEED TO INCREASE RATES OR BORROWING OR BOTH
- INTEREST DEPRECIATION UTILITIES INSURANCE
- 2M MORE
- WE NEED TO STAY EVEN
- LESS THAN 7.9%
- WHAT SERVICES DO WE GET FOR OUR MONEY?
- INDIVIDUAL CASE ASSESSMENT?
- WILL AFFECT SOME HOUSEHOLDS MORE THAN OTHERS

LEVIN LANDFILL

- KEEP LANDFILL CLOSED
- LOOK FOR ALTERNATIVE USES FOR SITE TO GENERATE REVENUE
- LESS THAN 1.6M
- OPEN LANDFILL UNTILL CAUSERT EXPIRES
- ALL OPTIONS REQUIRE MAINTENANCE/REMEDIATION

WATER INFRASTRUCTURE

- NEED TO GET THINGS RIGHT FOR THE FUTURE
- INCREASE BUDGET TO DELIVER ON PROJECTS
- REDUCE PROGRAMME OF WORK TO MEET CURRENT BUDGET
- INCREASE BUDGET FOR PROJECTS EXCLUDING LEAK DETECTION

ICEBREAKER

"OFTEN WE SEE OUR DIFFERENCES WHEN THERE ARE SO MANY THINGS WE HAVE IN COMMON!"

PEOPLE WHO ARE PASSIONATE ABOUT HOROWHENUA!



Print Media

While we embraced new ways of engaging our hapori (community) during the LTPA, we did not forget traditional channels. Information about the LTPA and the key topics were included within our regular bi-monthly publication 'Community Connection' published in the Horowhenua Chronicle. Digital versions are also available on our website and approximately 6,750 residents receive the publication in an email format. Through this publication, our hapori were encouraged to engage with the LTPA online (via Let's Kōrero, social media or email), on paper (filling out submission forms or contacting us via post) or in person (speaking to one of our Council Officers or Elected Members).

Radio

Targeting Horowhenua residents and ratepayers ages 18 to 65+, (particularly 30 to 45 year olds, which we find notoriously hard to engage with), a series of radio ads aired between Monday 20 February (early engagement) and Monday 1 May 2023 when consultation closed. Depending on the key topic and call to action, eight different ads ran on radio stations MoreFM, The Breeze, Magic, The Edge, The Rock and Magic.

Cuppa with a Councillor

Although not specifically intended for the LTPA, regular 'Cuppa with a Councillor' sessions were introduced during the consultation period giving Horowhenua residents the chance to sit down with one of our Elected Members and discuss issues with them.

Now regularly held every second Thursday of each calendar month, Councillors are stationed at our Community Centres (Te Takeretanga o Kura-hau-pō, Te Awahou Nieuwe Stroom and Shannon Library) between 10.30am and 12.30pm allowing people to have a face to face kōrero about things happening in the rohe.

Poads Road Water Supply Reservoir

With frequent water restrictions in the district in the warmer months and a rapidly growing population, our community has been asking Council for more reliable water services in Horowhenua, particularly in Levin and Ōhau, for the past few years.

The issue is becoming more urgent. Housing growth, climate change, high turbidity (muddiness in the water) and the new freshwater standards are driving us to look at ways to augment our current water supply.

The Poads Road Water Supply Reservoir (WSR) project, the most significant and aspirational 3Waters infrastructure projects in our recent history, aims to construct a large scale off-river water reservoir to improve the resilience and reliability of the Levin drinking water supply and to provide sufficient water to meet the projected growth demands for the town.

During this financial year we have been making progress on getting this important project off the ground.

BACKGROUND

The Levin and Ōhau drinking water supply is currently sourced directly from the Ōhau River at an intake site near the existing Water Treatment Plant (WTP) on Gladstone Road.

Post-treatment storage of approximately 12,000m³ is provided at the WTP site. This equates to less than 24 hours of supply (less than one day of current peak demand). The post-treatment storage does not provide sufficient storage to meet extended periods of drought or high turbidity in the river.

We need more storage for raw water (reservoir) and treated water (tanks) at the Levin Water Treatment Plant. As our population in Levin grows our water storage is no longer sustainable.

ENGAGING OUR COMMUNITY

As outlined in the Council Plan on a Page, we have a commitment to achieve the best outcome for Horowhenua in the face of Three Waters Reform transition. We are also committed to delivering our capital infrastructure programme, and this major project will mean great outcomes for our community once complete.

As part of the Long-Term Plan Amendment 2021-2041 (LTPA) consultation, we encouraged our community to consider the importance of, and ways of, using water more mindfully.

In April 2022 we published a video to help people understand the importance of investing in water infrastructure, and how construction costs, weather events and population growth is making this issue more urgent. Through social media, radio and print media we encouraged our community to share their views on consultation website letskorero.horowhenua.govt.nz before a solution went before Elected Members for adoption, and the green light was given to invest a significant amount of money.

Our community must understand that our challenge is not just limited to water supply or storage. There is a shared responsibility to use water sustainably for the benefit of the river, and for both Council and the infrastructure we maintain and everyone in our community.

Rainwater harvesting has been encouraged, and we will continue to promote sustainable lifestyle choices, but a more impactful solution to water supply issues in the district is needed.

WHAT IS PROPOSED IN THE POADS ROAD WATER SUPPLY RESERVOIR (WSR) PROJECT?

- The construction of a large storage reservoir – around 600,000 to 700,000m³ (up to 73 days of water supply at current average demand)– outside of the river corridor and above the flood level.
- A new subsurface intake in the River to supply the reservoir. The intake will be below the river bed and therefore will not affect fish passage. Council has already obtained resource consent for the remaining core allocation from the Ohau River. A resource consent will soon be sought from the Regional Council for construction of the new intake and for a new water permit. The new water permit will replace the existing permit and will allow Council to take some of its existing allocation at the reservoir site to fill the reservoir. The consent application will also seek a supplementary allocation at the reservoir site. The supplementary allocation means that water can be taken when the river is above median flow for purposes of filling up the reservoir. No water will be taken from the new intake when the River is at low flow.
- Once the reservoir is operational, Council should be able to avoid any abstraction from the river at times of low flow. Council is seeking to retain its ability to abstract at low flow from the existing WTP site but this will only be used very rarely – e.g. in cases of extended drought and when the reservoir water has already been used.
- The reservoir will be constructed via cut-to-fill, with material excavated from the site being used to build the reservoir embankments. Additional material which will be excavated to create the reservoir will be used as aggregate on other local infrastructure projects.
- The reservoir will be lined to prevent seepage, and will be

constructed to meet seismic design so that it is usable after an earthquake.

- There will be landscaping and planting around the reservoir to ensure that reservoir fits with the surrounding area and, where practicable, to improve the amenity and ecology value of the site.
- The current Water Treatment Plant has the capacity to treat up to 15,000m³ of water per day. Once the reservoir is constructed, the scheme will operate with water being supplied to the Treatment Plant as a blend of water from the existing intake and the reservoir.

WHAT WE ACHIEVED IN THE 2022-2023 FINANCIAL YEAR

The adjusted Annual Plan budget was requested and confirmed during a Council meeting on Wednesday 14 September 2022 and consent applications are now ready to be lodged.

Following the election, Elected Members attended a series of workshops that began on 9 November 2022, to bring them up to speed with everything from our key strategic documents and how they inform work, to key topics like Three Waters, the Future of the Levin Landfill and Rates Affordability.

During the 2022-2023 financial year, we continued investigating the feasibility of the Poads Road WSR project, moving into the consenting phase.

We have been working closely with our iwi partners to find a culturally appropriate solution that is the best for the environment and our community, and we will continue to liaise with them throughout the project delivery.

We have also been consulting with stakeholders such as Horizons Regional Council Rivers Management Group, the Department of Conservation and the New Zealand Fish and Game Council.

The next key decision point for Council, subject to consenting outcomes, was a commitment for construction funding in the LTPA. This commitment will be taken forward into the 3Waters transition process and provide the highest level of certainty that this critical asset will be provided for our community.

WHAT HAS BEEN INVESTIGATED?

- An options assessment, reviewing the available water supply and storage options to ensure the chosen option is the right one, was independently peer reviewed in mid-2022 and finalised in March 2023.
- Council completed a pre-feasibility assessment in November 2020, which saw three intake options assessed. The intake options feasibility was undertaken between June and September 2022. This work identified the preferred intake as a subsurface infiltration gallery in the Ohau River adjacent to the reservoir site.
- A hydrology assessment and technical assessments to support the consenting and design processes were completed in March 2023. This work has confirmed sufficient water availability in the supplementary allocation framework to support the projected community demand.
- An ecological assessment of the reservoir site was completed in January 2023. This confirmed there were no wetland habitats, sensitive environments or threatened or endangered species within the reservoir site.
- An archaeological assessment of the reservoir site was completed in October 2022.
- Preliminary design, developed to sufficient detail to support consenting and costings was developed between June 2022 and March 2023.
- Consent applications were prepared. Since March 2023, we have been working through some final matters with iwi prior to lodgement.

OTHER OPTIONS WE CONSIDERED

We have put in a lot of groundwork to ensure we've considered what is best for the river and our community. We considered other options such as groundwater bores in the Gladstone Road and Tatarua Road areas, using other surface water resources such as the Manawatū or Ōtaki rivers, and seawater desalination options were considered.

In the current economic climate, our community are struggling with, and worried about the increased costs of living, including rates increases. The Poads Road WSR Project, focused on constructing a large water supply on Council-owned land between Poads Road and the Ōhau River, is very cost effective compared to other options. The peer review of options agreed that this is the most cost effective and efficient solution.

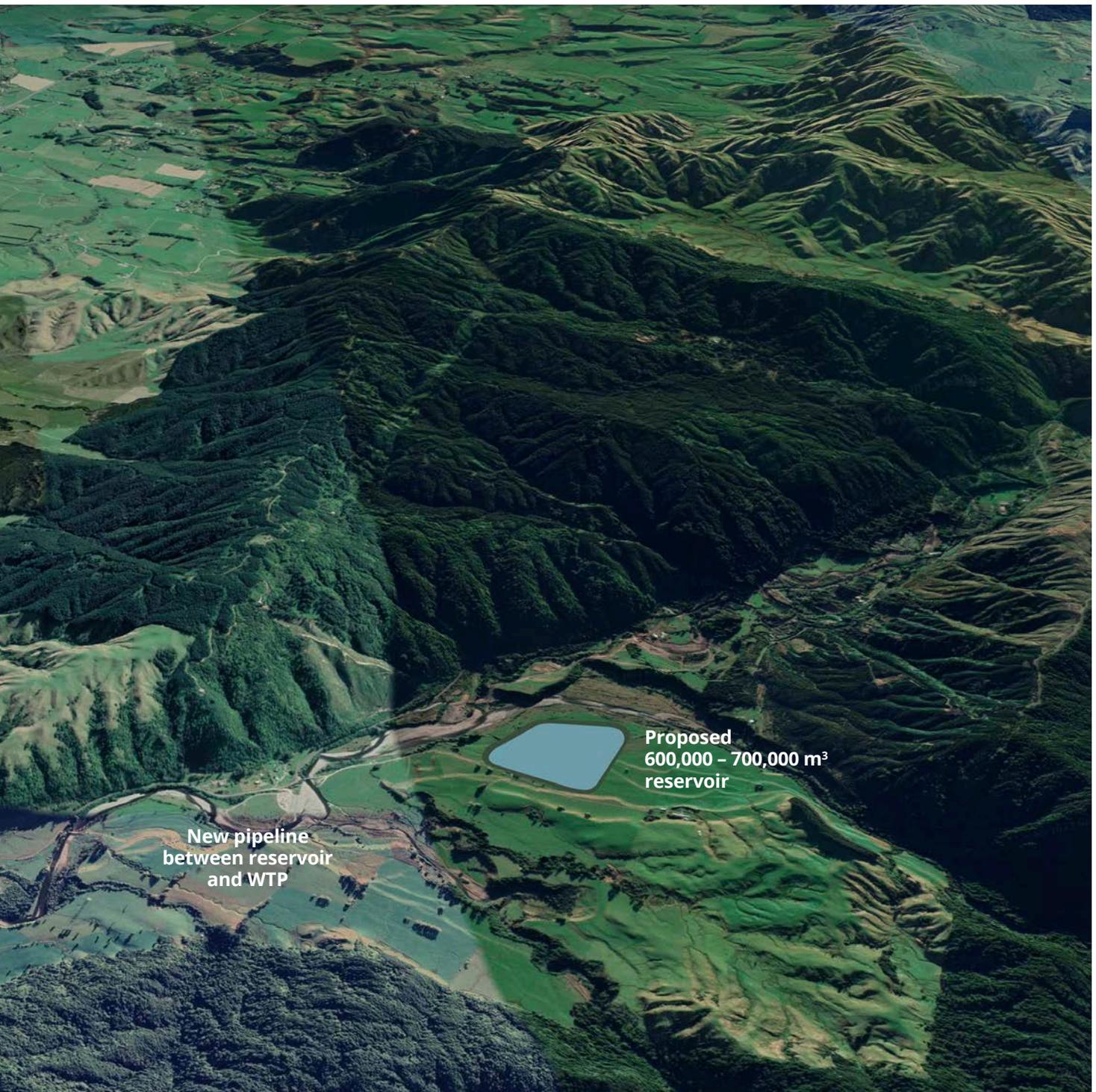
Following concept design and multi-criteria analysis, a single reservoir was selected as the preferred option mostly due to effectiveness and cost considerations. The embankment required to separate the site into two reservoirs results in a significant loss of stored volume. The storage volume of a single reservoir is in the order of 700,000m³ compared to 460,000 m³ for a two reservoir option.

How will it work



Some key milestones are yet to be achieved, which means we can't get ahead of ourselves. The consenting process is complex and could take several years, given the scale of the work proposed. We are considering other options to manage water consumption in Horowhenua in the meantime, including district-wide water metering required to

identify leaks. We are ensuring new developments provide for rainwater harvesting and continue to implement our water demand management strategy.



**New pipeline
between reservoir
and WTP**

**Proposed
600,000 – 700,000 m³
reservoir**

Responding to those in need during Emergency situations

Extreme weather once again hit Horowhenua in the 2022-2023 financial year. While we were tremendously fortunate to have avoided the worst of Cyclone Gabrielle's impact, we did have events in our district which required a Civil Defence Emergency Response.

EXTREME WINTER WEATHER

Through our Social Media channels, Horowhenua residents were informed of weather watches and warnings during the year as they were issued, and regular Horowhenua Emergency Management Committee Meetings facilitated by us and attended by representatives from FENZ, Police, Horizons Regional Council were held to ensure the district is prepared at all times for extreme weather situations. During these meetings, stakeholders share key learnings from recent responses, discuss emergency management in our community and ensuring we're best prepared in the event of an emergency.

Our Civil Defence Emergency Management (CDEM) team were put on standby when wild wintry weather caused disruption in the district on 12 July 2022. The weather caused minor property damage, downed trees and fences, and caused flooding in areas.

Council contractors and Fire and Emergency New Zealand (FENZ) responded to public incident reports, clearing fallen trees and debris which blocked roads. During the weather event, they also monitored a red stickered commercial building, which had been red stickered following a tornado in May 2022, as it had loose roofing iron, which had the potential to come off and harm someone.

Our roading team and contractors worked with FENZ also responded to non-urgent requests regarding surface flooding in Levin and Waitārerere Beach, caused by the weather.

FLOODING

Several rain events during the 2022 winter meant soils were saturated and surface water couldn't drain away as well as it normally would. After consistent heavy rain, the surface water levels were abnormally high.

After continued heavy rain on 28 July 2022, and with more on the forecast, our CDEM team were again put on standby. Multiple non-urgent requests regarding surface flooding were received and ponding also caused power outages in isolated areas in Waitārerere Beach.

Residents were cautioned to be especially careful when driving as a number of locations experienced flooding:

Hōkio Beach

- Kingi Street
- Tuiti Street.

Waitārere Beach

- Waitārere Rise
- Ramona Avenue
- Waka Tete Place
- Truebridge Drive
- Kanuka Drive.

There was also flooding on the corner of Hickford Road and Foxton-Shannon Road.

Working with Helping You Help Animals (HUHA), our Animal Welfare team offered support to any animal impacted by the adverse weather.

POLICE INCIDENT

On Thursday 4 August 2022, Police cordoned Bledisloe Street, Levin following a report of a person threatening self-harm. It was believed he had weapons and chemical agents and would resist attempts to remove him from the property.

As a precautionary measure a cordon was put up, around 80 residents were asked to immediately leave their homes for their safety, and members of the public were asked to avoid the area. This caught people out that were not at home and those affected was uncertain when they could return or access their belongings including essentials like medications. This left dozens of people needing to find alternative accommodation at very short notice.

FENZ and Ambulance staff supported the Police-lead response which continued overnight, while a team from Council provided welfare for those who had been evacuated from their homes.

A welfare centre was set up at Te Takeretanga o Kura-hau-pō as a base for those needing a place to go for help, accommodation, kai and other resources. Council staff immediately dropped their day to day jobs to provide manaakitanga

to those that unexpectedly lost access to their home and essential possessions. Providing, hot drinks, kai, blankets and a friendly ear. Council staff also liaised with police to come and provide updates for those at the welfare centre. The Mayor and some Elected members also arrived to help.

While most people were able to make alternative arrangements with friends and family for the two nights the cordon was in place the CDEM Welfare team got to work finding accommodation for those that couldn't. Practical support such as vouchers and nappies was also provided

Our communications team worked with Police to keep our residents informed as the event unfolded, publishing eight Police statements and providing regular updates on our social media channels.

During the incident there was a significant amount of potentially harmful misinformation in Facebook community groups which could have escalated the situation. Our acting Social Media Lead worked with the group admins, during the unfolding event, to block and censor these comments to shut down any false information and to ensure online chatter regarding the incident was kept factual and from official sources.

The incident drew national attention, and on Friday 5 August a joint press conference fronted by Police and Mayor Bernie Wanden was held at the Council Civic Building.

CYCLONE GABRIELLE

Horowhenua braced for the worst when we were informed that Cyclone Gabrielle was heading to Aotearoa shores. In preparation, the CDEM team met on 10 February 2023. Early monitoring suggested that the Upper North and East Coast of the North Island will be most severely impacted by the impending weather system, and Horowhenua could

expect severe gales of between 120km and 140km. The forecast also predicted that the Tararua Range was likely to receive a substantial amount of rain.

The severe wind and heavy rainfall anticipated could've led to fallen trees, power outages, rapidly rising rivers, potential flooding, hazardous driving conditions and possible challenges for our treatment plants. Council and our contractors continued to monitor the situation during the weather warnings, and residents were reminded on ways they could prepare themselves and loved ones for the cyclone through Council's media releases and social media and links to getready.govt.nz were shared.

Fortunately, the weather predictions for Horowhenua were not as feared. Our hearts went out to neighbouring regions who experienced severe impacts to their communities, infrastructure and properties.

After hearing how hard Hawkes Bay in particular was hit, we were quick to send support.

As an initial show of manaakitanga to those impacted by the cyclone, Council staff offered to help with the response and within 24 hours Council deployed staff to help with logistics, operations and welfare across Hawke's Bay and Tararua.

As weather warnings were lifted, three of our experienced Incident Management Team members and two local building inspectors travelled to Central Hawke's Bay to help, bringing with them a truck load of bottled water. More staff, water tankers and resources deployed in the following days.

We were one of eleven Councils adopting another Council as part of 'Adopt a Community', a nationwide initiative which connects councils with regions worst hit by Cyclone Gabrielle – community to community.

Our adopted district – the Tararua District - suffered 1,500 faults to their roading network as a result of Cyclone Gabrielle, including 150 drop outs and more than 25 roads were closed in the Cyclone's wake.

To offer support and aroha to the district, we encouraged Horowhenua residents to give financially if they were in a position to do so to our Mayoral Flood relief fund.

To support our friends and neighbours in both Tararua and Hawkes Bay, the Council hosted 'The Black Out', an initiative with the goal of raising \$100,000 for the districts.

Schools and community organisations were encouraged to 'Black Out' on Friday 31 March, host mufti days for people to wear black and give a gold coin donation. Businesses dressed shop fronts in black, also collecting donations from customers.

To support the cause, participating schools were put in a draw to win a school pool party at the Levin Aquatic Centre.

There was a Black Out street appeal, and residents were encouraged to donate to our Mayoral Relief Fund, the proceeds of which went directly to the Hawkes Bay and Tararua Districts. As part of The Black Out, an evening auction was held on Saturday 1 April at Te Takaretanga o Kura-hau-pō showcasing the district's producers and local businesses.

The event was supported by the Horowhenua District Council, Horowhenua Taste Trail, Lemonface Design, Get Content, and a collective of community members. In total \$108,971.60 was raised.





Destination rebrand launch

Living in Horowhenua, we know of the special experiences, opportunities, relationships, history and outdoors we enjoy while living, working, learning and playing here. We launched a new destination brand in October 2022 which shares these stories with the wider world, highlighting what makes Horowhenua a unique and great place.

The new brand celebrates the unique strengths of our rohe. We worked with Iwi partners and community groups on the project which was many months in the making.

The development of the Horowhenua brand, and the opportunities that follow, became a priority after trends revealed that more people were visiting and spending more money in our district, outshining national averages between 2016 and 2019. To maximise the opportunities of this largely organic growth we reviewed Horowhenua as a destination and the Horowhenua Destination, Development and Management Plan 2020-2030 was born.

To ensure the Horowhenua NZ brand was nurtured to its fullest potential, the rebrand included the development of a new destination website, marketing and paid media strategy to drive visitors to site and new boundary signage.

The overarching kaupapa while redeveloping the brand narrative was the desire to honour our obligations under Te Tiriti o Waitangi, to be inclusive, to showcase our rich cultural heritage and include the use of Te Reo Māori and local story telling. While Iwi partners contributed to The Destination Management Plan, we also wanted to ensure we engaged appropriately while refreshing the Horowhenua brand.

We invited local businesses, community and interest groups, Iwi/hapū, rangatahi, elected members and tourist operators to participate in a brand workshop in April 2022 as part of the process. Exploring the proposition 'only in the Horowhenua will you find', it was evident that our uniqueness comes from the whenua and its relationship to its people. Chief Executives of Muaūpoko Tribal Authority, Rangitāne and Te Rununga o Raukawa were interviewed. From there, the team learnt about what makes Horowhenua so unique.



Horowhenua has the shortest distance in Aotearoa from the Maunga (mountains) to the Moana (sea). This unique geography has provided for its people and enabled them to thrive and prosper, whether that be tangata whenua, early settlers, market gardeners or the many producers and businesses that call Horowhenua home today.

It was a natural fit that the Horowhenua district brand reflect the enduring and enriching natural elements of the whenua (land). The aim of the brand design was to visually represent Horowhenua – our majestic Tararua Range, and the many puna, wetlands and varying types of wai – be that lakes, rivers, streams or ocean.

The design is closer to the shape of a coastline rather than just a river or stream, linking Levin, Foxton, Manakau, Waikawa, Shannon, Tokomaru and Ōpiki, reflecting on Horowhenua and its place on the West Coast of the Lower North Island.

The tono– or call to action – featured on destination marketing came from the idea that the district embraces and nourishes people, whether they choose to live here or simply visit: Come find yourself: Huraina tō mata. And for those already living here: Ko tēnei whenua, tōku kāinga – This land, my home.

The brand refresh is supported by The Destination Plan which has three key objectives:

1

GROWTH

It is projected that with sufficient investment, Horowhenua destination development could double the contribution of visitor spending to \$200m by 2030 – approximately 10% growth per annum.

2

SUSTAINABILITY

With a focus on developing a thriving and sustainable visitor sector, the aim is that Horowhenua is renowned for its built, natural and cultural heritage and experiences. Driven by collaborative, passionate and proud people and is unique and authentic in its offerings.

3

INCLUSIVITY

That tourism is viewed as an opportunity to enrich the cultural, physical, and mental wellbeing of the Horowhenua hapori (community). And that we develop and apply protocols, grow experiences, and share stories that build visitor understanding of kaitiakitanga – respect for mana whenua and enhanced community capacity to exercise manaakitanga.

When we launched the new brand in October 2022, our boundary signage was given a refresh, and our rohe was advertised in six neighbouring regional tourism organisations and 15 iSites encouraging people to experience all Horowhenua offers.

Local businesses, accommodation, activities and destinations feature on a new website – www.horowhenuanz.co.nz – which was created as part of the brand refresh. Any one from around the world can explore the website to learn about our district’s history, culture, events and experiences and plan their visit, or move, to the rohe. We will continue to grow and develop this website, with new listings continuing to be updated and added, and a travel blog is in the works.

Our Communications team distributed 7,000 newly designed visitor information guides to Ruapehu, Whanganui, Manawatū, Hawke’s Bay, Taranaki, Wellington and Horowhenua iSites, and engaged with Tourism NZ to ensure Horowhenua job and event listings go direct to our Horowhenuanz.co.nz website.

There are more than 120 listings on the new destination site and tourism stories are shared via social media almost daily to promote those commercial businesses.

As at 30 June 2023 the website had 57,161 views and 26,658 active users explored the site to learn more about our rohe.

Horowhenua NZ Facebook visits increased by 644%, and our reach rose to 357,944. We gained 88 Instagram followers, and our profile visits were up 29% to 1,049.

Visitors spent more money in our rohe than last year. Domestic tourism electronic card transactions increased to \$84.5m year ended June 2023, up 6.29% since launch on 5 October 2022. International tourism electronic card transactions increased to \$5.9m year ended June 2023 up 110% since launch.*

On monthly average for June 2023 saw 6,069 domestic visitors and 198 international visitors visit Horowhenua**.

Under the Horowhenua NZ brand, we are publishing monthly ‘What’s On’ event listings in the Horowhenua Chronicle, and while sporting Horowhenua NZ merchandise, Council staff promoted the brand at popular annual event the New Zealand Rural Games in Palmerston North.

Financed by Three Waters Better Off Funding, a 12-month fixed term Destination Management Lead position has been created and will commence September 2023 to focus on evolving the brand and providing recommendations on an effective business model and governance structures and seeking funding opportunities.

* Sources MBIE <https://teic.mbie.govt.nz/ste/regions/relianceOnTourism/#indicatorSection2>

** <https://tourismnz.dataventures.nz/>





Leading the way in Community Connectedness

One of our Community Outcomes is Strong Communities. We know that being connected to your community is vital to wellbeing. We are committed to building an even more connected and inclusive Horowhenua where all residents feel valued and have a sense of belonging.

Throughout the year, through events, community partnerships and our facilities and places we celebrated and brought people together to strengthen our hapori.

We value the diversity of our people and want to help them thrive and live positive and healthy lives here in Horowhenua.

During this financial year we have shone on the national stage in connecting employers and employees through the Mayor's Taskforce for Jobs (MTFJ), and welcoming refugees to our rohe.

Mayor's Taskforce for Jobs

Mayor's Taskforce for Jobs (MTFJ) is a nationwide partnership between Local Government New Zealand (LGNZ) and the Ministry of Social Development that supports young people into suitable training, employment and mentoring opportunities, helping remove barriers to employment or training.

Horowhenua MTFJ, led by Mayor Bernie Wanden, creates new employment opportunities for our rangatahi. It has proven a valuable initiative since its inception in Horowhenua in 2021, achieving results beyond the expectations of the contract, leading Aotearoa in terms of job placements and changing many lives.

Through targeted initiatives and partnerships with local businesses the team were successful in filling more than 100 new job

opportunities for this financial year. Thirty-nine people were placed in the construction industry, 20 in primary industries, eight in hospitality, four in retail and four in government, three in health and aged care, three in education and training, two in arts and recreation and the remaining 17 across other industries.

The programme focuses mainly on young people aged between 16 and 24 who are not engaged in education, employment or training; however the programme is designed to help anyone who is disadvantaged in the job market.

Our programme coordinators work with clients individually to determine their needs and support them in gaining the skills and confidence to get into work or training. This support includes picking clients up and taking them to appointments and interviews. It involves supporting clients to achieve their driver's licence, access extra training or qualifications, write their CVs, prepare for job interviews, access counselling, and pay for work uniforms, footwear and tools. The coordinators work with their clients to determine the type of work that would suit them and then contact relevant employers to advocate on their behalf.

Eighty percent of all entry level jobs are not advertised, so our MTFJ Coordinators have spent time building relationships with local business owners who they reach out to when they have a suitable candidate. This is a relationship that

is built on trust and that is why it is imperative to find the right match for both the employer and employee.

Once the clients are in work, they receive six months post placement support to help them settle into work life, with the MTFJ team supporting the client to manage any challenges they might experience in their new environment.

We recognise a thriving economy is essential for the wellbeing of our rohe, and our local businesses play a vital role in sustaining our economy. Like many businesses nationwide, our local employers are not immune to the current shortage of staff. Through MTFJ, rural and small businesses have an opportunity to cultivate local talent with a deep understanding of the community to join their team. Businesses can receive assistance with recruitment, training and wage subsidies to help offset part of the cost of onboarding and training new staff.

In May 2023, the national MTFJ programme received \$18 million over two years, securing multi-year funding from Central Government in

this year's budget announcement to ensure that the programme can be delivered into the future.

Welcoming Communities Refugee Resettlement

Talk to any visitor to Aotearoa New Zealand and the first things they are likely to comment on are the beautiful scenery and the friendly locals. Kiwis are seen as friendly, hospitable and inclusive – qualities highlighted by Welcoming Communities Te Waharoa ki ngā Hāpori.

There are 34 local councils (including Horowhenua District Council) and five local boards working with their communities to implement Welcoming Communities, a programme that puts the welcome mat out to newcomers: recent migrants, former refugees and international students.

Communities that make newcomers feel welcome are likely to enjoy better social outcomes, and stronger economic growth. In this environment, everyone is able to participate in the economic,

civic, cultural and social life of the community. Building connections between locals and newcomers means everyone feels included and knows they belong.

The Welcoming Communities Programme uses an outcomes-based Standard made up of eight outcome areas important to creating a welcoming and inclusive environment.

The communities, councils and agencies involved in Welcoming Communities co-designed the Standard together. New Zealanders also had input through a nationwide consultation in 2017.

The Standard enables the participating councils to:

- benchmark their policies, services, programmes and activities
- identify where and how further efforts could be directed through their Welcoming Plan activities
- assess progress over time
- seek accreditation as a 'Welcoming Community'.





Councils who chose to participate received funding of \$50,000 a year to roll out a Welcoming Communities programme. We successfully applied for funding in 2020 and received three years of funding to June 2023. The Welcoming Communities framework aligned well and was instrumental to support the wider community with the Levin Refugee Resettlement Programme.

In February 2019 Levin was selected as a designated refugee resettlement town. Unfortunately due to Covid restrictions, the arrival of refugees was initially postponed. However, in October 2022 we welcomed our first refugee family to Levin, and a further 70 to 80 Colombian refugees arrived by the end of the financial year.

In anticipation of the arrival of the refugees, we initiated a collaborative effort involving Iwi, community partners and various agencies.

Together we embarked on a journey to understand, discuss and address any concerns and challenges that might arise. This innovative and community driven approach was distinct, setting us apart from other councils and regions, to collaborate to learn about and talk through concerns and challenges. This unique community-based approach was something no other council or region had taken. The Refugee Resettlement Network was established and met monthly from May 2022 through to October 2022 when the first Colombian former refugee families arrived. This group continues to meet now on a six weekly basis.

The Welcoming Communities framework and Refugee Resettlement meetings have been integral to supporting the transition for Former Refugees from Colombia to their new home here in Horowhenua. They have allowed

everyone in the group to foster relationships and stay connected, talk through challenges, provide a safe space for real, honest and courageous conversations and to utilise networks to the benefit of the new families' arriving.

Thirty community and social service agencies and groups have been involved with the Refugee Resettlement process, including NZ Red Cross, Immigration NZ, Muaūpoko Tribal Authority, Te Whatu Ora, Ministry of Education, Ministry of Social Development, English Language Partners NZ, Literacy Aotearoa, UCOL, Police, Corrections, local schools, colleges and other local support or services.

The group had many things to consider before the first refugees arrived. Discussion centred on how to prepare for the refugees, the specific and unique needs of the group, and how we will help them



get used to the New Zealand way of life. The group aimed to ensure the refugees had the best start so that they settle well, are supported and feel like they belong.

We had to decide how all the different agencies and groups could work together and make sure everyone was on the same page. We also had to think about the hapori and sensitivity toward current community members without homes, living in poor housing conditions and those struggling to access social and health care.

We discussed educating the hapori about refugees' needs, language, and culture and the benefit refugees bring to the rohe. During these meetings we learnt from other refugees about their experiences, and we also learnt from experts in various relevant fields and other resettlement areas and what went well for them and what did not.

The programme was so successful, that representatives from the Refugee Resettlement Network were invited to present at the National Refugee Resettlement Forum in July 2023, an annual event facilitated by the Ministry of Business, Innovation & Employment. The Forum provides refugee resettlement stakeholders with the opportunity to actively engage on strategic refugee resettlement issues. Government agencies, non-government organisations, service providers, former refugee communities and international organisations participate in the Forum.

We were able to share what made our Welcoming Communities Programme so unique– the whole community approach, embedding Māori tikanga into the programme, putting the new families at the centre of the programme, having a can-do attitude, going the extra mile, and learning from others.

We shared success stories particularly in the education field. The programme was able to acquire new Chromebooks for students, and school aged children received free internet for a year plus 30 hours of digital literacy training. Six Spanish speaking teacher aides were placed in schools, and cultural competency training and training on the refugee journey was provided for schools. Additional in class and after hours support was also provided for students.

We also shared stories of community support. Barista training was made available, bike safety and baby gear was donated, fridges loaned, houses were blessed, people attended Spanish classes, and positive refugee stories were shared through photography exhibition 'Mementos' at Te Takeretanga o Kura-hau-pō. We also hosted WEAVE, a multicultural event celebrating the diverse cultures in Horowhenua.

We were able to help arrange mobility passes, driver's licences, prescriptive glasses, jobs from

supportive employers, first aid training and mental health capacity training.

Our new Colombian families reciprocated the kindness they received by getting involved in community events in which they put on concerts and cooked Colombian food.

Our challenges were also highlighted at the National Refugee Resettlement Forum. As it was the first time refugees have been settled in the rohe, and there was learnings and confusion around who was responsible for what. We experienced some communication crossovers and duplication of work. Through the process we gained a better understanding of other organisations processes, while tackling the issue around lack of housing, and finding financial support for refugees.

We brought along two of the recently settled refugees to share their stories at the Forum of how they have successfully settled into Levin, thriving under our manaakitanga and contributing to not only the wider hapori but also the Welcoming Communities programme.

The next step is to empower Former Refugees to drive and determine their own outcomes and future here in Horowhenua, along with developing a Welcoming Communities Plan with other community ethnic and cultural leaders. A plan that will ensure collective and shared responsibility for the outcomes.

Better Off Funding

In July 2021 Central Government announced a comprehensive Three Waters support package, with an initial tranche of \$500M made available for councils to apply to. Local Government could use this funding to invest in community wellbeing initiatives that would contribute to their communities and enhance the environment.

We saw this as a great opportunity to bring some projects forward and undertake others which we would have otherwise been unable to do. In August 2022, we asked Officers to identify projects that met the criteria and participate in a 'dragons' den' event in which Elected Members formed a panel to hear project proposals. Eleven projects were deemed as having significant benefits to our community and environment and were included in a Better Off Funding application.

In December 2022, we were notified that our Better Off Funding Application of \$4.99M was successful, and a funding agreement was signed in early 2023. An initial 10% of funding was received in March 2023 to allow the projects to progress.

When the Better Off Funding was announced there was initially an additional \$1.5B to be made available in July 2024. We were making plans to work with our iwi

partners to apply to the second tranche of funding, however, in April 2023 Central Government announced a reset of the Three Waters Reform, and this funding was discontinued. The announcement had no bearing on the already allocated tranche 1 of Better Off Funding.

Projects to Receive Better Off Funding

LEVIN TOWN CENTRE DEVELOPMENT

The Levin Town Centre Development will create a new town centre, deliver new housing, remove high risk earthquake-prone buildings, enable a night time economy and promote a vibrant retail and food space, areas for public congregation, and establish prominent east-west connections to key community spaces.

The Better Off Funding will be used to purchase properties which will enable the project to start earlier than planned.

MANAKAU DOMAIN UPGRADE AND SHARED PATHWAY

Working with the local community groups and sports clubs, this project aims to upgrade the sportsground, replace the public toilets, develop a new playground and install a shared pathway along Waikawa Beach Road.

LAKE PUNAHAU DEVELOPMENT PLAN

Working in a co-governance partnership with the Lake Horowhenua Trust and Lake Domain Board. This project focuses on the preparation and delivery of the Lake Punahau Development Plan, including a Reserve Management Plan. The plan will provide a framework for the delivery of a

strong, long term outcome for the health of Lake Punahau, and can incorporate the growth impacts for the Levin Township and how it interacts with this hugely important water body.

WAITĀRERE BEACH SURF CLUB DEVELOPMENT

This funding will allow the development of additional works that was not included in the original plans and funding, for the rebuild of the Waitārere Beach Surf Club. These include:

- Upgrades to the parking facility
- Upgrades to the public toilets and infrastructure
- Installation of BBQ units
- Landscaping of the area
- Signage to promote the local ecology and cultural significance
- Removal of exotic species and native planting.

TE MAIRE PARK DEVELOPMENT

This project focuses on the development of the southern end of Te Maire Park in Shannon using concept plans that have been developed in close cooperation with local Iwi and the Shannon Progressive Association.

It will establish a shared path between the park and town centre and create a recreational space for reflection and relaxation with landscaping, seating, BBQ and a pergola, to enhance use and understanding of the significance of flax and water in the area.

TRIG MOUNTAIN BIKE TRACK IMPROVEMENTS

Mountain biking is increasing in popularity and Levin has a track that could be a national attraction. However, this track was damaged during storms several years ago. Fixing this track and adding new tracks will double the rideable area at the Trig and make it suitable to hold national events, attracting visitors whose spending in the rohe will contribute to our economy.

SPOTLIGHT ON TRIG MOUNTAIN BIKE IMPROVEMENTS

This project has made good progress and will be led by volunteers from the Levin Mountain Bike Club. A Memorandum of Understanding (MOU) to deliver on the project has recently been agreed upon and signed by the Council and the Club to allow the Trig mountain bike track rebuild and improvements project to begin.

The Club has extensive experience building mountain bike tracks at the Trig using volunteer labour and we are confident that they have demonstrated that they have the expertise and capacity to deliver the project.

The funding was allocated to this project will enable them to machine build an extension to the top ridgeline track from the corner of Trig Road and Grey Bush Road to Stag Road, hand build new tracks from the new ridgeline track to the eastern side of the ridge and rebuild and improve existing tracks on the western side of the hill.

The new tracks will be either grade three or four which will cater for beginners through to advanced riders. This is a two year project that will be completed by April 2025, and the Club is required to regularly report its progress to the Council. Once complete it will be a welcome enhancement to an already well utilised facility and will contribute to the vitality of our rohe and economy.

EVENTS AND DESTINATION MANAGEMENT PLAN

In October 2022, Council launched its refreshed brand that celebrates our district's unique strengths and enables the Horowhenua to realise its potential.

In conjunction, Council commissioned the development of an Events Strategy, to align with the new brand and provide direction for event attraction, management and growth in Horowhenua.

The recommendations of the Strategy included funding a position that could build a tool kit of shared

resources and work as a concierge for event organisers. The Better Off Funding also allows for the establishment of a contestable major events fund and operational costs to invest in flags, signage and other events related capital.

The funding will allow us to recruit a suitable person to fill a Destination Management Lead position and implement recommendations from the Strategy.

FOXTON AQUATIC CENTRE

Better Off Funding will also contribute to the costs of the current rebuild of the Foxton Pool.

Rural Halls Drinking Water

We have a number of rural halls in our rohe which are a critical asset in rural communities, as they provide a community gathering and connection place for residents. In most instances these facilities are not connected to the main Council water supplies or lack adequate wastewater systems.

This project will give rural halls resiliency by upgrading the provision of drinking water and wastewater collection and processing.

LEVINABLE PROJECT

We have worked with stakeholders to develop a proposal for a fully inclusive and accessible playground known as 'Levinable' on a local Council reserve. The reserve is centrally located and establishment of an accessible playground on this reserve would result in the creation of a unique asset for the rohe.

Better Off Funding means we can turn what are currently concept designs into detailed designs and work with partners to plan, apply for funding for, and develop the project.

FOXTON COURTHOUSE

Te Awahou/Foxton is the oldest town settlement in Manawatū region, a town of significant historical importance including pre-European settlement history. The Foxton Courthouse operated from 1929-1971 before it was used as a museum from 1975. It closed in

2013 after the building was identified as earthquake-prone. This project will include a high level feasibility study on the future of the Courthouse to be used for funding applications, the completion of an updated strengthening solutions and pricing proposal and commencement of any upgrade work which can be completed within the funding envelope.

LEVIN TOWN CENTRE DEVELOPMENT

\$2,000,000

FOXTON POOL REDEVELOPMENT

\$500,000

TE MAIRE PARK DEVELOPMENT

\$500,000

WAITĀRERE BEACH SURF CLUB DEVELOPMENT

\$500,000

MANUKAU DOMAIN SHARED PATHWAYS

\$400,000

RURAL HALLS DRINKING AND WASTEWATER

\$400,000

EVENTS AND DESTINATION MANAGEMENT STRATEGY

\$350,000

TRIG MOUNTAIN BIKE TRACK IMPROVEMENTS

\$100,000

FOXTON COURTHOUSE REDEVELOPMENT

\$80,000

LAKE PUNAHOU DEVELOPMENT

\$80,000

LEVINABLE PROJECT

\$80,000

HE PĀRONGO MŌ Ā MĀTOU MAHI



ACTIVITY UPDATES



He pārongo mō ā mātou mahi

Activity Updates

Activity Performance

This section contains comprehensive information on the performance of each activity, carried out by Council in furthering Community Outcomes, for the financial year. It includes updates, financial information and non-financial performance measure information for each of the activities. The Local Government Act 2002 requires all councils to report on a set of non-financial performance measures for roading, water, wastewater, and stormwater and flood protection. Councils also develop other performance measures in consultation with their community during the Long Term Plan process.

Performance measures provide valuable information on how Council is performing in the wide range of Council activities. This section contains the full set of performance measures, outcomes and commentary.

A high level summary can be found in the 'Performance and Position at a Glance' section of this Report, and a briefer summarised version in the Summary Annual Report.

As set out in the Local Government Act 2002, community outcomes are what Council aims to achieve in meeting the purpose of local government.

The purpose of local government was amended as of 14 May 2019 from meeting the current and future needs of our communities for good quality infrastructure, public services and performance of regulatory functions to promoting the social, economic, environmental, and cultural wellbeing of its district or region in the present and for the future.

The community outcomes identified are those that were adopted as part of the 2021–2041 Long Term Plan.

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

This part is prepared according to the requirements of the Local Government Act 2002 and the financial reporting standards issued by the External Reporting Board. It reports on Council's policies, objectives, activities, performance targets, indicative costs and sources of funds as outlined in the 2021/41 Long Term Plan (LTP) Year 2 2022/23. Activity Statements for each significant activity are contained on the following pages.

In doing so, the report is a reflection of Council's accountability to the Horowhenua hapori and indicates the success (or otherwise) of Council in fulfilling its intended achievements as it had outlined in the 2021/41 LTP Year 2 2022/23.

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

Community Outcomes



In particular:

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

The significant activities reported on are:

REGULATORY SERVICES

The Regulatory Services Group of Activities provides advice, building and resource consenting services, assessment, education, compliance and enforcement. This Group of Activities aims to protect the health and safety of our hapori and the environment they live within.

COMMUNITY FACILITIES

The Community Facilities Group of Activities includes the following:

- Aquatic Centres and Recreation
- Community Centres and Libraries

REPRESENTATION AND COMMUNITY LEADERSHIP

This Activity comprises of how Council meets its responsibility to represent and provide leadership for our hapori including how Council will involve the community in its strategic planning and decision making.

COMMUNITY SUPPORT

The Community Support Group of Activities is made up of a number of sub-activities which aim to provide for the social and economic wellbeing of our hapori. These Activities are:

- Emergency Management
- Community Engagement
- Visitor Information
- Destination Management
- Economic Development

LAND TRANSPORT

The Land Transport Activity aims to provide and maintain roads, footpaths and shared pathways across our rohe that meet the needs of our hapori.

STORMWATER

As part of the Stormwater Activity, Council provides and maintains a stormwater system that aims to remove water from the roading corridor, and in some cases residential and commercial properties, to reduce the occurrence of flooding during rainfall events.

WATER SUPPLY

The Water Supply Activity provides a safe and reliable supply of water to urban (residential, industrial and commercial) and agreed rural properties.

WASTEWATER TREATMENT

The Wastewater Treatment Activity aims to protect human health and environment by treating wastewater from residential and industrial properties and discharging treated effluent back into the environment.

SOLID WASTE

The Solid Waste Activity aims to collect and safely dispose of residential and commercial rubbish, assist with waste minimisation and aims to deliver continued waste reduction.

COMMUNITY INFRASTRUCTURE

The Community Infrastructure Group of Activities is made up of a number of sub-activities, which aim to provide both passive and active amenities for our hapori to use.

PROPERTY

Council owns a substantial number of properties throughout the Horowhenua which support the delivery of Council's activities. The Property Activity ensures that these assets are managed and maintained effectively.

For each Group of Activities, the following is noted

- impacts on hapori outcomes and wellbeings,
- an update on key achievements and issues
- the levels of service provided,
- overview of budget performance
- funding impact statements,
- loan summaries.

Service performance judgements and assumptions

When we prepared the forecast Statement of Service Performance in the 2021-2041 Long-term Plan, Horowhenua District Council has made the following judgments in the selection of our service performance measures found in the Our Performance and Position at a Glance and Activity Updates sections:

- We have reflected on the extent to which the levels of service we plan to provide to the community were best captured by performance measures.
- Consideration has been given to the views expressed by our residents and ratepayers. This includes feedback relevant to the levels of service and performance measures received throughout the LTP consultation process.

Relevant measurement judgements have been included within each group of activity section to which the judgement relates.

Under the Local Government Act 2002 we are mandated to provide standard performance measures so that the public may compare the level of service provided in relation to the following group of activities: water supply, sewerage and the treatment and disposal of sewage, stormwater drainage, flood protection and control works and the provision of roads and footpaths (. DIA guidance has been followed in measuring performance against all mandatory performance measures. We demonstrate regulatory compliance for statutory measures (such as percentage of both building consents and resource consents applications processed within 20 statutory days).

Further to the above judgements being made in the selection of performance measures, we also apply judgements in the measurement, aggregation, and presentation of service performance information.

As part of setting funding levels the Council has considered the impact on services and their related performance measures. Despite funding pressures across the Council, management has determined it is possible to continue to provide services at current levels and the related performance measures do not need to be adjusted for funding reasons.

Material judgements have been applied as follows:

SURVEYS

We use software provider Ask Nicely to develop and deliver all of our Voice of Customer surveys, this includes both brand perception surveys ,and surveys related directly to a user experience and resident satisfaction surveys . Survey questions largely remain the same each year to ensure a continuous benchmark, although each year we may ask questions that relate specifically to a significant community project that may be coming up, to gauge community opinion on certain topics.

Surveys are digital and sent via email, social media, signage and print media to ensure maximum reach and diversity of audience. Council uses both customer satisfaction metrics and Net Promoter Score to ensure a fulsome view of brand health and user experience. Responses are analysed at a level that ensures statistical significance. While we have tended to distribute our surveys annually, our intention is to survey our community more frequently and move to an always on approach to Voice of Customer. Over the next year we will work to establish API integration to support this approach.

EXTERNAL IMPLICATIONS FOR STATEMENTS ABOUT PERFORMANCE

There are conditions that affect the service performance results and may result in a variation from the anticipated or forecasted results. These are ones which are outside the control of the group.

Examples of this are, but not limited to changes in government policy in New Zealand, changes in international travel restriction, global and domestic economic conditions and international policy that may impact areas such as recruitment, availability of material and supplies (for example, materials required for critical infrastructure), volatility in international financial markets and other unforeseen considerations.

Assumption: for the purposes of measuring performance targets numbers have been rounded to the nearest whole number.

STATEMENT OF COMPLIANCE

The service performance information in this report is compliant with New Zealand generally accepted accounting practice (NZ GAAP).



Ngā Ara Whenua Land Transport



WHAKATAUKĪ

**Manaaki whenua
Manaaki tangata
Haere whakamua**

Care for the land
Care for the people
Go forward

Description of activity

The Land Transport Activity aims to provide and maintain roads, footpaths and cycle paths across the district that meet the community's needs.

What the activity involves

- Provides safe, convenient and efficient transit of people and goods through and within the district in a way that meets national standards.
- Provides a network of roads, footpaths, bridges, car parks, signs and markers, streetlights, and associated drainage systems in what is known as the 'Transport Corridor'.
- Maintains partnership with Waka Kotahi/NZTA, which is Council's co-investment partner for roading and the 'Optimised Programme', which is approved on a three yearly cycle in the Regional Land Transport Plan.
- Operates, maintains, renews and improves Land Transport assets.
- Meets requirements of relevant national legislation, strategies and plans.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Access to safe and easy transport enables communities to access more opportunities for work, social and recreational activities. This helps grow thriving communities.

ENVIRONMENTAL WELLBEING

Sustainability is a large part of how Council maintains and improves its network. Almost all the material that is dug out of the network is reused in some way. Council tries to incorporate sustainable construction methodologies whenever practicable in our projects and monitor contractors closely to ensure Council work causes minimal adverse environmental effects.

ECONOMIC WELLBEING

Providing the right infrastructure at the right time and cost enables our hapori to take advantage of the many opportunities coming in the near future. This includes the growth in our rohe, the Ō2NL expressway and Levin town centre.

CULTURAL WELLBEING

Transport infrastructure allows our hapori to freely move across our rohe and engage in cultural activities of all kinds. Our physical works programme considers potential cultural impacts of our activity, and we work with relevant community members to ensure cultural impacts are controlled and opportunities for betterment are realised.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



ANNUAL PLAN KEY PROJECTS

What we planned

What we did

REPLACEMENT OF EXISTING ASSETS

Levin Adventure Park Renewals – Council will continue to work with the Levin Adventure Park Trust and other stakeholders to ensure the Levin Adventure Park remains a safe destination for play that develops social skills, encourages growth, and provides learning challenges in a positive constructive environment. It will do this by ensuring facilities and equipment is fit for purpose and relevant to its user base.

This project was not progressed in this financial year. Work has been rescheduled to the 2023/2024 financial year.

ADDITIONS TO LEVEL OF SERVICE

Cycle facilities – to install new or improved cycle lanes, bicycle racks, kerb crossings and other necessary design components such as signage, separators and markings. The current focus is to complete the route on Queen Street West. Other identified potential locations include extending the network to reach the schools on Weraroa Road and Tiro Tiro Road.

The projects team has been focused on preparing the Transport Choices Project, which has meant a delay in delivery of cycling facilities projects.

An extension of the Queen Street East Shared Path was completed, in addition to some minor improvements for bike stands in various locations across the rohe.

Safety Improvements – to mitigate potential harm by undertaking intersection improvements, traffic calming measures, improving corner alignments, guard rail installation and/or improved walking or cycling facilities. The current focus is on improving safety around schools. The indicative location for this work is the full length of Weraroa Road.

Safety improvements have been focused on schools this financial year, with improvements made on Weraroa Road, by St. Josephs School and on Mokena Kohere St by Manakau School.

PROJECTS RESULTING FROM GROWTH

Subsidised Roothing Road improvements due to Ō2NL – Ongoing planning and investigation of required road interventions due to redistribution in travel behaviour due to growth.

Horowhenua Local Road Improvements Programme. We are currently working on a Programme Business Case, which will develop a programme of works required to adapt to network changes, such as Ō2NL, and to remedy existing shortfalls in our provided levels of service.

Tara-Ika - Cambridge - Liverpool Intersection – Ongoing planning and investigation of required road interventions due to redistribution in travel behaviour due to growth.

Planning and investigation for this is being undertaken in the Horowhenua Local Road Improvements Programme Business Case.

Activity Insights

FLOODING RESPONSE

The previous two years has seen some significant rainfall in the rohe. This has led to a high water table, which when it rains means flooding occurs more often. We have experienced numerous flooding events.

From June till the end of September 2022, the land transport team was almost fully dedicated responding to flooding issues, especially at Waitārere Beach and Foxton.

This included emergency response, road drainage and working to keep roads open. The team also had to liaise closely with the Waters team. The extent of the rain and flooding had not happened before in recent times.

It is prudent to assume that these wet weather patterns will continue and that we need to prioritise addressing known drainage issues in order to mitigate the risk of similar flooding events.

To that end we have completed works at Ramona Avenue and Forest Road in Waitārere Beach and Union Street at Foxton Beach which are working well. We have been talking with affected residents and liaising with contractors to develop plans for other Waitārere Beach and Foxton Beach stormwater issues.

GLADSTONE ROAD

Gladstone Road suffered a slip in 2017 which closed the road for a period of time. While we were able to clear the road at the time the geotechnical assessment and advice was that stabilising the slip

was impractical technically and economically. Gladstone Road does have residents who live there, is part of the Te Araroa Trail and houses the Makahika Outdoor Pursuits Centre, so we knew we needed to come up with a solution.

We then spent time identifying suitable options and preparing and submitting a business case to Waka Kotahi to contribute to funding to build a new section of the road. We were very pleased to receive approval for the funding on 24 June 2020. Our original plan was to commence delivery of the project over the 2020/21 summer construction period.

A week later, on 28 June 2020 we had a major weather event, and the same slip came down again as well as another one, closing the road once

again. These slips meant the project was bought forward. We made a temporary track including a bailey bridge for affected residents and got started on building a new road.

The new road is 1.6 kms long and contains two new bridges to provide resilience to future wet weather events. The project unfortunately took longer than was planned for due to more major weather events, Covid lock downs and subsequent restrictions. It also went over budget due to well documented international and national supply chain issues and rising inflation meant significant price increases were passed on by contractors.

In August 2022 Council agreed to allocate a further \$1.26M to the project and we also successfully applied to Waka Kotahi for additional funding.

Prior to starting works on site we undertook an ecological survey of the area, which identified the presence of native Giant Snails, *Powelliphanta* in the area. They are among the largest snails in the world, are legally protected and are one of the most threatened invertebrates in Aotearoa. Being a nocturnal carnivorous species that normally keeps to wooded areas, it is rare to see them in the wild. A two day search of the Gladstone Road site prior to any works commencing failed to locate any live snails.

However, there was a snail spotted within the work site one day before work started. This specimen was moved on the rock they were on, to an area of vegetation well away from the machinery. A thorough check of the site was carried out for more snails, but no others were found. DOC were just as excited as we were to hear of this discovery.

Iwi were engaged with throughout the process and residents and interested parties were kept up to date with weekly newsletters.

While the new road and bridges opened in sections throughout the project, a blessing was held for the new road in February 2023.

This was a significant undertaking for a smaller Council such as ours when we are normally renewing existing roads rather than building a new road from scratch.

SPEED MANAGEMENT PLAN

The way speed is managed on our roads is changing. Government rules introduced last year with the Land Transport Rule: Setting of Speed Limits becoming operational in May 2022, require a new approach to speed management all over New Zealand. The process that Council is required to follow, and the content and form of a Speed Management Plan is outlined in the Land Transport Rule: Setting of Speed Limits 2022.

Council is legally required to develop and consult on a Speed Management Plan that is used to set safe and appropriate speed limits in the Horowhenua (excluding on the State Highways as this is the jurisdiction of Waka Kotahi).

The primary purpose of this new process is to facilitate the implementation of safe and appropriate speeds to improve safety, save lives, and prevent debilitating injuries. A safe and

appropriate speed is a speed limit that is safe according to the standards set by the Safe System and appropriate in terms of aligning with community wellbeing objectives as well as the movement and place function, design and infrastructure of the street or road.

This financial year we have been spending time understanding the new Speed Management Plan process and planning the implementation of this new process including developing a draft Speed Management Plan to consult with the community on. We had to take into account the requirements for setting the speed limit rules and they were only released in August 2022.

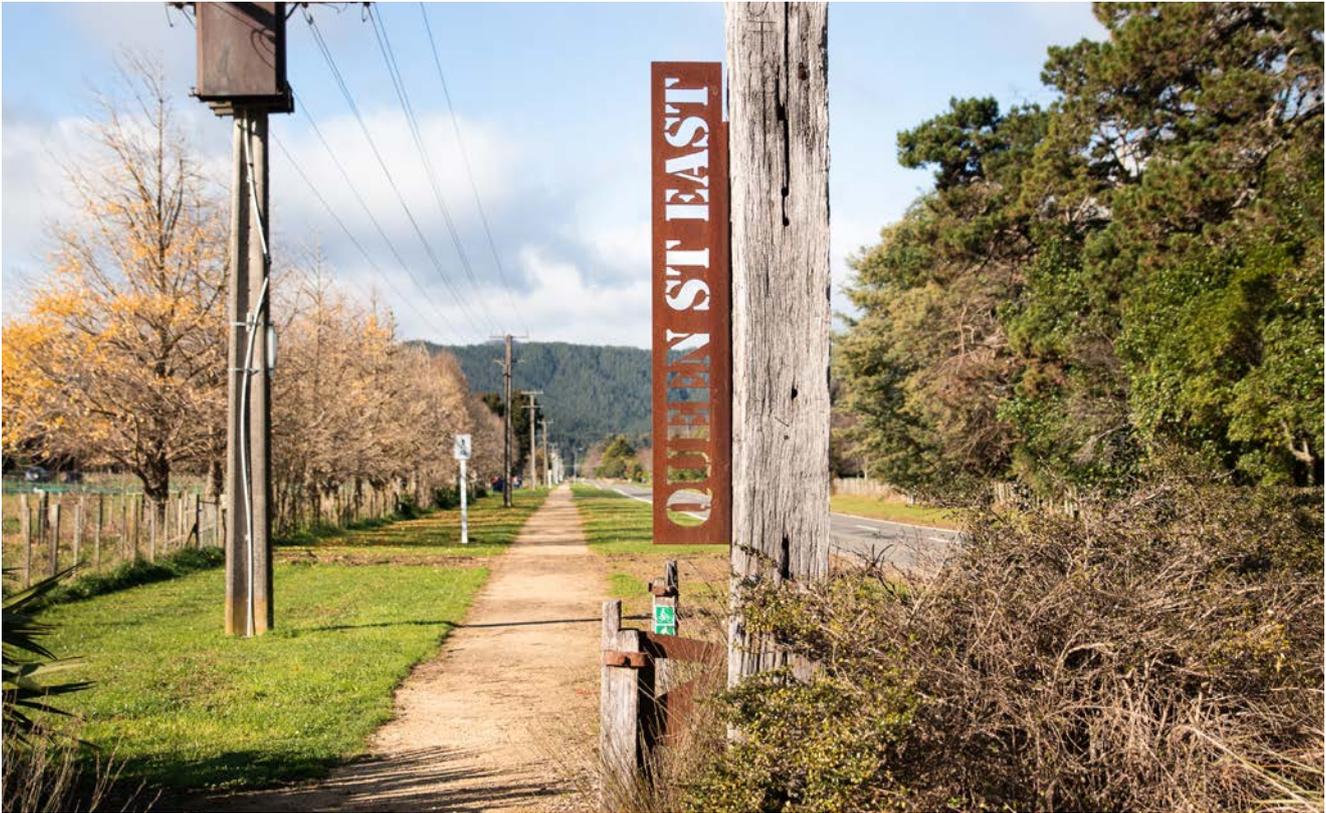
The draft Speed Management Plan sets the objectives:

- Keeping us safe
- Working together
- Supporting our wellbeing
- Matching the road and life around it

And the principals:

- Communications and engagement
- Partnership with Māori
- Monitoring and evaluation





The draft Plan sets the two main changes which is new proposed speed limits around schools and in Manukau and Waikawa Beach, which have previously asked for speed limits to be reduced.

Our first Speed Management Plan will cover ten years from 2024 to 2034 and will be updated with community input every three years. We are proposing a staged approach to implementing any changes to the transport network.

The draft Speed Management Plan will be released to our hapori in early August 2023 for consultation. Once we finalise our Speed Management Plan, taking into account feedback received during the consultation process, we send our Plan to Horizons. Horizons will review the Plan for consistency across the rohe and develop a Regional Speed Management Plan which is then submitted to Waka Kotahi who develop a National Speed Management Plan. The ultimate decision on the speed limits is with Waka Kotahi, we just provide a proposal based on consultation with our community.

TRANSPORT CHOICES PROJECTS

In May 2022 the Government released Te hau mārohi ki anamata, its first Emissions Reduction Plan calling for a 41% reduction on emissions from the transport sector by 2035. Significant changes will be needed to the way people and products move to systemically reduce greenhouse gas emissions with urgency. Government has funded a Transport Choices Package from the Climate Emergency Response Fund, \$350M has been allocated for councils to apply for over two years (to mid-2024), to design and implement the package.

Council has, with the assistance of Waka Kotahi, prepared the Levin Network Operating Framework (NOF) for the Levin urban area in 2021. This NOF identified the initial development locations for urban primary (15km) and secondary collector (18km) routes for cycling. This focuses on enabling a cycling network that would enable safe travel to all urban schools, for commuting to work and to access key retail, recreation and community support locations.

To enable the beginnings of the development of the cycle routes identified in the NOF we applied for funding to Transport Choices in August 2022. The intent was to develop two parts of the cycle network. Part one Cambridge Street from Liverpool to Tyne and Part two Queen Street Oxford Street to Bartholomew Road. These two routes provide connections between cycling origins and destinations including the CBD, educational facilities, and places of employment.

We sent our initial application in August 2022 and the second part in September 2022. The application was provisionally approved in December 2022 and formally approved in March 2023. The application was discussed with and approved by the previous Council but unfortunately, we did not take the new Council on the Transport Choices application journey with us. This meant when approval was required, and we wanted to discuss the nitty gritty of the project with Council some new issues and concerns were raised. We are working through those issues with the Council before we progress this project any further.

Measuring the Land Transport Activity Performance

The Local Government Act 2002 requires all councils to report on a set of performance measures for Roading, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

The following service performance information on the Land Transport Activity has been prepared in accordance with PBE Standards.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary																		
A safe road network*.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	No (or Zero) change or a reduction from previous year.	<p>✗ NOT ACHIEVED</p> <table border="1"> <thead> <tr> <th>FINANCIAL YEAR</th> <th>FATAL CRASHES</th> <th>SERIOUS INJURY CRASHES</th> </tr> </thead> <tbody> <tr> <td>2020/2021</td> <td>0</td> <td>2</td> </tr> <tr> <td>2021/2022</td> <td>3</td> <td>11</td> </tr> </tbody> </table> <p>The number of fatalities and serious injury crashes on the local road network is calculated utilising data from the crash analysis system (CAS) database.</p>	FINANCIAL YEAR	FATAL CRASHES	SERIOUS INJURY CRASHES	2020/2021	0	2	2021/2022	3	11	<p>✓ ACHIEVED</p> <table border="1"> <thead> <tr> <th>FINANCIAL YEAR</th> <th>FATAL CRASHES</th> <th>SERIOUS INJURY CRASHES</th> </tr> </thead> <tbody> <tr> <td>2021/2022</td> <td>3</td> <td>11</td> </tr> <tr> <td>2022/2023</td> <td>1</td> <td>6</td> </tr> </tbody> </table> <p>There has been 2 less fatalities and 5 less serious injury crashes in the financial year compared to the last financial year</p> <p>The number of fatalities and serious injury crashes on the local road network is calculated utilising data from the crash analysis system (CAS) database.</p>	FINANCIAL YEAR	FATAL CRASHES	SERIOUS INJURY CRASHES	2021/2022	3	11	2022/2023	1	6
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FINANCIAL YEAR	FATAL CRASHES	SERIOUS INJURY CRASHES																				
2021/2022	3	11																				
2022/2023	1	6																				
Roads in good condition*.	The average quality of ride on a sealed local road network measured by smooth travel exposure.	Minimum 85%	<p>✓ ACHIEVED</p> <p>Smooth Travel Exposure rating for 2021/22 is 93%. There was an annual survey completed in January 2022.</p>	<p>✓ ACHIEVED</p> <p>The smooth travel exposure for this reporting period is 92%.</p>																		
Roads that are maintained well*.	The percentage of the sealed local road network that is resurfaced annually.	Minimum of 5% of total area	<p>✓ ACHIEVED</p> <p>27km of road was resealed in the 2021/22 year which is above the 26.6km required for 5% of the network.</p>	<p>✓ ACHIEVED</p> <p>5.4% of the sealed local road network had been resurfaced.</p>																		
Footpaths are in an acceptable condition*.	Target footpath condition rating (% compliant with Council's standards found in the Land Transport Activity Plan).	Minimum 30% in excellent condition. Maximum 10% in poor condition.	<p>✗ NOT ACHIEVED</p> <p>11% of footpath is in excellent condition and less than 5% is in poor condition. While the poor condition target was met, the excellent condition target was not, which means a Not Achieved overall.</p>	<p>✗ NOT ACHIEVED</p> <p>Poor or very poor condition footpaths make up 4% of our network, meeting the target, however only 12% of the network is in excellent condition.</p>																		
Good response to service requests*.	The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	> 95%	<p>✓ ACHIEVED</p> <p>Year-to-date 1,737 customer service requests have been received with 95% closed within 15 working days.</p>	<p>✓ ACHIEVED</p> <p>1674 CRMs were received and closed, 95% (1,598) were closed within 15 working days.</p>																		

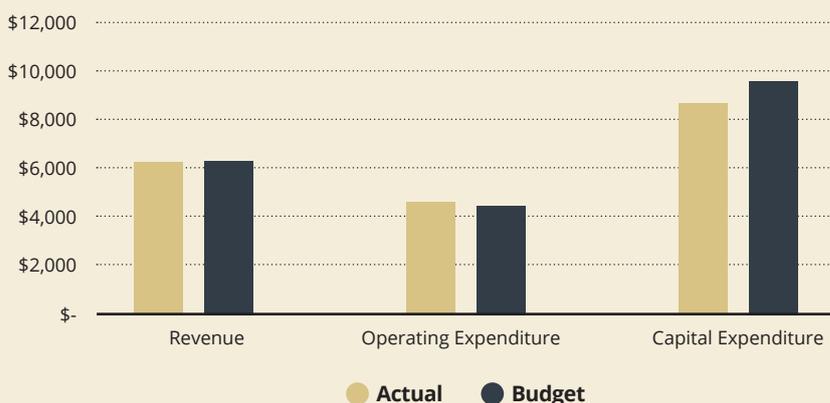
THIS GRAPH BELOW PROVIDES AN OVERVIEW OF HOW THE LAND TRANSPORT ACTIVITY HAS PERFORMED AGAINST BUDGET

Operating Expenditure

- The increase in payments to suppliers is due to emergency works for the Gladstone Road realignment.

Capital Expenditure

- The lower spend is due to the delay in the Tara-Ika project.



Land Transport Funding Impact Statement FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		3,022	3,011	4,049	4,080
Subsidies and grants for operating purposes		1,942	1,752	1,883	1,740
Fees and charges		-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		398	376	398	352
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		5,362	5,139	6,330	6,172
Applications of operating funding					
Payments to staff and suppliers	1	3,386	2,945	3,209	3,618
Finance costs		92	153	245	147
Internal charges and overheads applied		1,025	1,020	1,051	879
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		4,503	4,118	4,505	4,644
Surplus (deficit) of operating funding (A-B)		859	1,021	1,825	1,528
Sources of capital funding					
Subsidies and grants for capital expenditure	2	5,302	9,685	6,041	5,550
Development and financial contributions		8	276	139	98
Increase (decrease) in debt	2	317	4,490	5,980	4,347
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		5,627	14,451	12,160	9,995

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2	612	4,960	2,603	1,559
- to improve the level of service	3	5,203	6,820	3,203	3,989
- to replace existing assets	4	3,297	3,540	3,770	3,139
Increase (decrease) in reserves	5	(2,626)	152	4,409	2,837
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		6,486	15,472	13,985	11,523
Surplus (deficit) of capital funding (C-D)		(859)	(1,021)	(1,825)	(1,528)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation		4,360	3,932	4,389	4,674

Notes:

1. The increase in payments to suppliers is due to emergency works for the Gladstone Road realignment.
2. The delay in Tara-Ika project results in lower capital spend, lower capital subsidies, and in turn lower increase in debt.
3. The additional spend is largely due to emergency works for Gladstone Road realignment.
4. The lower spend is largely due to internal resourcing challenges.
5. The lower reserves is largely due to the lower than budgeted operating funding and lower level of spend on renewal projects.
See Note 33 in the financial statements for further information.

Loans	Internal \$000
Loans as at 01/07/2022	5,009
Raised during year	4,548
Repaid during year	(200)
Loans as at 30/06/2023	9,357
Interest expense	147

Te Para Totoka Solid Waste



WHAKATAUKĪ

Toitū te marae a Tāne Mahuta
Toitū te marae a Tangaroa
Toitū te tangata

If the land is well and the sea is well,
the people will thrive

Description of activity

The Solid Waste Group of Activities consists of Council providing services to collect and safely dispose of residential and commercial solid waste. Council also provides education to our hapori on how to reduce solid waste to landfill.

What the activity involves

The Solid Waste Group of Activities includes the following Activities:

- Council provides for the collection and disposal of solid waste produced within the Horowhenua District.
- To provide for the disposal of solid waste, Council manages kerbside recycling and refuse bag collection for its customers at specified times each week for selected areas in the district. It also operates waste transfer stations in Shannon and Foxton (for disposal of general and green waste as well as recycling), and it operates numerous static and temporary recycling stations.
- Council owns a number of closed landfills (and associated assets), waste transfer stations and recycling stations.
- Council also undertakes public education (on an as requested basis) in waste minimisation within the community and at local primary and intermediate schools in the district.

- The management of both waste education and kerbside and transfer stations is externally contracted.
- Council works with its regulator Horizons Regional Council to fulfil its discharge consent requirements
- Legislative requirements that this group of activities operates within include, but are not limited to:
 - The Health Act 1956, which requires Council to provide for sanitary works including the collection and disposal of refuse; The Waste Minimisation Act 2008;
 - The Hazardous Substances and Noxious Organisms (HSNO) 2004; and The Climate Change (Emissions Trading) Amendment Act 2008.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Waste education is made available to all schools in the rohe, while various workshops and initiatives seek broader hapori engagement and educational opportunities.

ENVIRONMENTAL WELLBEING

Council's recycling services encourage landfill diversion while our waste services help reduce illegal dumping. The landfill and other sites are operated in line with approved consent conditions.

CULTURAL WELLBEING

The delivery of this activity required genuine engagement with Iwi and Hapu partners on various matters with the biggest focus on the Hōkio Landfill consents and remediation plan.

ECONOMIC WELLBEING

Environmental Infrastructure oversees the waste collectors' licence terms and conditions and assists with annual data collation and health and safety standards are maintained. Environmental infrastructure manages and overlooks a number of discharge permits and consent conditions that enable infrastructure projects and business as usual operations of various infrastructure sites.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



ANNUAL PLAN KEY PROJECTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS	
Improvements to Foxton Transfer Station – this is to allow more material recovery and diversion from landfill.	A weighbridge was installed to accurately record and toll green and general waste.
ADDITIONS TO LEVEL OF SERVICE	
Levin Landfill Capping – permanent capping on areas as per the resource consent conditions.	This relates to capping of the new lined landfill. The timeline for permanent capping has been moved to spring/summer 2023 and was pushed out to accommodate decision on closure of Levin Landfill.
Old Levin Landfill Leachate remedial projects – This is a resource consent requirement to reduce leachate entering the Hōkio Stream.	The summit of the old landfill was recapped with 700mm of clay material. Work to reduce leachate seepage to the local environment was also scoped.

Activity Insights

DECISION ON LEVIN LANDFILL

This financial year was a big year for the Solid Waste activity, where after several years, a decision was made on Levin Landfill in the 2021-2041 Long Term Plan Amendment process.

We consulted with our hapori on three options:

Option 1 – Keep Levin Landfill closed with no alternative site use.

Option 2 – Keep Levin Landfill closed with revenue generated from alternative site use determined through the Waste Minimisation Management Plan (WMMP) development (Council's preferred option).

Option 3 – Reopen Levin Landfill until its consent expires in 2037.

During the consultation process our hapori was overwhelming in favour of Option 2 and Elected Members also all voted for Option 2.

Whilst some of the difficult decisions have been made there is still a lot of mahi to do. We now need to:

- finish the final capping on the new Landfill
- finalise where we do send our waste in the medium to long term
- revise the 2018 Waste Management Minimisation Plan and identify actions to investigate and implement

- decide what we will use the site for. We are exploring a number ways we could use the site, including:
 - Clean fill – materials like clay, soil or rock that will not impact the environment
 - Native plant nursery
 - Local resource recovery park
 - Local or regional-scale processing facility for organic material
 - Local or regional-scale processing facility for construction and demolition (C&D) material
 - Carry on with implementing our remediation plan for the site.

In June a historic Hikoi te Whenua took place at the Levin Landfill site where Iwi, Neighbourhood Liaison Group, Elected Members, Council employees, local landowners and contractors all came together to share in the start of the healing of past grievances and rebuilding process.

FUNDING AND SUPPORTING SCHOOL EDUCATION PROGRAMMES

Zero Waste Education in Schools

During the financial year we supported 12 schools to receive the Zero Waste Education teaching modules for 1709 students.

We as a community currently pay a waste disposal levy for every tonne of waste taken to landfill. This levy is collected by the Ministry for Environment. We receive a proportion of this to be spent to promote or achieve various

waste minimisation and education initiatives.

Recognising change starts with our tamariki, we use some of the waste levy funding we receive to fund the Zero Waste Education in Schools programme. This is a programme where a specialist educator, with knowledge of waste minimisation in a real world context, visits schools in the Horowhenua rohe to teach children about waste minimisation and sustainability.

It enables tamariki to investigate the link between the earth's natural resources, the products they use and see around them and the resulting waste (natural resources we no longer want) that pollutes our environment.

Unit plans are provided prior to the visit to assist teachers in undertaking curriculum planning. These unit plans also contain suggested hands-on extension activities, writing tasks and links to resources.

The programme gives the tamariki from preschool to year 8 practical skills with lessons such as

- Zero the no rubbish hero
- Is that really rubbish?
- Litter less lunchboxes
- Reduce, reuse and recycle
- Composting
- Sustainability
- Water
- Rural waste

Enviroschools

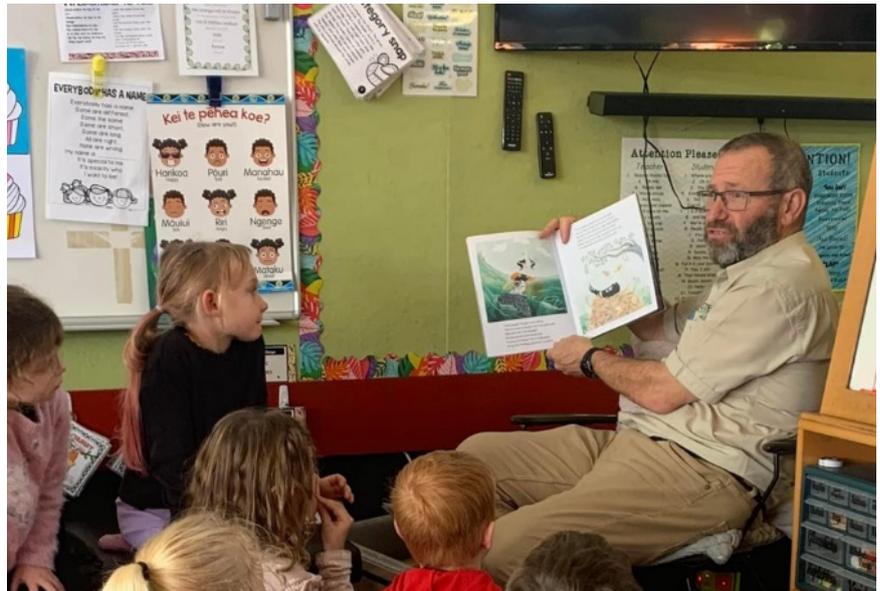
Enviroschools is an environmental action based programme where young people are empowered to design and lead sustainability projects in their schools, neighbourhoods and country. We also fund this, from the waste levy funding we receive, for schools in our rohe who want to sign up to become an Enviroschool.

Presently we support 12 Enviroschools, with a total of 1,894 students in attendance, five Early Childhood Centres, five Primary Schools and two Secondary Schools.

One such school in our rohe is Shannon School with the local Enviroschools coordinator reporting

“The momentum of the school has been amazing over the last year or so. Both staff and students have attended a number of Enviroschools events over the course of the year which has given them heaps of ideas. Student enviro-group, Kakariki Kiwis, along with their Principal, attended a whole school enviro-action day at Manchester Street School in Feilding in Term 3 which helped them think about how to engage the whole school in sustainability. Since that visit, they have developed their school, so each class has their own (and idea from Manchester Street School).

One of their big projects this year has been the development of a series of murals depicting local history of the area from the beginning when there was only wildlife. This has been a collaborative process between the community and local artist Wendy Hodder (who also painted the wonderful mural at another Enviroschool Betty Montford Kindergarten). These were blessed at a down service by local iwi. Manchester Street School paid a return visit to the school along with their Principal to attend this special day with eight of their students.



Local zero waste educator conducting a lesson



Blessing of the murals



Learning about waste audits at HDC's Waste Audit at Shannon transfer station



After attending the EnviroSchools Regional Road Trip in May 2023, the school have since added a koha shed outside the school for school and community to share kai they have grown and other items that are no required. They had veggie pods donated by a local company so hope to grow more to put in the koha shed. Chickens are also on the cards and the students have been working on building a coop with the help of their amazing caretaker.

In the waste space, Shannon School continues to look for practices to minimise waste. The Principal is now taking the soft plastics collected at school (chippie packets, muesli bars and bread bags) to a collection point at New World Waikanae once a week on his way home. Some students also attended the HDC's waste audit at Shannon transfer station last year along with another EnviroSchool, Levin School."

PLANTATION THINNING

Of the 72 hectares of land at Levin Landfill, 18 hectares (one quarter of the land), is landfill and the rest is covered in pine trees.

The trees currently there were planted 20 years ago. The trees will provide us with some revenue thorough carbon credits and tree harvesting.

During this financial year we have been planning for production thinning, which allows trees remaining to grow to a bigger size due to increased, space and light. Harvesting by clear felling will be in another 5-7 years' time.

There is a considerable amount of planning required for production thinning. When the Landfill was built, archaeologists went through and discovered Māori shell middens and other artefacts, this led us to believe this site could have been a

place for Māori temporary housing during seasonal harvesting. As a result, any ground disturbance work in the area requires consultation with Iwi and permissions from Heritage NZ.

Before the production thinning can commence, we needed to apply for, and have approved, an Archaeological Authority. This is necessary to show we have processes in place to preserve or protect and record any archaeological finds. As part of this process, we met with Muaūpoko Tribal Authority, Ngati Pareraukawa and archaeologists to discuss the production thinning process and gained full support. The Archaeological Authority was granted in June 2023.

Production thinning is planned to commence in July 2023.

Measuring the Solid Waste Activity Performance

The Local Government Act 2002 requires all councils to report on a set of performance measures for Rooding, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

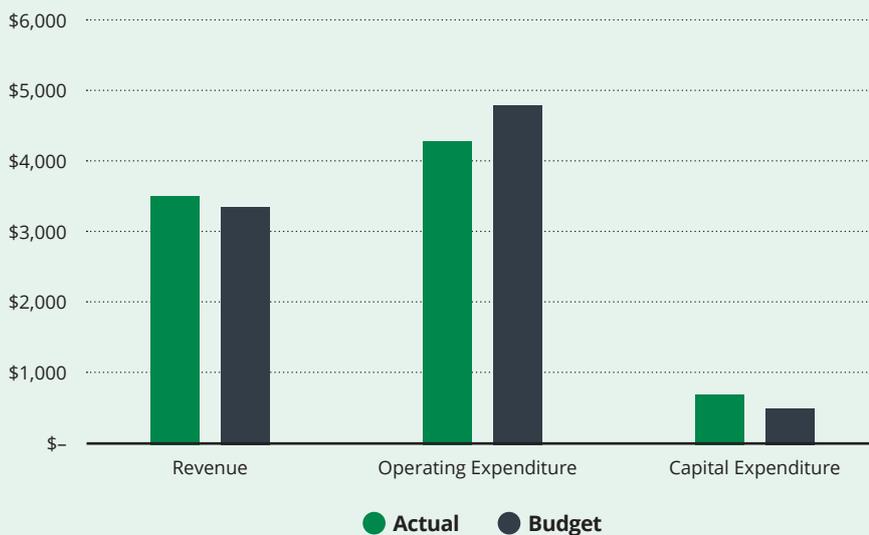
The following service performance information on the Solid Waste Activity has been prepared in accordance with PBE Standards.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary												
Provision of landfill but minimising the amount that is sent there.	Quantity of waste going to the landfill per person per year.	≤ 400 kg per person per year	✗ NOT ACHIEVED It is estimated that 18,000 tonnes of general waste has been produced and disposed of in the Horowhenua District this year. With an estimated population of 36,000, a waste disposal quantity of 500 kg per person per year has been estimated. The amount of general waste produced and disposed of in Horowhenua is estimated using the waste disposed of at the three local transfer stations as well as special waste and wastewater treatment sludge taken to Levin Landfill. This is only an estimate and may not account for: Waste produced in the Horowhenua, but disposed of at a transfer station/landfill outside the district. Waste produced outside the district brought to a transfer station in the Horowhenua for disposal. The estimate above also includes both household and commercial waste disposed in the district. 'Waste per person per year' does not necessarily mean the waste produced per household. Please note: Due to a change of contract, from May 2022 only HDC-controlled tonnage data is readily available. Total district tonnes for May 2022 and June 2022 have been estimated based on previous months.	✗ NOT ACHIEVED Unable to report accurately, best estimate with available data is 461kgs/person. Due to a number of different non – Council operators in the waste collection space it is difficult for Council to collect accurate data for this performance measure.												
Recycling is encouraged	Level of recycling at: Kerbside Transfer stations.	≥ 40% of total waste ≥ 50% of total waste	✗ NOT ACHIEVED <table border="1"> <thead> <tr> <th colspan="2">2021/2022</th> </tr> </thead> <tbody> <tr> <td>Total Recycling</td> <td>2,032 T</td> </tr> <tr> <td>Percentage of waste production that is recycling</td> <td>10%</td> </tr> </tbody> </table>	2021/2022		Total Recycling	2,032 T	Percentage of waste production that is recycling	10%	✗ NOT ACHIEVED Unable to report accurately, best estimate with available data. 30% diversion from landfill.						
2021/2022																
Total Recycling	2,032 T															
Percentage of waste production that is recycling	10%															
Waste transfer and recycling stations have a minimal impact on the immediate and surrounding environment.	Number of odour complaints and minimal reports of solid waste in or around: Waste transfer stations; Recycling stations per month.	< 4 per month < 4 per month	✓ ACHIEVED <table border="1"> <thead> <tr> <th colspan="2">2021/2022</th> </tr> </thead> <tbody> <tr> <td>Waste transfer stations</td> <td>0</td> </tr> <tr> <td>Recycling stations</td> <td>5</td> </tr> </tbody> </table>	2021/2022		Waste transfer stations	0	Recycling stations	5	✓ ACHIEVED No odour complaints were received <table border="1"> <thead> <tr> <th colspan="2">2022/2023</th> </tr> </thead> <tbody> <tr> <td>Waste transfer stations</td> <td>0</td> </tr> <tr> <td>Recycling stations</td> <td>0</td> </tr> </tbody> </table>	2022/2023		Waste transfer stations	0	Recycling stations	0
2021/2022																
Waste transfer stations	0															
Recycling stations	5															
2022/2023																
Waste transfer stations	0															
Recycling stations	0															

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary												
Response to service requests regarding Council's Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days	✗ NOT ACHIEVED 1,073 customer service requests were received, of which 1,054 (98%) of them are resolved and closed. Of the 1,054 that were closed 694 (66%) were resolved within three days.	✗ NOT ACHIEVED 1,393 customer services requests were received, of which 1,390 of them are resolved and closed. Of the 1,393 that were received, 1,187 (85%) were resolved within three days.												
Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per-month about non collection of: Kerbside recycling Kerbside refuse	< 6 per month < 6 per month	✗ NOT ACHIEVED <table border="1"> <thead> <tr> <th colspan="2">2021/2022</th> </tr> </thead> <tbody> <tr> <td>Kerbside recycling</td> <td>188</td> </tr> <tr> <td>Kerbside refuse</td> <td>61</td> </tr> </tbody> </table> Please note: These numbers include all complaints of noncollection, including those where the bin was not collected for a legitimate reason. These reasons could include: Bin was put out on the wrong week Bin was not out at time of collection Bin was not collected due to contamination Missed collection CRMs are actioned by Low Cost Bins.	2021/2022		Kerbside recycling	188	Kerbside refuse	61	✗ NOT ACHIEVED <table border="1"> <thead> <tr> <th colspan="2">2022/2023</th> </tr> </thead> <tbody> <tr> <td>Kerbside recycling</td> <td>111</td> </tr> <tr> <td>Kerbside refuse</td> <td>32</td> </tr> </tbody> </table> Please note: These numbers include all complaints of non-collection, including those where the bin was not collected for a legitimate reason. These reasons could include: Bin was put out on the wrong week Bin was not out at time of collection Bin was not collected due to contamination Missed collection CRMs are actioned by Low-Cost Bins.	2022/2023		Kerbside recycling	111	Kerbside refuse	32
2021/2022																
Kerbside recycling	188															
Kerbside refuse	61															
2022/2023																
Kerbside recycling	111															
Kerbside refuse	32															
Recycling stations are available and accessible in urban centres in summer.	All recycling stations are available at the agreed locations on the agreed days and times outlined on Council's website.	Achieve	✓ ACHIEVED All recycling stations including static have been available as outlined on the Council's website. Stations may be removed temporarily in order to be emptied.	✓ ACHIEVED Static recycling stations have been available as outlined on the Council's website. Stations may be removed temporarily in order to be emptied.												
Customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	Percentage of customers satisfied with their solid waste services: Kerbside recycling Kerbside refuse	≥ 80% ≥ 80%	✗ NOT ACHIEVED This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey for Kerbside Recycling was 73% and Kerbside Refuse was 74%.	✗ NOT ACHIEVED Even though we were 1% from the target for kerbside recycling, the target was not met for kerbside recycling. Because the target for kerbside recycling was not met we did not achieve the performance measure overall. <table border="1"> <thead> <tr> <th colspan="2">2022/2023</th> </tr> </thead> <tbody> <tr> <td>Kerbside recycling</td> <td>79%</td> </tr> <tr> <td>Kerbside refuse</td> <td>90%</td> </tr> </tbody> </table>	2022/2023		Kerbside recycling	79%	Kerbside refuse	90%						
2022/2023																
Kerbside recycling	79%															
Kerbside refuse	90%															
Customers are educated on waste minimisation practices	Number of school aged students waste education is provided to each year.	≥ 300 students per year	✓ ACHIEVED At least 881 students have been educated on waste minimisation practices through Zero Waste Education. At the time of reporting class numbers have not been received for Zero Waste Education visits carried out in June 2022.	✓ ACHIEVED 1,924 students have been educated on waste minimisation practices.												

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Customers are educated on waste minimisation practices	Number of events Council attends to promote ways to minimise waste.	≥ 5 events per year	✓ ACHIEVED Council has held three online courses promoting waste minimisation and has attended two community meetings to encourage waste minimisation.	✗ NOT ACHIEVED Council attended 4 events to promote waste minimisation.
Sustainable solid waste management.	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions Received by Council in relation to Horizons Regional Council resource consents.	0 0 0 0	✓ ACHIEVED	✓ ACHIEVED
			2021/2022	2022/2023
			Abatement Notice	Abatement Notice
			0	0
			Infringement Notice	Infringement Notice
			0	0
			Enforcement Order	Enforcement Order
			0	0
			Convictions	Convictions
			0	0

THE GRAPH BELOW PROVIDES AN OVERVIEW OF HOW THE SOLID WASTE ACTIVITY HAS PERFORMED AGAINST BUDGET.



Revenue

- The additional income is due to a higher waste rebate received.

Operating Expenditure

- The lower than budgeted spending is due to reduced consultancy costs.

Solid Waste Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		2,213	2,214	2,866	2,888
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1	1,321	1,767	450	605
Local authorities fuel tax, fines, infringement fees, and other receipts		48	21	21	8
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		3,582	4,002	3,337	3,501
Applications of operating funding					
Payments to staff and suppliers	2	3,702	3,159	4,049	3,654
Finance costs		182	223	202	183
Internal charges and overheads applied		502	567	566	441
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		4,386	3,949	4,817	4,278
Surplus (deficit) of operating funding (A-B)		(804)	53	(1,480)	(777)
Sources of capital funding					
Subsidies and grants for capital expenditure		-	3	21	49
Development and financial contributions		-	-	-	-
Increase (decrease) in debt	3	(56)	183	1,822	(27)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		(56)	186	1,843	22

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand		30	42	40	44
- to improve the level of service		166	335	375	179
- to replace existing assets		1,649	227	75	469
Increase (decrease) in reserves	3	(2,705)	(365)	(127)	(1,447)
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		(860)	239	363	(755)
Surplus (deficit) of capital funding (C-D)		804	(53)	1,480	777
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation	4	459	388	392	529

Notes:

1. The higher revenue relates to a higher waste rebate received.
2. The lower spending is due to spending less on consultants.
3. More spent on renewal projects which are reserve funded so more reserve funding required.
4. The higher depreciation relates to additional capping work completed during the previous year.

	Internal \$000
Loans	
Loans as at 01/07/2022	6,263
Raised during year	223
Repaid during year	(251)
Loans as at 30/06/2023	6,235
Interest expense	
	183

Te Wai Ua Stormwater

WHAKATAUKĪ

Matariki tāpuapua

The pooling waters of Matariki.
(Relating to Waipunarangi the star
that associates with rain.)

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Description of activity

As part of the Stormwater Activity Council provides and maintains a stormwater system that aims to remove water from the roading corridor, and in some cases residential and commercial properties, to reduce the occurrence of flooding during rainfall events.

What the activity involves

The Stormwater Activity includes the following:

- Providing and maintaining drainage systems (including pipes, open culverts, pump stations, soak pits, discharge outlets and detention areas) in settlements across the rohe to remove stormwater from the road corridor and some residential and commercial properties.

- Investigating improvements and extensions to the stormwater network.
- Meeting resource consent requirements for stormwater drainage systems.
- Responding to and resolving (if possible) customer complaints relating to the Stormwater Activity.

How our work delivers on community wellbeing

ENVIRONMENTAL WELLBEING

Improvements to stormwater drainage contributed to the environment and safety of the people in the hapori.

SOCIAL WELLBEING

Improvements to stormwater drainage and network to prevent flooding into people's homes and businesses.

ECONOMIC WELLBEING

Enabling for environment for the business community.

CULTURAL WELLBEING

Compliance with present and future resource consent conditions. Minimisation of any impacts on the natural environment, people and property.

ANNUAL PLAN KEY PROJECTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS	
Stormwater network improvements – Minor renewals and improvements across the district to address surface flooding issues.	Multiple jobs done across open channel network to alleviate blockages and improve flow across the rohe. Some design completed on the pipe network replacements for Levin. In particular the pipe replacements around Salisbury Street and Queen Street West which will be constructed in 2024.
ADDITIONS TO LEVELS OF SERVICE	
Stormwater water quality improvements – Installation of in-network stormwater treatment devices to improve the quality of stormwater that enters Lake Horowhenua.	One downstream defender has been installed and a project is under way to decide on next options.
Foxton Beach and Levin Resource Consents – Global stormwater discharge resource consent applications for Foxton Beach and Levin.	Foxton Beach Stormwater Discharge Consent Consent has been lodged with Horizons Regional Council. Currently working through the S92 request including cultural, estuary and hydrological effects. Levin Stormwater Consent Consent application still to be finalised and is waiting until further work is completed on the Horowhenua Lake Master Plan.
Foxton East Drainage Scheme – Council is working closely with Horizons Regional Council to address and implement solutions to flooding problems. This project is being led by Horizons Regional Council in collaboration with Council.	Horizons Regional Council are in the process of working through designs this year for the Union Street option and they are also seeking additional government funding. Horowhenua District Council continue to work closely with Horizons on the design and the effect the project has on water/wastewater assets.
Stormwater Management Bylaw.	Still outstanding
PROJECTS RESULTING FROM GROWTH	
Tara-Ika growth area	Queen Street Stormwater stage one has been in a planning stage and working towards procurement and delivery for a retention basin and wetland in 2023/24.

Activity Insights

IMPROVING OUR UNDERSTANDING

This financial year, after recognising we have a systemic issue, we have put in some significant work on getting a better understanding of our stormwater issues.

We have two different contractors dealing with Stormwater issues. Higgins who are our roading contractor and deal with roadside drainage and the first six metres of the reticulation system from the roadside catch pit. Horowhenua Alliance who look after the reticulation system from that point onwards.

Our network also consists of a substantial amount of open channel drains which can cause significant flooding issues. These open channel drains are supposed to be maintained by the owner of the land that they cross, this maintenance is inconsistent at best, and we do not monitor or inspect these drains regularly.

In addition, in the event of flooding affecting a private property a notification goes directly to Higgins, our contractor for pumping out properties. Currently we do not have a process for Higgins to report back to us on their flooding response. This means we can be unaware of ongoing flooding issues.

After conducting a review and identifying a number of issues including, we do not have a clear idea how many flooding events are being responded to, where and when. We have implemented several changes to ensure we have better reporting and therefore understanding. That way we can appropriately resource any capital spending on mitigations in the right place.

In the meantime, and a first for Council, we have bought 20 emergency pump sets that can be used by individuals at their properties. They can be dropped off at properties when required and individuals can operate the pumps themselves to alleviate any flooding.



The next and final step for the Coley Pond project is the reinstatement of Roslyn Road.

WORKING BETTER TOGETHER

Catchment Management Plans provide us with really good information to help us manage stormwater in the rohe. We recently contracted consultants to provide Catchment Management Plans however our review of these plans has been limited due to resourcing issues in the Three Waters team. We have identified the need for a stormwater engineer and put together a business case however, they are in short supply and especially since the Three Waters transition programme has been in place.

Stormwater intersects with a number of different areas with the Council such as land transport, development engineering, planning and iwi relations. Previously these different parts have been siloed, this financial year we have been ensuring we are all better integrated and meeting on a regular basis. This ensures better planning for stormwater in the rohe.

We also have initiated a weekly meeting with a newly established 'Stormforce Group'. Another group to address siloed areas and ensure an integrated and timely response to stormwater issues and planning. This has been working well.

Horizons is also an important partner for us in dealing with stormwater. We have worked hard this year to improve our communications and collaboration with them.

COLEY POND

Coley Pond is a stormwater detention pond and wetland which will service the increased stormwater discharge from the residential growth in the North East Levin area. The construction of the Stormwater detention pond and wetland is part of the North East Levin Development area upgrade and began after a consent was obtained from Horizons for Stormwater Management.

This financial year we have seen significant progress on Coley Pond with the final design being confirmed, earthworks completed,

inlet construction completed and installation of stormwater pipes including connection to the Roslyn Road Stormwater main.

Considerable effort has gone into developing and implementing a planting plan with an ecologist using appropriate design of wetlands for planting, and planting of banks with native plants, identifying key plants and if possible, sourcing local plants for procurement. After consultation with Iwi, we made some changes including alternative plant species/locations.

The next and final step for the project is the reinstatement of Roslyn Road.

WAITĀRERE BEACH

Between July and November 2022, Waitārere Beach experienced flooding in Ramona Avenue, Forest Road, Waitārere Rise Avenue, Waka Tete Place, Truebridge Drive and Kanuka Drive.

Council contractors were deployed to mitigate flooding numerous times in Waitārere. Sandbags were placed at several properties to protect homes from flood water, and temporary stormwater pumps were deployed in Waitārere Beach to alleviate flooded properties and roads.

Between August 2022 and June 2023, Council rapidly investigated, designed and implemented long term solutions for several of the areas worst hit by the flooding, including Ramona Ave and Forest Road Waitārere Beach, and Park Avenue Waitārere Beach.

Investigation work continues into potential options to mitigate flood risks in the Waitārere Rise area.

LAKE HOROWHENUA (PUNAHAU)

The quality of the water at Lake Horowhenua (Punahau) is of concern to the hapori and to the Council.

This financial year we have commenced work on a Horowhenua Lakeside Masterplan which will allow us to view, on one page, all the different workstreams that impact the Lake. Its purpose is to

understand how the workstreams can be integrated to achieve the best outcomes and to support Council and mana whenua conversations. Next step for the Masterplan is to discuss the Masterplan findings with Elected Members.

The Council has been progressing installation of flow meters on the three main stormwater drains entering the lake, being Queen Street, Mako Mako Road and the Domain Drain. The Queen Street flow meter is installed, and work is progressing on the other two meters. These will enable contaminant loads to the Lake to be assessed more accurately and will assist with monitoring and calibration of the stormwater model. Accurate data will also help address some of the high level outstanding matters before progressing the stormwater discharge consent.

Using the Horowhenua Lakeside Masterplan and accurate data from the new meter flows, discussions can be had, and decisions can be made, on the most effective next steps to improve the quality of the water entering Lake Horowhenua (Punahau)

Measuring the Stormwater Activity Performance

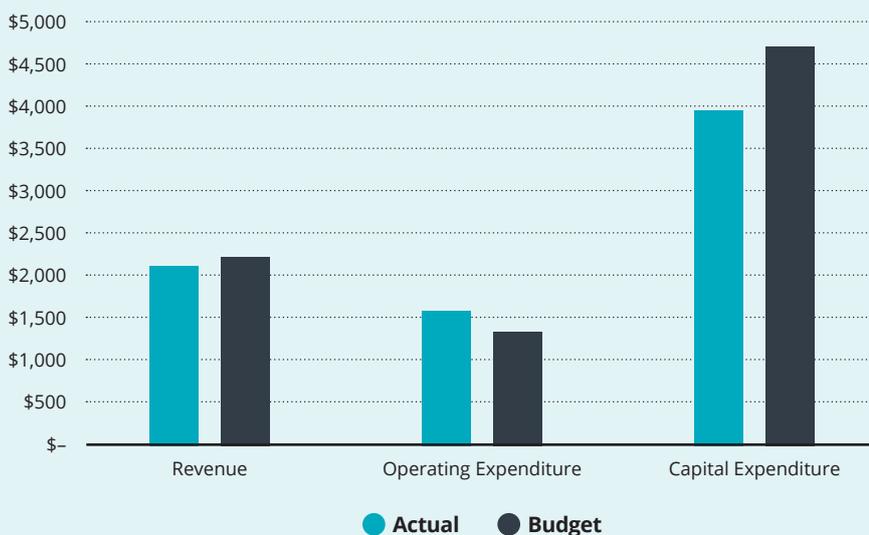
The Local Government Act 2002 requires all councils to report on a set of performance measures for Roding, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

The following service performance information on the Stormwater Activity has been prepared in accordance with PBE Standards.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary											
An adequate stormwater system*.	Number of flooding events that occur in the District.	< 5 per year	<p>✓ ACHIEVED</p> <p>While there were what can be described as flooding events in the district during this financial year, the definition of a flooding event as set by the Department of Internal Affairs for this measure is 'an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor'. There were zero flooding events that met the definition.</p>	<p>✓ ACHIEVED</p> <p>There was 0 flooding event that met the definition of a flooding event set by Department of Internal Affairs for this measure.</p>											
	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.	2 or less	<p>✓ ACHIEVED</p> <table border="1"> <thead> <tr> <th>Flooding Event</th> <th>Per 1,000 Connections</th> <th>Habitable Floors Affected</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>There were 13,010 connections as at 1 July 2021</p>	Flooding Event	Per 1,000 Connections	Habitable Floors Affected	0	0	0	<p>✓ ACHIEVED</p> <table border="1"> <thead> <tr> <th>Flooding Event</th> <th>Per 1,000 Connections</th> <th>Habitable Floors Affected</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>0</td> <td>0</td> </tr> </tbody> </table> <p>There were 13,261 connections as at 1 July 2022</p>	Flooding Event	Per 1,000 Connections	Habitable Floors Affected	0	0
Flooding Event	Per 1,000 Connections	Habitable Floors Affected													
0	0	0													
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Response to faults*.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	< 1 hour	<p>✓ ACHIEVED</p> <table border="1"> <thead> <tr> <th>Time</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>No flooding events</td> </tr> </tbody> </table>	Time	Comment	0	No flooding events	<p>✓ ACHIEVED</p> <table border="1"> <thead> <tr> <th>Time</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>0</td> <td>No flooding events</td> </tr> </tbody> </table>	Time	Comment	0	No flooding events			
Time	Comment														
0	No flooding events														
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0	No flooding events														
Customer satisfaction*.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.	< 10 per year	<p>✓ ACHIEVED</p> <table border="1"> <thead> <tr> <th>Per 1,000 Connections</th> <th>No. of Complaints</th> </tr> </thead> <tbody> <tr> <td>3.69</td> <td>48</td> </tr> </tbody> </table> <p>There were 13,010 connections as at 1 July 2021</p>	Per 1,000 Connections	No. of Complaints	3.69	48	<p>✓ ACHIEVED</p> <table border="1"> <thead> <tr> <th>Per 1,000 Connections</th> <th>No. of Complaints</th> </tr> </thead> <tbody> <tr> <td>1.06</td> <td>14</td> </tr> </tbody> </table> <p>There were 13,261 connections as at 1 July 2022</p>	Per 1,000 Connections	No. of Complaints	1.06	14			
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Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary																				
Customer satisfaction.	Percentage of customers satisfied with the stormwater service. As per the Annual Resident Satisfaction Survey.	≥ 80%	✘ NOT ACHIEVED This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 35%.	✘ NOT ACHIEVED The measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved this year is 40%.																				
A sustainable stormwater service	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions Received by Council in relation to Horizons Regional Council resource consents* for discharge from its stormwater system.**	0	✔ ACHIEVED <table border="1"> <thead> <tr> <th colspan="2">2021/2022</th> </tr> </thead> <tbody> <tr> <td>Abatement Notice</td> <td>0</td> </tr> <tr> <td>Infringement Notice</td> <td>0</td> </tr> <tr> <td>Enforcement Order</td> <td>0</td> </tr> <tr> <td>Convictions</td> <td>0</td> </tr> </tbody> </table>	2021/2022		Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0	✔ ACHIEVED <table border="1"> <thead> <tr> <th colspan="2">2022/2023</th> </tr> </thead> <tbody> <tr> <td>Abatement Notice</td> <td>0</td> </tr> <tr> <td>Infringement Notice</td> <td>0</td> </tr> <tr> <td>Enforcement Order</td> <td>0</td> </tr> <tr> <td>Convictions</td> <td>0</td> </tr> </tbody> </table>	2022/2023		Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
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THE GRAPH BELOW PROVIDES AN OVERVIEW OF HOW THE STORMWATER ACTIVITY HAS PERFORMED AGAINST BUDGET.



Capital Expenditure

- The lower capital spend is a result of the phasing of the Tara-Ika project.

Stormwater Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		1,663	1,656	2,092	2,108
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	93	117	-
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		1,663	1,749	2,209	2,108
Applications of operating funding					
Payments to staff and suppliers		484	565	653	891
Finance costs		226	254	324	303
Internal charges and overheads applied		491	376	359	390
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		1,201	1,195	1,336	1,584
Surplus (deficit) of operating funding (A-B)		462	554	873	524
Sources of capital funding					
Subsidies and grants for capital expenditure	1	-	1,300	960	-
Development and financial contributions		5	94	105	77
Increase (decrease) in debt		1,876	3,389	3,502	3,406
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		1,881	4,783	4,567	3,483

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2	990	2,006	3,024	1,762
- to improve the level of service	3	1,230	3,115	1,426	2,071
- to replace existing assets		49	156	257	115
Increase (decrease) in reserves	4	74	60	733	59
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		2,343	5,337	5,440	4,007
Surplus (deficit) of capital funding (C-D)		(462)	(554)	(873)	(524)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation	5	757	716	856	878

Notes:

1. The Tara-Ika capital subsidy not received due to work being delayed.
2. The lower spend is a result of the Tara-Ika project being delayed.
3. This overspend on the level of service is largely due to the Lake Horowhenua water quality improvement project.
4. The lower than budgeted increase to reserve funds is due to the lower than budgeted operating funding surplus and lower spend on renewal projects which are reserve funded.
5. The higher spending relates to the final asset revaluation results being higher than planned.

Loans	Internal \$000
Loans as at 01/07/2022	10,352
Raised during year	3,820
Repaid during year	(414)
Loans as at 30/06/2023	13,758
Interest expense	
	303

Te Wai Para Wastewater

WHAKATAUKĪ

Tiakina te Wai para kia
Ora ai te Whenua

Look after the wastewater
so the land is healthy



Description of activity

The Wastewater Treatment Activity aims to protect human health by removing human effluent and trade waste from properties and treating it before discharging it back into the environment.

The Council owns and operates several schemes:

Levin – Screening, sedimentation, biological filtration and oxidation - To land (kanuka and manuka plantation)

Waitārere – Oxidation ponds - To land (pine plantation)

Shannon – Oxidation ponds - To land (Velvaleen farm)

Foxton – Oxidation ponds - To adjacent farm for irrigation

Foxton Beach – Oxidation ponds - To land (pasture)

Tokomaru – Oxidation ponds - To land (wetland with current overflow to water)

What the activity involves

- The collection, transportation, treatment and discharge of wastewater and trade waste from residential, commercial and industrial properties in Levin, Foxton, Foxton Beach, Shannon, Mangaore, Tokomaru and Waitārere Beach.

- Maintenance and extension to Council's wastewater systems including pipes, pumping stations, wastewater treatment plants and discharge facilities. Monitoring and control of Council's wastewater system using the SCADA (Supervisory control and data acquisition) system.
- Seeking new and renewing resource consents when required.
- Meeting resource consent conditions for the discharge of treated wastewater or for the construction or upgrade of assets.
- Responding to and resolving (if possible) customer complaints relating to the Wastewater Disposal Activity.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Resilient and reliable wastewater collection and safe irrigation of treated wastewater effluent to agricultural blocks ensuring good community health.

ENVIRONMENTAL WELLBEING

Safe irrigation of treated wastewater to agricultural blocks which utilise the nitrogen and phosphorous as a valuable resource and minimise energy requirements and greenhouse gas emissions.

ECONOMIC WELLBEING

Robust infrastructure to serve our current economy and provide for future growth.

Well maintained and reliable wastewater collection, treatment and disposal to cater for the communities needs both now and, in the future.

CULTURAL WELLBEING

Improved relationships with Iwi as a result of improved consultation, communication, and fostering of relationships.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



ANNUAL PLAN KEY PROJECTS

What we planned	What we did
REPLACEMENT OF EXISTING ASSETS	
Wastewater network pipes across the district – Renewals and upgrades of wastewater pipes to address aging and critical pipes	Various projects have been completed across the rohe with other projects currently in design phase or have been identified for further investigation.
Levin Tara-Ika growth area – Provide new wastewater infrastructure	Various projects within the north and south catchments are currently under way and due for completion late 2023.
Levin wastewater treatment plant – Renewals of critical aging assets at the wastewater treatment plant	Options for the future upgrade to the Levin WWTP is currently underway through the master planning stages. Optioneering is expected to be completed in early 2024. Some improvements have been made to the operation of the existing WWTP with refurbishment of the pista grit.
Wastewater treatment plants - Minor renewal works across the district	Various operational improvements have been made to some of the WWTPs in the Horowhenua. Tokomaru WWTP – Completion of review of treatment options. Work is continuing with costings and concept design in conjunction with alternative options for the wastewater flows.
Levin Treated Effluent Discharge - Strategic upgrade of the POT entails renewal of aging assets and operational and environmental improvements.	Considerable work has been done at the POT including vegetation management, track maintenance and the upgrading of the irrigation system. Other projects have been identified to improve the operations of the POT.
PROJECTS RESULTING FROM GROWTH	
Levin NE Growth Wastewater reticulation - Renewals and upgrade of wastewater pipes to address aging and critical pipes.	Work was completed on Cambridge Street North to support growth in NE Levin. Current projects include Highbury Drive, Kings Drive and MacArthur Street. Work is progressing well.
Levin Tara-Ika growth area – upgrading wastewater pipes to enable Tara-Ika growth.	Various projects within the north and south catchments are currently under way and due for completion late 2023.
Levin Treated Effluent Discharge - Strategic upgrade of the POT to enable growth in Levin.	Work is in progress and is linked to the Levin WWTP masterplan.
Levin wastewater treatment plant – Strategic upgrade of assets identified from the master planning phase.	Currently in the stages of the masterplan and looking at various options.

Activity Insights

SLUDGE

The residue that accumulates in sewage treatment plants is called sludge (or biosolids). Sewage sludge is the solid, semisolid, or slurry residual material that is produced as a by-product of wastewater treatment processes.

We used to send our wastewater treatment sludge to the Levin Landfill, but when it closed, we had to send it to Bonny Glen Landfill (as the only landfill that would accept sludge). We have a contract with Bonny Glen Landfill where the sludge will continue to be sent. This has come at

a high financial cost considering the transport and disposal costs.

A more permanent long term solution for the disposal of sludge is required. We are currently working in conjunction with other councils within the Wellington and Horizons regions to investigate a regional solution for sludge disposal. The three Waters Reform programme also makes long term planning difficult due to the uncertainty of what plans will be made by the new entities, including overall treatment strategy. Upcoming changes in wastewater regulations will also play a part in the long term solution.

WASTEWATER TREATMENT PLANT DECISIONS

Tokomaru Wastewater Treatment Plant

The Tokomaru wastewater treatment plant is currently fit for purpose with projected growth in the Tokomaru area and may not meet future effluent discharge standards.

This financial year we have been looking at the following options:

Option 1 – Upgrade the existing treatment plant with membrane technology complete with treated effluent being discharged to a new land discharge site.

Option 2 – Transferring the Tokomaru wastewater flows to Palmerston North WWTP.

Option 3 – Transferring the Tokomaru wastewater flows to the Shannon WWTP, however this would require an upgrade to the Shannon WWTP.

The three options are in the stages of concept design with high level costings to enable a preferred solution to be selected. We continue to have ongoing discussions with Iwi about these options.

Foxton Wastewater Treatment Plant

The water table has been high in Foxton, due to the cumulative effect of high rainfall over the last couple of years.

This means water infiltrates into the wastewater network during wet weather events as well as from stormwater entering the wastewater network on private property. When water infiltrates into the plant it fills up the wastewater ponds and puts pressure on the existing ponds and irrigation blocks.

While we have the ability to irrigate treated effluent onto land, the consent only allows for a certain daily volume of treated effluent to the irrigation area.

Considerable work has been done to review and implement an operational management plan that will assist the operations team with better control of the irrigation scheme.

Further work is required in the Foxton township to reduce the level of inflow and infiltration into the wastewater network.

WASTEWATER PROJECTS

Kings Drive

The current wastewater pipes at Kings Drive are in poor condition and nearing the end of their life. During this financial year we have started designing and installing the new pipes.

After a tender process Higgins was awarded the contract. Work started on the project May 2023 and is expected to finish in September 2023.

Tara-Ika

During the financial year we finalised planning for wastewater services for Tara-Ika and started construction. This will also potentially include upgrading the Levin Wastewater Plant. Two catchments have developed to service Tara-Ika, one to the North and one to the south.

The north catchment enters the network via Queen Street where a wastewater main has been constructed via relining an old water main and installing new pipes approximately half way up Queen Street East.

The south catchment enters the network via Tararua Road, where a new main has been installed from Roe Street to approximately 700m up Tararua Road East under SH57 and the Ōtaki to North of Levin (Ō2NL) footprint. Construction will be finished late August 2023.

Both projects were delivered with CIP (Crown infrastructure Partners) funding.

THREE WATER REFORM

During this financial year we have been preparing for and responding to the Three Waters Reform proposal. This adds complexity to planning wastewater projects.

All major wastewater decisions now need to go the Three Waters Reform National Transition Unit for approval. This is part of the transition process to ensure work we are currently doing now fits into the long term strategy of the new entities.

It has been indicated by Taumata Arowai that there will also be future changes to standards and specifications including a national effluent discharge standard. However as yet we do not know what those changes will be, which makes planning for wastewater projects difficult.

There is also a risk we will lose staff who find the transition process unsettling or do not want to work with the new entities.



Measuring the Wastewater Treatment Activity Performance

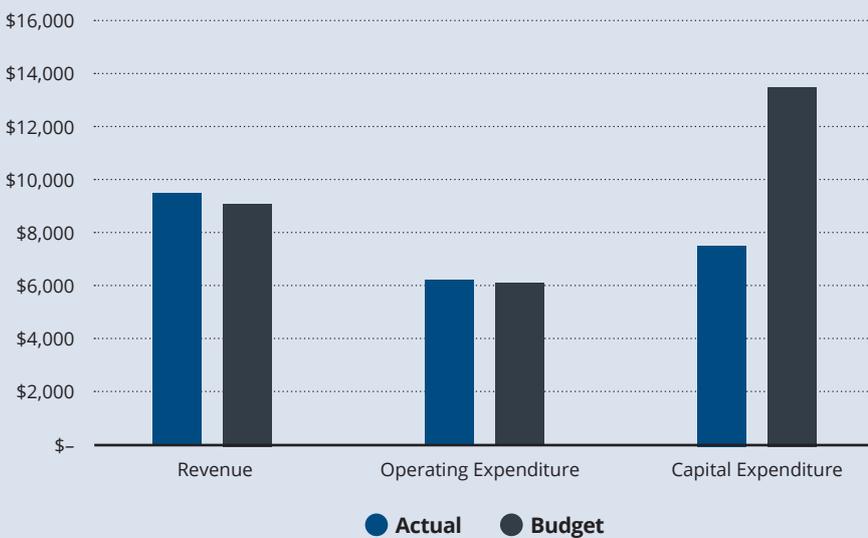
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The following service performance information on the Wastewater Treatment Activity has been prepared in accordance with PBE Standards.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary																					
Reliable wastewater collection and disposal*.	The number of dry weather wastewater overflows from the wastewater system per 1000 connections.	≤ 2	✓ ACHIEVED	✓ ACHIEVED																					
			<table border="1"> <thead> <tr> <th colspan="3">2021/2022</th> <th colspan="3">2022/2023</th> </tr> <tr> <th></th> <th>Per 1000 Connections</th> <th>No. of Overflows</th> <th></th> <th>Per 1000 Connections</th> <th>No. of Overflows</th> </tr> </thead> <tbody> <tr> <td>Number of overflows</td> <td>1.46</td> <td>19</td> <td>Number of overflows</td> <td>1.28</td> <td>16</td> </tr> <tr> <td colspan="3">Number of connections as at 1 July 2021 = 13,048</td> <td colspan="3">Number of connections as at 1 July 2022 = 12,498</td> </tr> </tbody> </table>		2021/2022			2022/2023				Per 1000 Connections	No. of Overflows		Per 1000 Connections	No. of Overflows	Number of overflows	1.46	19	Number of overflows	1.28	16	Number of connections as at 1 July 2021 = 13,048		
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Safe disposal of wastewater*.	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions Received by Council in relation to Horizons Regional Council resource consents.	0	✓ ACHIEVED	✓ ACHIEVED																					
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Council provides a good response to wastewater system faults reported*.	The median time (hrs) from the time that Council receives a notification, to the time that services personnel reach the site in responding to an overflow resulting from a wastewater blockage or other fault.*	< 1 hour	✓ ACHIEVED	✗ NOT ACHIEVED																					
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THE GRAPH BELOW PROVIDES AN OVERVIEW OF HOW THE WASTEWATER ACTIVITY HAS PERFORMED AGAINST BUDGET.



Capital Expenditure

- The lower spend is a result of the phasing of the Tara-Ika project.

Wastewater Treatment Funding Impact Statement FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		6,858	6,854	7,737	7,797
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		1,294	1,191	1,233	1,600
Local authorities fuel tax, fines, infringement fees, and other receipts		119	112	134	82
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		8,271	8,157	9,104	9,479
Applications of operating funding					
Payments to staff and suppliers		4,623	3,903	3,988	4,334
Finance costs		773	921	1,260	1,034
Internal charges and overheads applied		897	869	875	838
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		6,293	5,693	6,123	6,206
Surplus (deficit) of operating funding (A-B)		1,978	2,464	2,981	3,273
Sources of capital funding					
Subsidies and grants for capital expenditure	1	1,165	2,693	7,814	120
Development and financial contributions		65	1,523	712	617
Increase (decrease) in debt	2	3,534	8,682	8,090	4,778
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		4,764	12,898	16,616	5,515

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand	3	2,244	7,306	7,691	3,821
- to improve the level of service		2,998	2,465	1,592	2,369
- to replace existing assets	4	2,150	5,491	4,242	1,303
Increase (decrease) in reserves	5	(650)	101	6,072	1,295
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		6,742	15,363	19,597	8,788
Surplus (deficit) of capital funding (C-D)		(1,978)	(2,465)	(2,981)	(3,273)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation	6	3,770	3,797	4,811	5,247

Notes:

1. The Tara-Ika capital subsidy was not received due to work being delayed.
2. The decrease in debt is a result of lower than budgeted capital expenditure.
3. The lower spend is a result of the Tara-Ika project being delayed.
4. The lower spending on reticulation across the district as well as lower spending on the Levin treatment plant due to moving work to 2023/24.
5. Lower spend in renewal capital programme resulted in less reserve required to fund the work.
6. The higher spending relates to the final asset revaluation results being higher than planned.

Loans	Internal \$000
Loans as at 01/07/2022	35,293
Raised during year	6,190
Repaid during year	(1,412)
Loans as at 30/06/2023	40,071
Interest expense	1,034

Te Whakarato Wai Māori Water Supply

WHAKATAUKĪ

Ko te wai te ora ngā mea katoa
Water is the life giver of all things.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Description of activity

The Water Supply Activity aims to provide a safe and reliable supply of water to urban (residential, industrial and commercial) and agreed rural properties, which adjoin urban areas.

What the activity involves

- Providing safe drinking water to defined urban and rural areas for Levin, Foxton Beach, Foxton, Shannon, Mangaore and Tokomaru.
- Managing and maintaining river intakes, groundwater bores, water treatment plants and storage facilities, pump stations, underground pipe networks and associated infrastructure.
- Implementing water demand management using tools such as the SCADA (Supervisory Control and Data Acquisition) system and PRVs (pressure reducing valves).
- Investigating improvements and extensions to Council's water supply network.
- Providing water for firefighting capability in areas where a Council reticulated water supply is provided and ensuring compliance with firefighting requirements in areas not reticulated.
- Ensuring compliance with relevant legislation:
 - Meeting resource consent requirements for water takes and assets
 - Meeting the Water Services Act 2021
 - Meeting the Water Services (Drinking Water Standards for New Zealand) Regulations 2022
 - Meeting the Drinking Water Quality Assurance Rules (effective 14 November 2022)
- Respond to and resolve (if possible) complaints relating to the Water Supply Activity.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Safe and aesthetically pleasing water throughout the rohe to promote good health and vitality.

ENVIRONMENTAL WELLBEING

Improve leak detection and lost water reduction meaning that less water is extracted from the natural environment, reducing our energy footprint.

ECONOMIC WELLBEING

Robust infrastructure to serve our current economy and provide for future growth.

Vastly improved resilience and reliability to supply water despite storms and power outages to ensure a positive future.

CULTURAL WELLBEING

Improved relationships with Iwi as a result of improved consultation, communication, and fostering of relationships.

ANNUAL PLAN KEY PROJECTS

What we planned

What we did

REPLACEMENT OF EXISTING ASSETS

Drinking water supply network pipes – Renewals and upgrades of critical aging assets across the district to address leaky pipes and reduce the water leakage rate within the district.

Monitoring of pressure zones and continual leak detection around the rohe.
Various renewal projects that were identified as having high leakage and/or frequent bursts.

Water treatment plants - Minor replacement works of aging critical assets across the district.

Levin WTP
Operational improvement to the clarifier to reduce sand consumption. Refurbishment of 1 out of the 10 pressure filters. Programme being put in place to inspect and refurbish all filters.

Tokomaru WTP
Operational improvements to the treatment plant pipework to allow for some additional storage. This will limit the frequency of events that require water to be trucked in from Shannon.

PROJECTS RESULTING FROM GROWTH

Alternative water supply (growth and resilience) – Investigating an option for a raw water lake reservoir to provide for growth and improve resilience by addressing drinking water supply issues associated with heavy rain events, dry periods, and climate change impacts while enabling growth.

Work in continuing with the consenting of the Poads Road Reservoir

Tara-Ika – New drinking water pipes and a reticulation network will be installed in this growth area to the east of Levin.

Various projects have been completed or are in progress to develop a trunk main network for the development.

Activity Insights

LEVIN WATER TREATMENT PLANT

We need more storage for raw water (reservoir) and treated water (tanks) at the Levin Water Treatment Plant (WTP). As our population in Levin grows our water storage is no longer sustainable. Currently the plant only has capacity for only one day of treated water storage.

The water treatment plant is nearing capacity and requires planned investment to service new growth areas.

Operational improvements have been made during the year with the clarifier to reduce the sand consumption. Other operational improvements have been identified for completion this year.

Direction was given by the Ministry of Health in July 2022 to fluoridate the Levin water supply with implementation by 30 April 2023. A contractor has been selected for this project and design is currently underway.

A full master plan is also underway for the future upgrade to the Levin WTP, taking into account growth, ageing assets, changes to compliance and earthquake resilience. This will determine the staging of the treatment plant upgrade to align with growth and compliance.

TOKOMARU WATER TREATMENT PLANT

Previously Tokomaru used to be on a boil water notice. So approximately four years ago we upgraded the Tokomaru Water Treatment Plant. However due to financial constraints at the time it was a minimal spend upgrade. While that resolved short term issues such as the boil water notice issue, it was not a long term solution.

New drinking water standards and more frequent wet weather events means we have had to shut the plant down more frequently due to the turbidity from the river. This means on occasion we have to truck in

water to fill the storage tanks at the plant. While the Tokomaru residents do not notice the difference, it does cost us to truck in drinking water.

Due to all these issues, we have completed the alteration of the treatment plant pipework to give us additional storage capacity of treated water which will reduce trucking in drinking water. The process of treatment plant is under review to ensure that the treatment plant can cope with the higher turbidity from the river.

At this stage we do not have a direction to fluoridate the water supply, however we will need to allow space in the upgrade should a direction from the Ministry of Health be given.

WATER METERS

Recently as part of the Long Term Plan Amendment we have been consulting with the hapori on district-wide water metering to detect leaks which will reduce water leakage. Water meters help identify where the leaks are. Water leakage means we are paying to store and treat water that ends up being lost through water leakage in pipes. We are responsible for water from the mains to the toby or boundary, a property owner is responsible everything else. We are reviewing options such as smart meters or using people to read meters. A decision was made based on feedback from the hapori to implement universal water metering for leak detection. There are still decisions to be made around water meters, what the role out will look like and whether to invest in manual or automatic water meters. We will continue to engage with the hapori about these decisions.





Measuring the Water Supply Activity Performance

The Local Government Act 2002 requires all councils to report on a set of performance measures for Roding, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

The following service performance information on the Water Supply Activity has been prepared in accordance with PBE Standards.

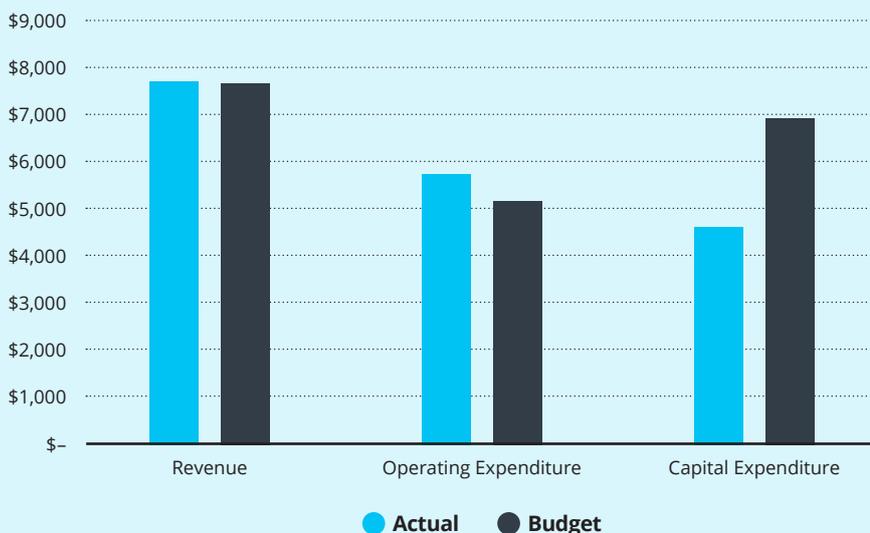
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Clarity	0.22	3																																																								
Taste	0.44	6																																																								
Odour	0.15	2																																																								
Pressure or flow	0.7	1																																																								
Continuity of supply	0.7	1																																																								
Council's response	0	0																																																								
TOTAL	0.95	13																																																								
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Pressure or flow	0.23	3																																																								
Continuity of supply	1.39	18																																																								
Council's response	0	0																																																								
TOTAL	2.87	37																																																								

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary																														
Firefighting needs are met.	Percentage of sampled network where firefighting flows in urban residential areas meet the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008.	≥ 80%	✗ NOT ACHIEVED Firefighting flows are tested by testing the flow of fire hydrants. The last time fire hydrants were tested was December 2018. This was because implementation of a new bylaw was delayed until testing parameters and processes were clarified. Testing of hydrants is also conducted by Fire and Emergency NZ. Frequent weather events have prevented this work resuming this year. Plan to resume the flow testing in the 2022/23 financial year and will change methodology to comply with SZ4509:2008.	✓ ACHIEVED 50 hydrants were flow tested in early April and 47 had more than 12.5L/s, therefore 94% of hydrants tested passed.																														
Water supply has adequate flow and pressure.	Network supply pressure at all property boundaries visited during maintenance work is not less than 250kPa for on demand connections and 150kPa for restricted flow connections.	Achieve	✓ ACHIEVED 100% of water connections checked across the district during maintenance works were measured to be equal to or exceed pressures of 250kPa at the property boundary for on demand supply and 150kPa for restricted connections.	✓ ACHIEVED 100% of water connections checked across the district were measured to be equal to or exceeded pressures of 250kPa at the property boundary for on demand supply and 150kPa for restricted connections. One connection in Foxton had a lower pressure which is suspected to be due to an internal leak. This is being investigated.																														
Water supply is sustainable*	Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). lpcd – litres per capita per day.	≤ 300 lpcd	✗ NOT ACHIEVED Average consumption across the district is 362L/person/day. This is calculated based on total water produced, minus commercial consumption, then divided by the connected population. Please note that the figure above includes residential consumption, water taken from hydrants for firefighting/training and system leaks. Therefore, the actual residential consumption should be much less than the amount noted above.	✓ ACHIEVED The average consumption across the district is 289L/person/day. The above average is calculated based on total water produced from all the treatment plants, minus commercial consumption, then divided by the calculated connected population. Please note that the figure above includes residential consumption, water taken from hydrants for firefighting/training and system leaks. Therefore the actual residential consumption should be less than the amount noted above.																														
Response to faults*.	The median time from the time that Council received notification, to the time that service personnel: Reach the site for urgent call-outs;^ Confirm resolution of the fault or interruption of urgent call-outs;^ Reach the site for non-urgent call-outs; and^ Confirm resolution of the fault or interruption of no-urgent call-outs.^	< 1 hour < 8 hours < 3 days (72hrs) < 3 days (72hrs)	✓ ACHIEVED <table border="1"> <thead> <tr> <th></th> <th>Time</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>Reach the site for urgent call-outs</td> <td>0hrs 33mins</td> <td>Received 1 urgent call outs and attended to 1 within 1 hour or less.</td> </tr> <tr> <td>Resolution of the fault or interruption of urgent call-outs</td> <td>0hrs 33mins</td> <td>Received 1 urgent call outs and resolved 1 within 8 hours or less.</td> </tr> <tr> <td>Reach the site for non-urgent call-outs</td> <td>7hrs 10mins</td> <td>Received 442 non-urgent call outs and attended to 402 within 3 days or less.</td> </tr> <tr> <td>Resolution of the fault or interruption of non-urgent call-outs</td> <td>17hrs 36mins</td> <td>Received 418 non-urgent call outs and resolved 373 in 3 days or less.</td> </tr> </tbody> </table>		Time	Comment	Reach the site for urgent call-outs	0hrs 33mins	Received 1 urgent call outs and attended to 1 within 1 hour or less.	Resolution of the fault or interruption of urgent call-outs	0hrs 33mins	Received 1 urgent call outs and resolved 1 within 8 hours or less.	Reach the site for non-urgent call-outs	7hrs 10mins	Received 442 non-urgent call outs and attended to 402 within 3 days or less.	Resolution of the fault or interruption of non-urgent call-outs	17hrs 36mins	Received 418 non-urgent call outs and resolved 373 in 3 days or less.	✓ ACHIEVED <table border="1"> <thead> <tr> <th></th> <th>Time</th> <th>Comment</th> </tr> </thead> <tbody> <tr> <td>Reach the site for urgent call-outs</td> <td>0hrs 21mins</td> <td>Received 18 urgent call outs and attended to 15 within 1 hour or less.</td> </tr> <tr> <td>Resolution of the fault or interruption of urgent call-outs</td> <td>2hrs 58mins</td> <td>Received 18 urgent call outs and resolved 18 within 8 hours or less.</td> </tr> <tr> <td>Reach the site for non-urgent call-outs</td> <td>15hrs 55mins</td> <td>Received 417 non-Urgent call outs and attended to 387 within 3 days or less.</td> </tr> <tr> <td>Resolution of the fault or interruption of non-urgent call-outs</td> <td>21hrs 52mins</td> <td>Received 417 non-urgent call outs and resolved 361 in 3 days or less.</td> </tr> </tbody> </table>		Time	Comment	Reach the site for urgent call-outs	0hrs 21mins	Received 18 urgent call outs and attended to 15 within 1 hour or less.	Resolution of the fault or interruption of urgent call-outs	2hrs 58mins	Received 18 urgent call outs and resolved 18 within 8 hours or less.	Reach the site for non-urgent call-outs	15hrs 55mins	Received 417 non-Urgent call outs and attended to 387 within 3 days or less.	Resolution of the fault or interruption of non-urgent call-outs	21hrs 52mins	Received 417 non-urgent call outs and resolved 361 in 3 days or less.
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Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary																								
Minimal water losses*	Real water loss performance of the network as measured by the standard World Bank Institute Band for Leakage.	Band "B"	<p>✘ NOT ACHIEVED</p> <p>A system for the monitoring of night flow trends, which forms the basis of this performance assessment, has been implemented for all the supplies. The assessment which determines achievement/non-achievement has been updated with the values for June 2022 as shown in the table below.</p> <table border="1"> <thead> <tr> <th>Supply</th> <th>"Snapshot" Infrastructure Leakage Index</th> </tr> </thead> <tbody> <tr><td>Levin</td><td>C</td></tr> <tr><td>Shannon & Mangaore</td><td>C</td></tr> <tr><td>Foxtton</td><td>C</td></tr> <tr><td>Foxtton Beach</td><td>A</td></tr> <tr><td>Tokomaru</td><td>B</td></tr> </tbody> </table>	Supply	"Snapshot" Infrastructure Leakage Index	Levin	C	Shannon & Mangaore	C	Foxtton	C	Foxtton Beach	A	Tokomaru	B	<p>✘ NOT ACHIEVED</p> <p>A system for the monitoring of night flow trends, which form the basis of this performance assessment, has been implemented for all the supplies.</p> <table border="1"> <thead> <tr> <th>Supply</th> <th>"Snapshot" Infrastructure Leakage Index</th> </tr> </thead> <tbody> <tr><td>Levin</td><td>C</td></tr> <tr><td>Shannon & Mangaore</td><td>C</td></tr> <tr><td>Foxtton</td><td>C</td></tr> <tr><td>Foxtton Beach</td><td>A</td></tr> <tr><td>Tokomaru</td><td>B</td></tr> </tbody> </table> <p>Only Foxtton Beach and Tokomaru achieved the target WBI band for Leakage in April.</p>	Supply	"Snapshot" Infrastructure Leakage Index	Levin	C	Shannon & Mangaore	C	Foxtton	C	Foxtton Beach	A	Tokomaru	B
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Sustainable water supply management	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions Received by Council in relation to Horizons Regional Council resource consents.	0 0 0 0	<p>✓ ACHIEVED</p> <table border="1"> <thead> <tr> <th colspan="2">2021/2022</th> </tr> </thead> <tbody> <tr><td>Abatement Notice</td><td>0</td></tr> <tr><td>Infringement Notice</td><td>0</td></tr> <tr><td>Enforcement Order</td><td>0</td></tr> <tr><td>Convictions</td><td>0</td></tr> </tbody> </table>	2021/2022		Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0	<p>✓ ACHIEVED</p> <table border="1"> <thead> <tr> <th colspan="2">2022/2023</th> </tr> </thead> <tbody> <tr><td>Abatement Notice</td><td>0</td></tr> <tr><td>Infringement Notice</td><td>0</td></tr> <tr><td>Enforcement Order</td><td>0</td></tr> <tr><td>Convictions</td><td>0</td></tr> </tbody> </table>	2022/2023		Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0				
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THE GRAPH BELOW PROVIDES AN OVERVIEW OF HOW THE WATER SUPPLY ACTIVITY HAS PERFORMED AGAINST BUDGET.



Operational Expenditure

- The increased spend is due to overspending of the maintenance contract.

Capital Expenditure

- The lower spend is a result of the Tara-Ika project being delayed.

Water Supply Funding Impact Statement

FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		7,030	7,165	7,457	7,670
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		37	62	64	35
Local authorities fuel tax, fines, infringement fees, and other receipts		4	128	147	12
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		7,071	7,355	7,668	7,717
Applications of operating funding					
Payments to staff and suppliers	1	4,054	3,805	3,856	4,388
Finance costs		429	471	423	454
Internal charges and overheads applied		1,036	852	870	871
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		5,519	5,128	5,149	5,713
Surplus (deficit) of operating funding (A-B)		1,552	2,227	2,519	2,004
Sources of capital funding					
Subsidies and grants for capital expenditure		-	1,254	1,769	2,087
Development and financial contributions		30	220	296	279
Increase (decrease) in debt		831	1,912	2,014	1,662
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		861	3,386	4,079	4,028

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2	545	1,420	3,077	1,174
- to improve the level of service	2	343	517	188	685
- to replace existing assets	2	1,121	3,899	3,644	2,737
Increase (decrease) in reserves	3	404	(223)	(311)	1,436
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		2,413	5,613	6,598	6,032
Surplus (deficit) of capital funding (C-D)		(1,552)	(2,227)	(2,519)	(2,004)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation	4	3,424	3,338	4,035	4,238

Notes:

1. The increased spend was due to an overspend of the maintenance contract
2. The lower spend is a result of the Tara-Ika project being delayed.
3. The lower than budgeted increase to reserve funds is due to the additional capital expenditure which is reserve funded
4. The higher spending relates to the final asset revaluation results being higher than planned.

	Internal \$000
Loans	
Loans as at 01/07/2022	15,495
Raised during year	2,282
Repaid during year	(620)
Loans as at 30/06/2023	17,157
Interest expense	
	454

Ngā Taiwhanga ā-Rēhia Community Facilities



WHAKATAUKĪ

Ko ngā pae tawhiti, whaia kia tata.
Ko ngā pae tata, whakamaua kia tina

The potential for tomorrow depends
on what we do today

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Strong
Communities



Vibrant
Economy



Outstanding
Environment



Fit for purpose
Infrastructure



Partnership
with
Tangata Whenua

Description of activity

The Community Facilities Group of Activities is made up of a number of sub-activities which aim to provide passive and active amenities for the community to utilise.

The Community Facilities and Services Group of Activities includes:

- Aquatic Centres
- Recreation Community Centres and Libraries.

What the activity involves

AQUATIC CENTRES

The Aquatics and Recreation Activity aims to provide public access to swimming pools, fitness, rehabilitation, and swimming programmes to enhance wellbeing through providing healthy recreational and social opportunities.

WHAT IT INVOLVES

- Providing swimming pools for general use including assisting clubs and organisations to host and run events on- and off-site.
- Providing a certified Swim School Programme in Levin and Foxton.
- Providing land- and water-based fitness and rehabilitation classes both on- and off-site.
- Managing Shannon School Swimming Pool during the summer school holidays. Planning and delivery of an engaging aquatics event programme, encouraging community participation.

COMMUNITY CENTRES AND LIBRARIES (SHANNON LIBRARY, TE TAKERETANGA O KURA-HAU-PŌ, TE AWAHOU NIEUWE STROOM)

This Activity aims to provide spaces where people can visit, spend time, and positively engage in activities and opportunities, whether that be through social interaction, personal development or recreation and leisure.

WHAT IT INVOLVES

- Delivery of the library services including online services.

- Delivering programmes that foster and enhance literacy and the love of reading for all ages.
- Providing events, exhibitions, and performances for all ages.
- Arranging room hire for meetings, functions and conventions.
- Providing social and community spaces including a café.
- Delivering IT resources including internet on demand and free Wi-Fi.
- Providing visitor information through two sites.
- Providing a space for young people in Te Takeretanga o Kura-hau-pō and holding events and activities for this age group.
- Delivery of certain Council services (e.g. payment of rates) in Foxton and Shannon.
- Providing AA services.
- Providing a space for Horowhenua Heritage resources and collections both online and in-house.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom are multifunctional facilities that provide a wide range of services and events that contribute to the wellbeing of the hapori and to visitors to the Horowhenua.

Horowhenua Aquatics provide public access to swimming pools, fitness, play, rehabilitation, and swimming programmes to enhance hapori wellbeing through providing healthy recreational and social opportunities.

Our facilities and the services they provide, create an environment for organic community development and connection.

ENVIRONMENTAL WELLBEING

Careful management of aquatic facility water quality and implementing water conservation measures contributes to improving environmental outcomes.

ECONOMIC WELLBEING

Community facilities contribute to the local economy through employment and financial sustainability. They also provide opportunities for people of all ages and all phases of life to enjoy quality of living.

Council actively promotes its facilities as destinations to visit, enjoy and share their stories, welcoming even more visitors.

CULTURAL WELLBEING

Council acknowledges its partnership with Iwi and hapū partners and value the important role they play within our community facilities.

Additionally, partnerships have been undertaken to deliver programmes such as Matariki, Youth Development Programmes and Capacity Building.

ANNUAL PLAN KEY PROJECTS

What we planned	What we did
AQUATIC CENTRES AND RECREATION	
Replacement of existing assets	
Foxton Pool Redevelopment – Undertake a basic redevelopment of the Foxton Pool building to address the shortfalls with the current building and ensure a fit for purpose facility to enable year-round operation.	We kicked this significant project off at the beginning of 2023. Progress is on track as we look to complete the redevelopment in time for Summer 2023.
Jubilee Park Splash Pad – Construction of a Splash Pad and decommissioning of the paddling pool at Jubilee Park, Levin.	We have completed this project. The Splash Pad opened in December 2022 with a community event to celebrate its completion. The Splash Pad has been well used and is a popular attraction.
COMMUNITY CENTRES AND LIBRARIES	
Replacement of existing assets	
Youth space Renovation – Undertake minor renovations of the Youth Space in Te Takeretanga o Kura-hau-pō following consultation with users to better understand the requirement of the space.	The Youth Space renovation was completed in March 2023. It was completed on time and within budget. Since the completion of the works, there has been an increase in users and a sense of excitement around the refreshed space.

Activity Insights

JUBILEE SPLASHPAD

During our 2021–2041 Long Term Plan (LTP) Consultation we sought feedback from our hapori on building a splash pad. Due to the support from the community and Elected Members it was included in the LTP and therefore funded.

In a great example of internal collaborations creating efficiencies, the Aquatics team and the Parks team joined forces to propose the renewal of the toilet block at Jubilee Park, the site of the proposed splash pad, at the same time as the splash pad was being built.

The end result was the Jubilee Park Splash Pad that came complete with a custom-built amenity block featuring two family changing rooms, two fully accessible unisex toilets and a stand-alone modern plant room, to service the Splash Pad. Another innovation was installing new solar compacting bins to help manage the influx of people using the space and producing waste.

The Splash Pad was constructed in an unused section of Jubilee Park; a previously passive area of green space was transformed into a vibrant and functional attraction. The location was carefully chosen

to ensure that it could be easily monitored from various angles, minimising the risk of vandalism or other disruptive behaviours. We recognised the popularity of the Splash Pad and strategically selected an area of the park that would have the least impact on nearby residents and neighbours.

Our Splash Pad is fully accessible and we are proud of that. We planned all aspects of the Splash Pad, ensuring people of all abilities can safely and confidently use the space.

Taking our hapori on the journey is important to us and that's why we kept our people engaged right through to the launch event. Local rangatahi worked alongside our team and contractors to help develop the final design, including the colour scheme.

We love seeing our whole community coming out to use this exciting new water play feature. It is uncommon to go past the Splash Pad and not see a birthday party in action or a school group having a day out of the classroom. Our community love their new Splash Pad.

FOXTON POOL

The future of Foxton Pools was consulted on as part of the 2021-41 Long Term Plan (LTP). The existing

pool was a seasonal facility, had condensation issues and was not fit for purpose. The Pool building was in need of some attention.

Ultimately Council resolved to implement an option based on replacing the existing building, ensuring that it was fit for purpose, and retaining the existing pools with no modification while future proofing for future development.

The new building aims to resolve the current condensation problems by implementing a more efficient design, installing mechanical ventilation systems, and enhancing insulation. Additionally, visitors will have the pleasure of experiencing an integrated spa, an accessible reception area as well as accessibility tools such as a ramp and a hoist to access the pool. The facility will be refreshed, and users can expect to see a more modern and brighter atmosphere because of the works. This upgraded facility will be fit for purpose and provide year-round enjoyment for our hapori for many years ahead.

Apollo Contractors limited was appointed as the lead contractor for the project in September 2022. Apollo is one of New Zealand's leading firms that specialise in building aquatic facilities. A fixed

price of \$5.8M was negotiated with Apollo for the rebuild, \$400k of which was sourced via external funding.

Construction began in February 2023 and will be completed in time for summer 2023. The pool was closed to allow construction to go ahead. An extensive communications plan has been devised to ensure the Foxton community, users of the pool and affected neighbours are kept informed of progress including visual updates.

Construction is going well and on track. During the more detailed design stage, our contractors and consultants identified a power supply issue that resulted in the need to install a dedicated electricity transformer. We have been working closely with Electra to enable this work, ensuring it does not have an impact on the project programme. This has meant there have been some modifications to the project budget to allow this work but also planned renewals associated with Foxton Pool.

AQUATICS PROGRAMMING

The love for water and a strong emphasis on water safety is clearly important to the people of Horowhenua. This has been brilliantly reflected in the remarkable success of our aquatic programme throughout this financial year

Leading part of this success lies with our thriving swim school, where the numbers have not only met but exceeded our targets with numbers continuing to increase. These figures can be found in more detail in the performance measures below. We still have the capacity to accommodate even more eager swimmers. To ride this wave of momentum, we are actively exploring avenues to expand our programme.

In our commitment to meet the diverse needs of our hapori, we have introduced new classes like "aqua tots" allowing even the smallest water enthusiasts to explore the wonders of water. We continuously seek opportunities to develop other classes that cater to a wide array of interests and skill levels.

Our swim parties have continued to become a must-attend event, bringing together recreation and fun times, all in one space. The excitement generated by the pool parties have reached far and wide, attracting a growing number of delighted attendees allowing them to socialise in a fun and safe environment and build their confidence in the water by challenging themselves on a variety of equipment.

OUTREACH AND EVENTS

We are always mindful that the work we do naturally attracts people to our facilities. But to truly serve the entire community, we realise we need to reach out beyond our walls and connect with parts of our hapori that might not typically access our services. And that is where our Outreach programme and events step into the spotlight.

Take, for example, our Library Services team paying a visit to a local rest home. Where they facilitate heartwarming



opportunities such as residents sharing and creating poetry together, or simply enjoy access to our collection through book deliveries. Then there is our Children's team, hitting the road to local kura to share exciting stories and ignite a love for literacy, learning, and knowledge through the magic of books.

We have also made strides this year with our Home Link deliveries, where anyone in our community can access our collection by requesting up to 10 items per delivery. It is a small way to make our work extra special for those who have difficulty accessing our library services.

Throughout the financial year, we have hosted some truly remarkable events, allowing us to engage with a broader cross-section of our hapori in a fun and celebratory way. One standout success was the Steam Train Adventure, which wrapped up our summer school holiday reading programme in January 2023. Over 200 lucky Horowhenua youngsters and their parents hopped on board a steam train to Shannon, where a

picnic was enjoyed, and delicious kai food was shared, not to mention a treat from the ice cream truck. The event was a hit, and one of our team members summed it up perfectly, saying, "New Zealand's literacy rates highlight how important stories are, so if we can foster that love of reading, we can get them visiting the library... The passion behind it was to give people that experience and connect it to stories about trains."

YOUTH SPACE

Our Youth Space is an all-inclusive versatile area for our young people aged 12 to 24 years. Buzzing with Horowhenua rangatahi, the Youth Space operates as a space allowing for organic youth development and for rangatahi to 'hangout', as well as a venue for events and activities.

Our programmes in the Youth Space aim to offer quality youth development to help our young people gain resilience, feel connected and acquire real life capabilities, all while having fun.

A functional place with a range of activities, including a purpose-built

recording studio, the Youth Space is a great place to come and feel a sense of belonging after school, in the weekends and during school holidays – a space that younger members of our hapori can take pride in and call it their own.

The Youth Space has been in need of a refresh, which was undertaken during May 2023. We undertook the project keeping rangatahi at its centre. Users of the Space were consulted during the design process, and we incorporated their feedback into the design. The freshly renovated Youth Space was opened to the public on 4 June 2023. We are rapt that as part of the refresh we were able to deliver on most of the items or themes identified through the feedback.

The Space reopened with a fresh paint job, new carpet, new furniture designed to foster social cohesion, new technology and games to enjoy, and a dedicated space to enjoy kai. Since its reopening, we have seen an increase in people visiting the Space, and making the most of the facilities we provide.



Measuring the Community Facilities Activity Performance

The Local Government Act 2002 requires all councils to report on a set of performance measures for Rooding, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

The following service performance information on the Community Facilities Activity has been prepared in accordance with PBE Standards.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe Accreditation.	Achieve	<p>✓ ACHIEVED</p> <p>Levin 100% Foxton 100% Both Foxton and Levin pools have received Pool Safe Accreditation during February 2022. This is valid until April 2023 when the next Pool Safe assessment is completed.</p>	<p>✓ ACHIEVED</p> <p>Levin pool have received the PoolSafe accreditation. This is valid until April 2024 when the next PoolSafe assessment is completed. Note, Foxton Pool is closed for redevelopment and will be assessed when it reopens.</p>
Aquatics centres meet customer needs.	Percent of customers satisfied, based on the Annual Customer Satisfaction Survey.	≥ 90%	<p>✓ ACHIEVED</p> <p>92% rating achieved.</p>	<p>✓ ACHIEVED</p> <p>The annual satisfaction survey results from Levin Aquatic Centre customers was 91%. Foxton Pool results are not included as the pool has been closed for half the financial year for a rebuild.</p>
A high quality Swim School operates at the Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes.	≥ 400 per term	<p>✓ ACHIEVED</p> <p>Term Three 2021 = 466 Term Four 2021 = 512 Term One 2022 = 463 Term Two 2022 = 494</p>	<p>✓ ACHIEVED</p> <p>Term Three 2022 = 421 Term Four 2022 = 480 Term One 2023 = 497 Term Two 2023 = 515</p>
Local clubs are supported to deliver their own events.	Number of events per year held by clubs.	≥ 5 per year	<p>✓ ACHIEVED</p> <ul style="list-style-type: none"> • Levin Swim Club End of Year • Streamline End of Year • Horowhenua College Activities Week • Waiopēhu College End of Year • Linton School Camp • Fairfield School End of Year • Mandy's Swimming End of Year • Glen Oroua School End of Year • Levin Swim Club – Swim Meet • Levin Masters – Swim Meet • Levin School – Swim Meet • Poroutawhāo School – Swim Meet • Interschools – Swim Meet 	<p>✓ ACHIEVED</p> <ul style="list-style-type: none"> • Waiopēhu College Swimming Sports • Shannon Rugby Club Junior Rugby prize giving • College Old Boys Junior Rugby prize giving • Swim Meet – Levin Swim Club • Swim Meet – Special Olympics • Mandy's Swimming end of term party • Swim Meet – Waiopēhu College • Swim Meet – Levin masters

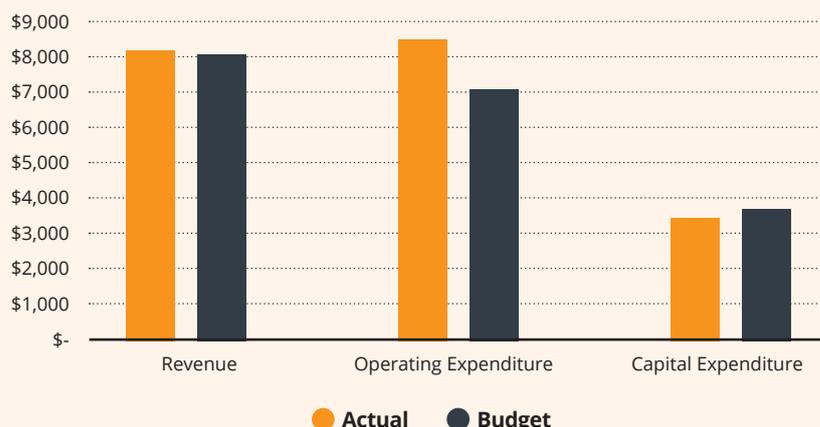
Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary																		
Growing existing events and developing new ones for the following areas; children, general public, and retirees.	Number of events per year for: Children; General public; and Retirees	≥ 3 ≥ 3 ≥ 3	✓ ACHIEVED	✓ ACHIEVED																		
			<table border="1"> <thead> <tr> <th>CHILDREN</th> <th>GENERAL PUBLIC</th> <th>RETIRES</th> </tr> </thead> <tbody> <tr> <td>6</td> <td>7</td> <td>34</td> </tr> </tbody> </table>	CHILDREN	GENERAL PUBLIC	RETIRES	6	7	34	<p>The following events have taken place and been delivered by HDC at aquatic facilities this year.</p> <table border="1"> <thead> <tr> <th>CHILDREN</th> <th>GENERAL PUBLIC</th> <th>RETIRES</th> </tr> </thead> <tbody> <tr> <td>4</td> <td>4</td> <td>3</td> </tr> </tbody> </table> <ul style="list-style-type: none"> • Foxton Family Fun Day • Mid-winter Pool Party • Swim the Takutai • Foxton Season Opening • \$1 Fitness Promotion Week • Aquathon • Bring a friend • End of Holiday pool Party • 6 Week Challenge • Children's Day Pool Party • Neighbours Day Pool Party 	CHILDREN	GENERAL PUBLIC	RETIRES	4	4	3						
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Council provides community facilities for residents, ratepayers, and visitors to access Community services including library services	Communities with library and community facilities providing an integrated and District wide service.	Levin, Foxton, and Shannon	✓ ACHIEVED Library services are delivered in Levin, Shannon and Foxton	✓ ACHIEVED Library Services are delivered in Levin, Shannon and Foxton.																		
	Number of visitors to our Community Hubs and Libraries. Te Takeretanga o Kura-hau-pō Te Awahou Nieuwe Stroom Shannon Library	≥ 550,000 ≥ 375,000 ≥ 150,000 ≥ 25,000	✗ NOT ACHIEVED	✗ NOT ACHIEVED																		
			<table border="1"> <thead> <tr> <th></th> <th>NUMBER OF VISITORS</th> </tr> </thead> <tbody> <tr> <td>Te Takeretanga o Kura-hau-pō</td> <td>218,670</td> </tr> <tr> <td>Te Awahou Nieuwe Stroom</td> <td>87,039</td> </tr> <tr> <td>Shannon Library</td> <td>15,330</td> </tr> </tbody> </table>		NUMBER OF VISITORS	Te Takeretanga o Kura-hau-pō	218,670	Te Awahou Nieuwe Stroom	87,039	Shannon Library	15,330	<table border="1"> <thead> <tr> <th></th> <th>NUMBER OF VISITORS</th> </tr> </thead> <tbody> <tr> <td>Te Takeretanga o Kura-hau-pō</td> <td>346,889</td> </tr> <tr> <td>Te Awahou Nieuwe Stroom</td> <td>102,323</td> </tr> <tr> <td>Shannon Library</td> <td>13,263</td> </tr> <tr> <td>TOTAL</td> <td>462,475</td> </tr> </tbody> </table>		NUMBER OF VISITORS	Te Takeretanga o Kura-hau-pō	346,889	Te Awahou Nieuwe Stroom	102,323	Shannon Library	13,263	TOTAL	462,475
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Libraries and community facilities meet the public's needs	Percent of residents and non-residents satisfied with library and Community services based on the Annual Customer Satisfaction Survey.	> 90%	✗ NOT ACHIEVED This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 85%.	✓ ACHIEVED Results from the Annual Satisfaction Survey was 94% for Library Services and 93% for Community Centres non-library services. The average score for both is 94%																		
Community facilities are available for public use.	Number of booking counts for community facilities. Te Takeretanga o Kura-hau-pō Te Awahou Nieuwe Stroom	≥ 1,400 70% 30%	✗ NOT ACHIEVED	✓ ACHIEVED While Te Takeretanga o Kura-hau-pō achieved its target Te Awahou Nieuwe Stroom did not, therefore overall it is not achieved																		
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Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary																								
Customers have access to a range of current information in both print and digital format	Number of items loaned from the libraries across the District, including books, magazines etc.	≥ 270,000	✗ NOT ACHIEVED	✗ NOT ACHIEVED																								
			<table border="1"> <thead> <tr> <th>LIBRARY</th> <th>ISSUES</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>165,478</td> </tr> <tr> <td>Foxton</td> <td>19,421</td> </tr> <tr> <td>Shannon</td> <td>5,758</td> </tr> <tr> <td>Digital</td> <td>15,370</td> </tr> <tr> <td>Total</td> <td>206,027</td> </tr> </tbody> </table>	LIBRARY	ISSUES	Levin	165,478	Foxton	19,421	Shannon	5,758	Digital	15,370	Total	206,027	<table border="1"> <thead> <tr> <th>LIBRARY</th> <th>ISSUES</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>177,785</td> </tr> <tr> <td>Foxton</td> <td>21,287</td> </tr> <tr> <td>Shannon</td> <td>6,206</td> </tr> <tr> <td>Digital</td> <td>23729</td> </tr> <tr> <td>Total</td> <td>229,007</td> </tr> </tbody> </table>	LIBRARY	ISSUES	Levin	177,785	Foxton	21,287	Shannon	6,206	Digital	23729	Total	229,007
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	Collections are refreshed and meet the literacy and information needs of the community in accordance with the NZ Public Library Standards.	\$7 per capita spent on library resources	✗ NOT ACHIEVED	✗ NOT ACHIEVED																								
			\$6.35 was spent per capita on library resources, Data from Public Libraries of NZ shows a national average spend of \$6.95.	The total spend per capita on library resources was \$6.87per capita (based off the population forecast assumptions used in the 2021-2041 Long Term Plan of 38,431)																								
	Percent increase in use of websites and online engagement. Note: These numbers include statistics for Te Takeretanga o Kura-hau-pō website, OPAC, and Kete Horowhenua.	+> 1%	✗ NOT ACHIEVED	✗ NOT ACHIEVED																								
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Customers have access to programmes and initiatives that enhance the wellbeing of the District.	Number of programmes delivered: Levin Foxton Shannon	500	✗ NOT ACHIEVED	✗ NOT ACHIEVED																								
		≥ 50% ≥ 30% ≥ 20%	<table border="1"> <thead> <tr> <th></th> <th>NUMBER OF PROGRAMMES</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>340</td> <td>76%</td> </tr> <tr> <td>Foxton</td> <td>71</td> <td>16%</td> </tr> <tr> <td>Shannon</td> <td>34</td> <td>8%</td> </tr> </tbody> </table>		NUMBER OF PROGRAMMES	%	Levin	340	76%	Foxton	71	16%	Shannon	34	8%	<p>While overall the number of programmes achieved met the target, the proportion of programmes amongst the centres did not. The programmes that have been delivered are broken down as follows:</p> <table border="1"> <thead> <tr> <th></th> <th>NUMBER OF PROGRAMMES</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Levin</td> <td>742</td> <td>71%</td> </tr> <tr> <td>Foxton</td> <td>151</td> <td>14%</td> </tr> <tr> <td>Shannon</td> <td>150</td> <td>14%</td> </tr> </tbody> </table>		NUMBER OF PROGRAMMES	%	Levin	742	71%	Foxton	151	14%	Shannon	150	14%
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THIS GRAPH PROVIDES AN OVERVIEW OF HOW THE COMMUNITY FACILITIES HAS PERFORMED AGAINST BUDGET

Operating Expenditure

- The higher spend on payments to staff and suppliers is due to not achieving the budgeted vacancy savings.
- The higher overheads are due to a change in how overheads were allocated following the organisational change programme in August 2022 and also due a higher interest allocation for libraries than budgeted.



Community Facilities Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		6,838	6,840	6,976	7,030
Subsidies and grants for operating purposes		197	316	-	120
Fees and charges		731	1,041	1,076	1,037
Local authorities fuel tax, fines, infringement fees, and other receipts		9	-	5	17
Internal charges and overheads recovered		-	-	-	80
Total operating funding (A)		7,775	8,197	8,057	8,284
Applications of operating funding					
Payments to staff and suppliers	1	5,349	5,464	5,519	6,199
Finance costs		421	455	155	395
Internal charges and overheads applied	2	1,599	1,316	1,401	1,896
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		7,369	7,235	7,075	8,490
Surplus (deficit) of operating funding (A-B)		406	962	982	(206)
Sources of capital funding					
Subsidies and grants for capital expenditure	3	-	-	-	899
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		(327)	1,741	2,584	2,694
Gross proceeds from sale of assets		349	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		22	1,741	2,584	3,593

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand		-	-	-	-
- to improve the level of service		226	1,706	2,891	2,913
- to replace existing assets		815	997	819	555
Increase (decrease) in reserves		(613)	-	(144)	(81)
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		428	2,703	3,566	3,387
Surplus (deficit) of capital funding (C-D)		(406)	(962)	(982)	206
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation	4	1,019	962	982	1,134

Notes:

1. The higher spend on payments to staff and suppliers is due to not achieving the budgeted vacancy savings budgeted
2. The higher internal costs mainly relate to higher spending on IT and training.
3. The higher capital grants is due to unplanned grants received for the Foxton Pool Redevelopment Project
4. See Note 33 in the financial statements for further information

	Internal \$000
Loans	
Loans as at 01/07/2022	13,477
Raised during year	4,828
Repaid during year	(2,134)
Loans as at 30/06/2023	16,171
Interest expense	
	395

Tūāhanga Hapori Community Infrastructure

WHAKATAUKĪ

**Me mahi tahi tātou mo te
oranga o te katoa**

We should work together for
the wellbeing of everyone

Description of activity

The Community Infrastructure Group of Activities is made up of a number of sub-activities which aim to provide passive and active recreational amenities for the community to enjoy.

The Community Infrastructure Group of Activities includes

- Reserves and Beautification,
- Urban Cleansing,
- Public Halls,
- Public Toilets
- Sports Grounds and
- Cemeteries.

What the activity involves

- Maintenance of neighbourhood reserves, riverside and lakeside picnic areas, public gardens, and sports grounds.
- Mowing of berms, rubbish bin emptying, and the urban roading weed spraying programme. Street tree maintenance and specifically line clearance of power lines
- Providing Reserve Management Plans (RMP) for Council reserves.
- Maintaining public halls in Levin, Foxton and Shannon.
- Establishment and maintenance of public toilets for the purpose of tourism and public health.
- Establishment and maintenance of cemeteries under the Burial and Cremation Act 1964.
- Renewals and development of all the above.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Our parks, reserves, and community facilities are more than just green spaces – they are vibrant hubs that enhance social wellbeing. They create abundant opportunities for our hapori to come together, fostering personal connections, mindfulness, and overall wellness. In doing so, they play a pivotal role in alleviating the burdens on our community's mental and physical health. These spaces are where people not only interact with one another but also reconnect with the beauty of nature. The profound benefits of exercise on both general and mental health are well documented, and our hapori thrives within these environments.

ENVIRONMENTAL WELLBEING

This Community Infrastructure Activity is a significant contributor to environmental wellbeing, natural spaces offer us flexibility in addressing the complex challenges posed by global warming through their ability to capture carbon, Green spaces improve air and water quality by filtering pollutants, while also providing shading in hot summer months. They provide habitats for wildlife, support soil health, and offer opportunities for recreation and education. These areas enhance the visual aesthetics of our hapori and foster a sense of connection to nature, ultimately promoting the overall wellbeing of our residents and the environment of our rohe.

ECONOMIC WELLBEING

Extensive research underlines the pivotal role that parks and open spaces play in enhancing economic wellbeing. The presence of tree lined avenues alone has been shown to elevate property values significantly, often by a substantial margin of 10-20%. These green spaces stand as formidable barriers against crime, vandalism, and an array of social issues, contributing to the overall safety and prosperity of our urban environment.

Moreover, their profound influence extends to mental and physical wellness, resulting in heightened productivity across all sectors. The evidence is clear: well landscaped commercial areas possess a remarkable ability to attract businesses at higher rates and stimulate increased foot traffic, invigorating our local economy. In Horowhenua, our diverse portfolio of parks and sports fields proudly hosts national first class sporting events, infusing a direct boost into our local GDP, enriching our economic fabric.

CULTURAL WELLBEING

Many of our landscapes and buildings hold deep cultural significance for the communities they serve. Natural landscapes, including woodlands, and dunes, are of immense interest to Iwi. Our commitment to preserving these taonga (treasures) strengthens cultural bonds, ensuring that the past remains intertwined with the present, enriching our collective identity.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



ANNUAL PLAN KEY PROJECTS

What we planned

What we did

ADDITIONS TO LEVELS OF SERVICE

Levin Adventure Park Renewals – Council will continue to work with the Levin Adventure Park Trust and other stakeholders to ensure the Levin Adventure Park remains a safe destination for play that develops social skills, encourages growth, and provides learning challenges in a positive constructive environment. It will do this by ensuring facilities and equipment is fit for purpose and relevant to its user base.

This project was not progressed in this financial year. Work has been rescheduled to the 2023/2024 financial year.

Playford Park Improvements – Council in this historic period of growth recognises there is a need to maintain and develop its sports fields to service a growing community. The new ablution block and other facilities at Playford Park will ensure growth scenarios can be matched by investment in its existing, highly-values facilities.

The new ablution block was completed in 2022/2023 and training lights installed to help manage increasing demand.

Activity Insights

IMPROVING COMMUNITY FACILITIES

We have been keeping busy this financial year renewing our community infrastructure assets, spending \$1.63M over several sites on renewals. Whilst this was used to replace and update a number of smaller items such as signage, bins, bollards, and park furniture. A number of larger projects were completed including the refurbishment of the Hank Edwards toilet block at Waikawa Beach. The block was well past its best and was suffering from a number of structural issues. Following consultation with our hapori the original build was amended to suit the needs of our hapori with a new shelter and BBQ as part of the renewals programme.

We also upgraded the toilet block at Jubilee Park and incorporated the splash pad plant room into the design streamlining the service, improving its aesthetic, and resulting in a significant improvement to the park and toilets by incorporating changing rooms and a fully accessible toilet facility.

Great improvements have also been made to some of our sports community facilities, turning single use facilities into multi use facilities. The shift to a multi-use sports



Finishing Touches to the New Hank Edwards Public Toilet Facility



Jubilee Park Toilet and Plant Room

surface improves the performance of the courts as a recreational facility outside the times it would normally be used for club sports, thereby providing a better return on investment and similarly lifting community outcomes.

Such projects included renewing the surfaces of the Donnelly Park netball courts, and the tennis courts at Holben Reserve.

After engaging with Horowhenua netball, Donnelly Park Netball Courts have been turned into a multi-sport playing surface with the installation of three tennis courts and two full basketball courts in addition to the 10 netball courts.

A similar process was followed during the resurfacing of the tennis courts at Holben Reserve, with futsal and basketball now being accommodated as well as tennis.

This has led to a significant increase in the use of the courts.



Donnelly Park Courts Prior to Renewal



Donnelly Park Courts Post Renewal



Holben Reserve Tennis Courts Post Renewal

PREPARING FOR GROWTH AND MAXIMISING EXISTING ASSETS

As has been noted previously our rohe (district) is growing at an unprecedented rate. With an increasing population comes an accompanying need to maximise the use of Council's green space for recreation and leisure opportunities. This movement to intensify opportunities for recreation and leisure on existing reserves is a positive move in maximising the existing leisure and recreation resource of Council for the benefit of the hapori whilst maintaining land opportunities for housing development and controlling costs.

An area that is predicted to have high population growth is Foxton Beach. After an initial consultation period in 2016, a range of Foxton Beach residents and groups contribute ideas to help shape the development of Holben Reserve through the Foxton Beach Reserves Investment Plan. Two of the highest scoring proposals included a Pump Track and Flying Fox.

The Pump Track was the first project completed at Holben Reserve in 2018 which has seen continued sustained use locally and regionally. The installation of the Flying Fox during this financial year closes out the Investment Plan funding and will similarly provide for future demand.

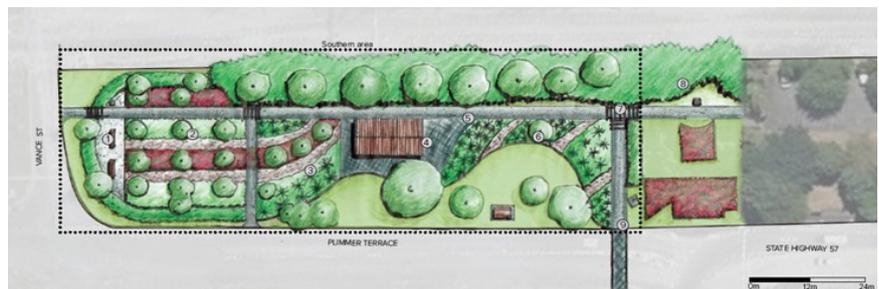
Complementary to the Pump Track was the resurfacing of the Skate Park at Holben Reserve during the financial year, as well the sports offering was further enhanced with the installation of two concrete table tennis tables.

During the financial year we have also developed plans for Kennedy Park and Te Maire Park.

We are also looking to bring previously unused sites back into maintenance to help meet the demand for recreation and leisure space and as such have recently undertaken a number of improvements to the Stafford Street



Kennedy Park Development Plan



Te Maire Park Development Plan

Reserve in Shannon which had been poorly utilised and had suffered from a lack of ongoing maintenance.

The model of making existing spaces work better through strategic investment also applies to Council's sports fields with new facilities recently completed at Playford Park. This will see an underutilised area of this sporting hub better used. Similar initiatives have been completed with the new training lights for football at Donnelly Park completed as with the new changing rooms in 2023.

Growth will not only bring an increasing population but additional demand for end of life arrangements. Consequently, the Parks and Property team has been looking at strategic planning for its cemeteries at Shannon, Manakau, and Foxton, to complement the work already done at The Avenue cemetery. Options will include looking at natural burial opportunities which is becoming a

preferred choice as matters relating to the environment and global warming continue to manifest.

Whilst significant work has been done this financial year to meet the challenges of growth by adapting and investing in existing Green Space, we have also been thinking about the impact of an increase in the need for grounds maintenance as new subdivisions come online.

These will range from the significant as per the Masterplan for Waitārere Beach which sees a network of previously privately owned duneland lakes come into the public domain along with a network of other green spaces.

Similarly, Tara-Ika sees a network of wetlands, parks and open spaces (together with green cycleways) come into the public domain. All will need ongoing maintenance and necessarily add to the costs for this activity moving forward.

However, it is not just major developments that will contribute to the ongoing costs of grounds maintenance. There are a series of smaller higher density housing developments where higher density housing will create a need for local high quality open space in the public domain as property footprints shrink.

The Mabel Street development is coming close to completion with the majority of units having already been sold and is typical of several other subdivisions currently in progress. The landscape will be vested to Council.

Whilst the landscape has a significantly positive impact on the development in terms of its attractiveness and liveability, benefits will generally be limited to those surrounding the development rather than the public at large. Maintenance costs will accrue to Council, following completion, at a higher than usual rate given the development is on a cul-de-sac, and as such becomes a maintenance destination in its own right rather than being part of a network.



Waitāre Beach Masterplan



Tara-Ika masterplan



Landscape Plan Mabel Street Development

We recently completed a service delivery review for Open Spaces maintenance, which found that we should continue to outsource services. Council has approved the procurement approach for a new contract, commencing with an Invitation to negotiate process with the incumbent (Recreational Services). In doing so we have asked that a new contract is responsive to changing demand and budget. This Invitation to Negotiate (ITN) seeks to secure a collaborative, sustainable and affordable contract with Recreational Services Ltd (RS) to deliver Council's requirements for Open Spaces.

WAITĀRERE SURF CLUB

The old Waitāreere Surf Life Club building was no longer fit for purpose, due to accretion was too far from the water and was earthquake prone.

We committed in the 2021-2041 Long Term Plan to set aside \$3.1M to design and build the new facility as part of major capital expenditure projects with the requirement that the Levin-Waitāreere Surf Life Saving Club provide funding of \$1M to offset Council's investment. The Club has since successfully secured \$1M for the project through Surf Life Saving New Zealand's allocation of Central Government funding, and additional external funding was also successfully gained after collaboration with the Club and Council.

Following an open tender process, local company Homestead Construction was selected for the design and build project. Over the past year the Club has been closely working with Homestead Construction to design a fit for purpose building.

As the home of the Surf Life Saving Club, the building will have the following:

- A patrol tower or watch room
- Training and beach education rooms for junior surf development and youth beach

safety education which are open to school groups, the public and members of the club

- Kitchen and facilities to accommodate up to 200 people for community related events that closely align with surf life saving
- Changing rooms, toilets and showers
- First Aid room
- Storage facilities for the Surf Life Saving Club's rescue and training equipment
- Other features include a deck, patio, BBQ area, outside rinse showers and a washdown forecourt.

Before construction started in November 2022 a lot of work took place such as planning, procurement, building and resource consent applications, ecological and fore dune assessments, design work and liaising with local Iwi.

Since construction started, earthworks were completed, planting day held, extension of utilities and services to the site, foundations and pre-casts panels installed, installation of services and utilities, ground and first floor slabs poured, and roof installed. This project is on track to be completed in December 2023 in time for summer.



Waitāreere Surf Club

COASTAL ACCESS AND RESILIENCY

Historically the coastal dunes in the Horowhenua like many other coastal communities were planted with Marram Grass. The vertical growth of Marram roots tends to produce a less resilient, steeper dune profile, prone to blowouts.

Although the Horowhenua coastline is generally accreting (opposite of eroding), in some localised areas erosion is a factor given high tides and stormy conditions. This is particularly noticeable on Marram dunes where stability is compromised by the root structure of this exotic species.

Given this challenge we have in place a coastal resiliency programme to address some of these issues over time. During this financial year we purchased native Spinifex plants to promote stability of the dune systems. Spinifex in contrast to Marram has a laterally spreading network of roots that bind sand leading to a much more resilient foreshore, and lower dune profile. Approximately 12,000 spinifex plants, and 500 pingao plants were planted through a number of planting days with Horowhenua's coastal communities during the financial year. This continues a decade of planting that has seen a significant improvement in the durability of the dune systems in relation to localised erosion.

Council staff also attended a 'Pingao learning day' at Foxton Beach, organised by Iwi partners which improved both parties' knowledge of this important sand binding native plant. Pingao in addition to its sand binding qualities is also a preferred habitat for a range of insects/arachnids indigenous to Aotearoa including the Katipo where its more open leaf framework is preferred by Katipo for web spinning, rather than the tighter clumping of leaves in Marram.



Pingao Planting/Learning Day

This event also prompted discussions about capturing asset data on the Pingao stands with a trial area at Foxton Beach being chosen to undertake this in the next financial year.

We have also been taking part in strategic work with the Manawatū Estuary Management team. The Manawatū Estuary Management Team includes our counterparts at Department of Conservation and Horizons Regional Council, Iwi partners and key ecological and community stakeholder groups. The focus is to update two important Strategic documents:

The Manawatū Estuary Plan (International Ramsar Accreditation)

The Manawatū Estuary is one of seven internationally recognised wetlands in Aotearoa and is listed under the Ramsar Convention on Wetlands as a Wetland of International Importance. It has one of the most diverse ranges of birds to be seen at any one place in Aotearoa, a total of 95 species

have been identified at the estuary. The estuary is a permanent home to 13 species of birds, six species of fish and four plants species, all of which are threatened. It is a significant area of salt marsh and mudflat and a prized feeding ground for many birds including the migratory Eastern Bar-tailed Godwit. The arrival of the Godwits at the Manawatū Estuary in Foxton generally happens in mid-September to deserved acclaim given they usually lose half their body weight in the 12,000 km trip from Alaska.

The Foxton Beach Coastal Reserves Management Plan.

Given the ecological significance of Horowhenua's dune systems, and their crucial role in protecting against the impacts of erosion it is somewhat problematic that some still drive vehicles through the dunes. This is a practice that has a significant downside for duneland ecology (flora and fauna) and ultimately will increase the risk of coastal flooding.

As a result, we are in discussions with a range of stakeholders on prevention measures, have been writing a set of bylaws relating to the beach environment and were successful in gaining funding from the Tourism Infrastructure Fund to employ two educational advisers/freedom camping ambassadors over the summer/autumn period.

We were also working with Horizons Regional Council and the Department of Conservation to introduce new educational/interpretational signage at Foxton Beach.

Whilst illegal activity is an unfortunate feature of the dune-lands in the Horowhenua there is also a legitimate interest in maintaining and improving access to our beaches for the benefit of residents. In this context we are working with Iwi partners, our hapori, and business on a range of potential access options to the Horowhenua coast.

As noted above the Horowhenua coastline is subject to localised erosion. An area where this occurs regularly is Waitārere Beach when the Wairarawa stream diverts southward as it tends to do prior to Christmas most years. If left unchecked this would undermine infrastructure and reduce beach accessibility. To combat this, we have a resource consent to cut the stream as necessary. We completed a cut in December 2023 to facilitate beach access.

Southern diversion south of a stream is also a frequent issue at Waikawa Beach where the southward migration of the Waikawa Stream often undermines and washes out the beach access.

Unlike Waitārere Beach the consent to cut the Waikawa Stream is held by Horizons Regional Council rather than Horowhenua District Council. The consent expired in 2020 so when vehicular access was severely undermined in 2021 work could not be completed to reinstate it. This led to a number of members of the local community preparing a petition of more than 150 users which was presented to Council in Nov 2021, and a recommendation from Council to consider other access options.

The petition asked Council to consider establishing more permanent vehicular access to the Waitārere Beach. During this financial year we engaged Boffa Miskell to review the beach access issue including engagement with the community, Iwi and those against creating a vehicle access on environmental/ecological grounds. The consultation is ongoing with

a report containing all options (including no vehicular access) likely to be presented to Council for further guidance and decisions.

COMMUNITY ENGAGEMENT

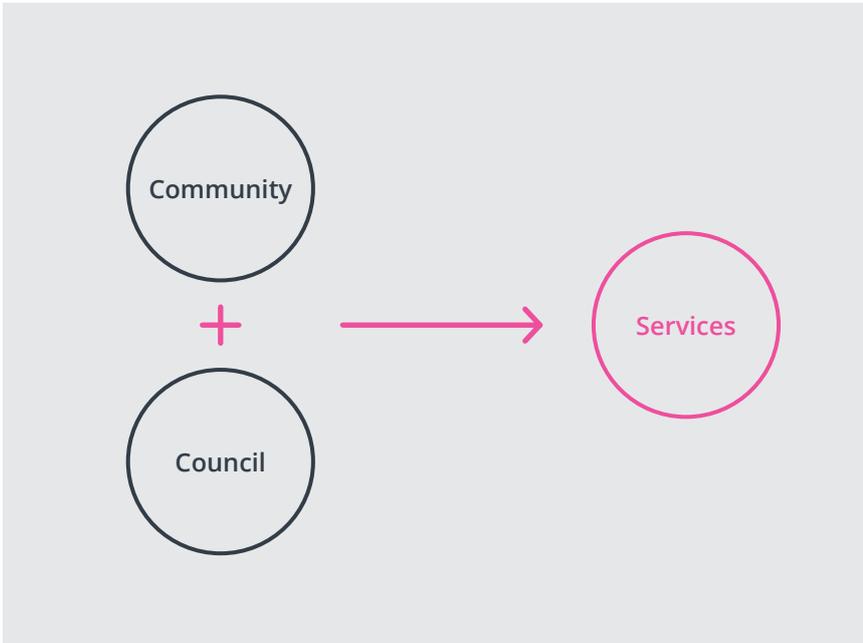
Engaging with our hapori is a core aspect of the Community Infrastructure delivery model particularly where delivery involves a long term asset designed to service our hapori well into the future.

By engaging the hapori, it is far more likely that the appropriate solution will be delivered to an engaged community that will take ownership of that development. This will undoubtedly lead to better outcomes, savings in cost, and efficiencies in designing an appropriate model for the individual circumstances related to that community.

You will note in all examples above that community, and aspirations of our hapori is paramount. There is little benefit in designing outcomes for a community without input from those who will be utilising the service. However, delivery of quality outcomes is not solely reliant on a top-down or bottom-up approach but via a partnership approach to delivering services, as per the model below.



Waikawa Beach Vehicle Entrance on Southward Migration of the Waikawa Stream



PARTNERSHIP DELIVERY MODEL

We have completed a number of projects during this financial year with high levels of community engagement such as the Butterfly Pathway. The Butterfly Pathway is a place for whānau to remember and reflect on the lives of children who have passed away, a space for families to feel close to their loved ones.

The Butterfly Pathway design and location has been almost entirely driven by the community. Each end of the path is framed by a Waharoa and native gardens to acknowledge the need for separation of tapu and noa. Water is provided for washing hands and new signage will explain appropriate practices and conduct for path users.

To integrate the functional, aesthetic and cultural requirements the planting will transition from the native plantings to plantings that encourage caterpillar and butterfly populations. An updated plan has recently been reviewed and feedback provided by the community group instrumental in getting the Butterfly pathway of the ground.

Community engagement is not just undertaken for the purpose of developing community projects like above, but work is also undertaken with local interest groups by way of building rapport and trust.



Horowhenua 4 x 4 Club Wattle Removal, Foxton Beach (Nov 22)



Prouse Bush Management Group (March 2023)

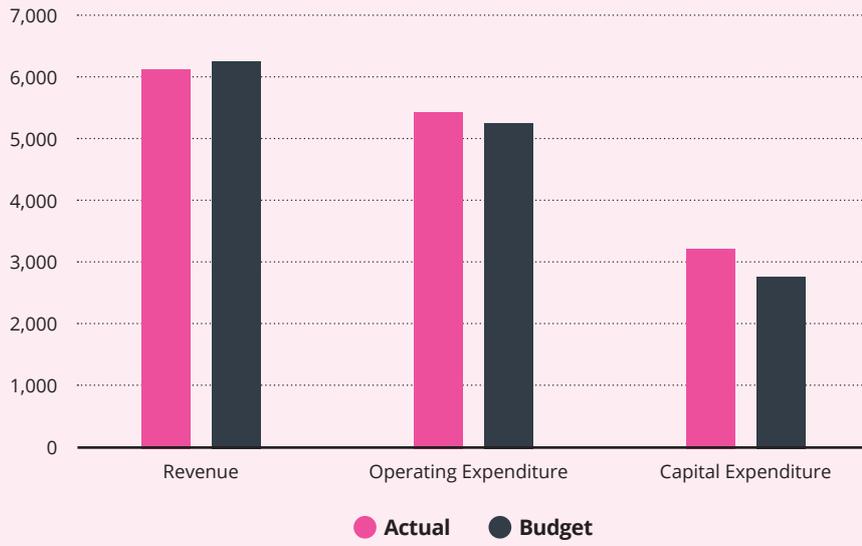
Measuring the Community Infrastructure Activity Performance

The Local Government Act 2002 requires all councils to report on a set of performance measures for Roding, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

The following service performance information on the Community Infrastructure Activity has been prepared in accordance with PBE Standards.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Reserves are available for Community use.	Residential dwellings in urban areas are within 400 metres to local reserves, either Council or privately provided.	≥ 80%	✓ ACHIEVED Council has 82% of residential dwellings in urban areas that are within 400 metres of local reserves, either Council or privately provided.	✓ ACHIEVED Council has 82% of residential dwellings in urban areas that are within 400 metres to local reserves, either Council or privately provided.
	Residential dwellings in urban areas are within 800 metres of playgrounds or destination reserves.	≥ 80%	✓ ACHIEVED Council has 90% of residential dwellings in urban areas that are within 800 metres of playgrounds or destination reserves.	✓ ACHIEVED Council has 90% of residential dwellings in urban areas that are within 800 metres of playgrounds or destination reserves.
Reserves meet local needs.	Percentage of customers satisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 80%	✓ ACHIEVED This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 80%.	✓ ACHIEVED Annual satisfaction survey results were 87%.
Playgrounds are safe for users.	Playground facilities comply with relevant National Playground standards.	Achieve	✓ ACHIEVED 100% of playground facilities complied.	✗ NOT ACHIEVED While the majority of our playgrounds complied with the standards some of our playgrounds did not. Therefore we did not achieve 100% compliance. A plan is being developed to ensure closer monitoring of playground inspection results.
Sports grounds are available for Community use.	Percent of time that sport grounds are available for use during their opening hours.	≥ 95%	✓ ACHIEVED 100% of sports grounds were available for use during their opening hours.	✓ ACHIEVED 100% of sports grounds were available for use during their opening hours.
Sports grounds meet local needs.	Number of Customer Request Management complaints reporting of ground conditions per annum.	< 5	✓ ACHIEVED Zero complaints have been received.	✓ ACHIEVED Zero complaints have been received.
Community Halls are available for public use.	Number of uses per fortnight for Community Halls.	10	✓ ACHIEVED Levin Memorial Hall was used 200 times. Shannon Memorial Hall was used 12 times. Foxton Memorial Hall was used 21 times. Holben Pavilion was used 17 times. Civic was used 6 times. Total = 256 times (an average of 10 times per fortnight). COVID-19 has impacted these figures.	✓ ACHIEVED Levin Memorial Hall was used 233 times. Shannon Memorial Hall was used 9 times. Foxton Memorial Hall was used 23 times. Total = 265 times (an average of 10 times per fortnight).

THIS GRAPH PROVIDES AN OVERVIEW OF HOW THE COMMUNITY FACILITIES HAS PERFORMED AGAINST BUDGET



Community Infrastructure Funding Impact Statement FOR THE YEAR ENDED 30 JUNE 2023

Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	5,322	5,325	5,655	5,699
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	4	-	203	4
Fees and charges	324	285	296	372
Local authorities fuel tax, fines, infringement fees, and other receipts	315	876	85	33
Internal charges and overheads recovered	-	-	-	-
Total operating funding (A)	5,965	6,486	6,239	6,108
Applications of operating funding				
Payments to staff and suppliers	4,088	3,686	3,954	4,124
Finance costs	140	147	249	236
Internal charges and overheads applied	994	1,028	1,051	1,056
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	5,222	4,861	5,254	5,416
Surplus (deficit) of operating funding (A-B)	743	1,625	985	692
Sources of capital funding				
Subsidies and grants for capital expenditure	-	-	-	2
Development and financial contributions	-	632	207	-
Increase (decrease) in debt	2,175	1,481	1,206	1,270
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	2,175	2,113	1,413	1,272

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand		564	607	410	502
- to improve the level of service		1,850	1,303	919	1,078
- to replace existing assets		1,754	1,882	1,437	1,630
Increase (decrease) in reserves	1	(1,250)	(54)	(368)	(1,246)
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		2,918	3,738	2,398	1,964
Surplus (deficit) of capital funding (C-D)		(743)	(1,625)	(985)	(692)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation	2	1,084	724	775	1,230

Notes:

1. The decrease in reserves largely caused by the increase capital expenditure which is reserve funded
2. See Note 33 in the financial statements for further information

Loans	Internal \$000
Loans as at 01/07/2022	8,058
Raised during year	1,593
Repaid during year	(322)
Loans as at 30/06/2023	9,329
Interest expense	
	236

Ngā Rawa Property

WHAKATAUKĪ

Hei āwhina i te hapori, ka ora ai te hapori.

Helping the hapori
to thrive.

Description of activity

The Property Activity is vital for supporting all of Council's functions that rely on land and buildings. The Council owns various property assets that serve both its operations and the wellbeing of our hapori. In 2015, the Council adopted a Property Strategy, aiming to assess its property assets district wide in relation to their importance to core Council functions. This evaluation informs decisions on maintaining, investing in, or selling current assets. The Strategy evaluates ten key criteria, including strategic importance and maintenance costs, such as earthquake strengthening, among other factors.

What the activity involves

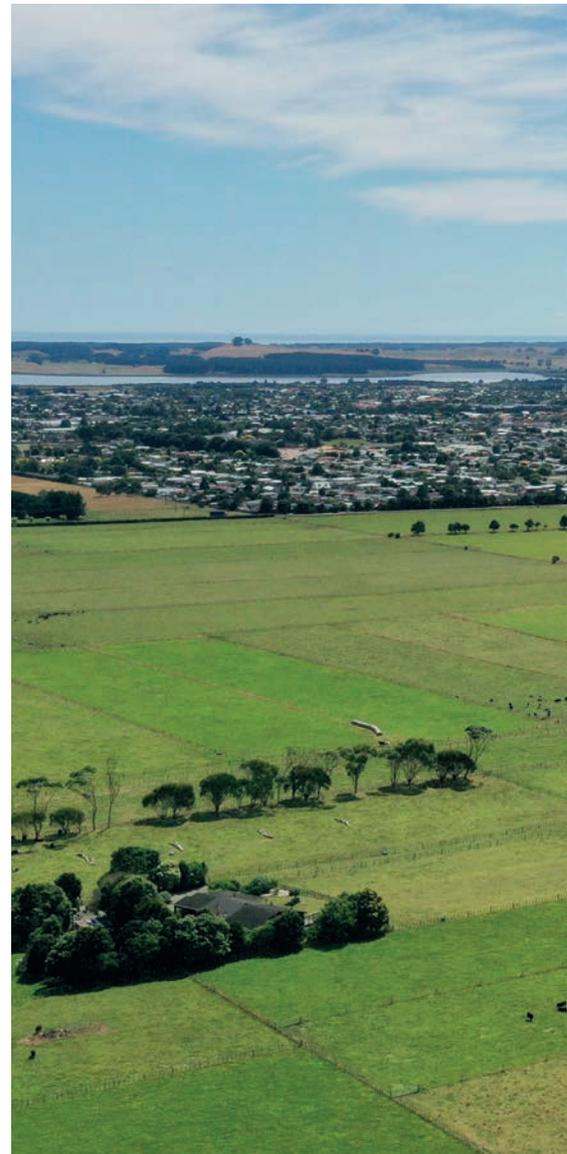
The Council owns various properties throughout the rohe, and through the Property Activity the Council ensures that these properties are managed and maintained in a fit for purpose state. Council owns the following properties: the Civic Council building in Levin; Focal Point in Levin, a commercial property which is leased to tenants; General property including its operational depots; two campgrounds; and a number of Endowment properties in Foxton Beach. The Endowment properties Council owns in Foxton Beach transferred from the Foxton Harbour Board when it was disestablished.

This portfolio of properties extends from residential housing to bare land. The residential housing is primarily leased for that purpose and is subject to a right to Freehold resulting from the Reserves and Other Lands Disposals Act (ROLD 1968) which in addition to providing a right to Freehold, are 21 year perpetually renewing leases (ROLD 1956). Other community facilities include historic and cultural buildings, and carparks.

How our work delivers on community wellbeing

SOCIAL WELLBEING

The Property function is responsible for ensuring that Building Warrants of Fitness are achieved across its portfolio, Council completes an annual renewals programme on its property portfolio to ensure the portfolio is maintained in a fit for purpose state. However, this does not include infrastructure buildings or community facilities (Te Awahou Nieuwe Stroom, Te Takeretanga o Kura-hau-pō, or our aquatics centres) where renewals budgets are generated by the relevant activity. Council continues to facilitate a range of voluntary organisations through its community leases policy that contribute to developing community sustainability and community capacity. Officers have recently completed a refurbishment and seismic strengthening programme



of the Foxton Surf Life Saving Club building and have provided input into the Waitārere Beach Surf Life Saving Club rebuild.

ENVIRONMENTAL WELLBEING

Council is in the process of upgrading a number of its buildings with LED lights to reduce energy demand and lessen its carbon footprint. The main Civic Council building utilises grey water for flushing its wastewater and considers sustainability matters in developing its property projects. Cleaning products utilised are organic and biodegradable reducing localised impacts of harsh chemicals on the environment. Council's contractors are qualified under ISO: 14001 which is an international quality standard for environmental management.



ECONOMIC WELLBEING

Council provides leases to a number of corporate clients in its commercial property portfolio. It has taken the view to dispose of non-core properties which has facilitated a number of its tenants becoming commercial property owners within our rohe. Council employs a number of local tradespeople in managing its assets and provides jobs for a range of locals via its contracted services portfolio.

CULTURAL WELLBEING

Iwi and hapū are active members of many of the local groups that Council works with including Progressive Associations and special interest groups. Council partner with Iwi and hapū on a number of property related projects throughout this portfolio.

Community Outcomes

This activity contributed to the following Community Outcomes



ANNUAL PLAN KEY PROJECTS

What we planned

Council owned property disposal – Continue the evaluation and disposal of Council owned land where strategically or operationally necessary.

What we did

In its 2021-2041 Long Term Plan Council made a number of Significant Forecasting Assumptions for property sales for the first five years.

For this financial year and year two of the forecasted property sales it was assumed we would sell \$4.2M worth of property.

We sold \$1.1M worth of property. Taking into account that the previous year exceeded its target by \$1.4 million we still did not meet our target.

You can find additional information about property disposals in the update below.

Land purchases – Continue purchasing land where strategically or operationally necessary

No land was purchased during this financial year

Activity Insights

DISPOSALS

The 2018–2028 Long Term Plan (LTP) made several significant forecasting assumptions in relation to Council's property portfolio, including to dispose of \$7M worth of property in the first two years of the LTP and "own and maintain only core property by 2028".

Core properties, meaning those services and properties managed strategically that are vitally important for the wellbeing of our hapori, such as:

- the Three Waters and solid waste,
- those that, as a result of legislation, cannot be provided by others, such as cemeteries, or
- those that are unlikely to be provided by private organisations but are critically important to the health and wellbeing of our hapori, such as swimming pools, public toilets, and some library services.

We want to retain only core property because owning and managing property has a cost associated with it, including managing tenancies, renewals costs and undertaking property maintenance, through to earthquake-strengthening costs in some cases.

As part of the 2021–2041 LTP a number of property sales, as a result of selling of non-core property, was assumed as part of the forecasting. Forecasts were for \$15.7M worth of sales in the first five years of the LTP.

For this financial year it was forecasted there would be \$4.1M of sales of property. However, there was only \$1.1M worth of sales, significantly less than the target even taking into account the fact in the previous financial year Council sold \$1.4M in excess of its target. This has been contributed to by a slowdown in the market, reduced interest and falling prices, withdrawal of some buyers, and legal encumbrances whether through Central Government legislation (Gazetted Reserves), or the Operational District Plan (rezoning required).

All the non-core properties which are easy to sell have been sold, which leaves only complex non-core properties remaining. The complexities can be due to

- Properties have little or no value
- Market conditions
- Historical requirements
- Will require legal work
- Will require legislative change
- Heavily encumbered properties

Not meeting the forecasted targets for this financial year has implications for Council's borrowing profile and rates. It may also require additional properties to be marketed for sale to endeavour to make up the shortfall.

SEISMIC STRENGTHENING

During the financial year the following Council buildings were issued Earthquake Prone Building Notices:

- Foxton Memorial Hall;
- Foxton Coronation Hall;
- Levin Memorial Hall
- Senior Citizens Hall Holben Reserve, Foxton Beach
- Shannon Domain Grandstand; and
- Levin Domain Grandstand.

These notices have been installed at the building as required by the Building Act 2004. The affected buildings will need to be strengthened or demolished within the next 15 years (by 2037).

Some of these buildings have very low usage and therefore low income stream, making it not cost effective to carry out earthquake strengthening on them. Some of the buildings would require significant demolition and rebuilding to be strengthened to 67% of the New Building Standard, should Council pitch its strengthening requirements at that level.

Difficult decisions will have to be made about these buildings such as the decision on the Foxton Memorial Hall made just inside this financial year. Elected Members grappled with a number of options for the hall but in the end decided to be financially prudent and take into account the Property Strategy's purpose of selling non-core properties and decided to sell Foxton Memorial Hall.

COMMUNITY LEASES

The purpose of granting community leases is so that community groups can provide services and facilities that otherwise may have had to be provided by Council such as sports clubs, and kindergartens, although many other types of leases are granted in a range of different areas.

We provide around 180-190 community groups with community leases to use Council land and/or buildings. A significant proportion of these are over twenty years old and several date back to the 1960s and 1970s. As such there is no consistency in the older arrangements. However, Council adopted the Community Leases Policy in 2017 which has led to a more standard approach to any new community leases granted.

New community leases that have been granted this year are:

- Use of the Council building at 104a Main Street in Foxton for Safe Talk Foxton;
- Use of Mavis Vinsen Pavilion in Shannon for an after hours youth programme;
- Use of 28 Durham Street to the Salvation Army for Transitional Housing;
- Land only lease to allow the Horowhenua Kapiti Rugby Football Union (HKRFU) establish new club rooms and office on Levin Domain – construction has commenced.

These community groups do important work that contributes to Council meeting its Community Outcomes. Recognising the value

these community groups provide to our hapori is more than just black and white financial figures. Currently we do not have a way to formally recognise their wider value to Community Outcomes.

Many of the buildings the community groups use are old or are not fit for purpose and/or require upgrading. This is particularly evident where a building may have been built by the community group on Council land. Difficult decisions will be required to be made on these leases, balancing the need to spend money in financially constrained times against recognising how these community organisations contribute to Community Outcomes.



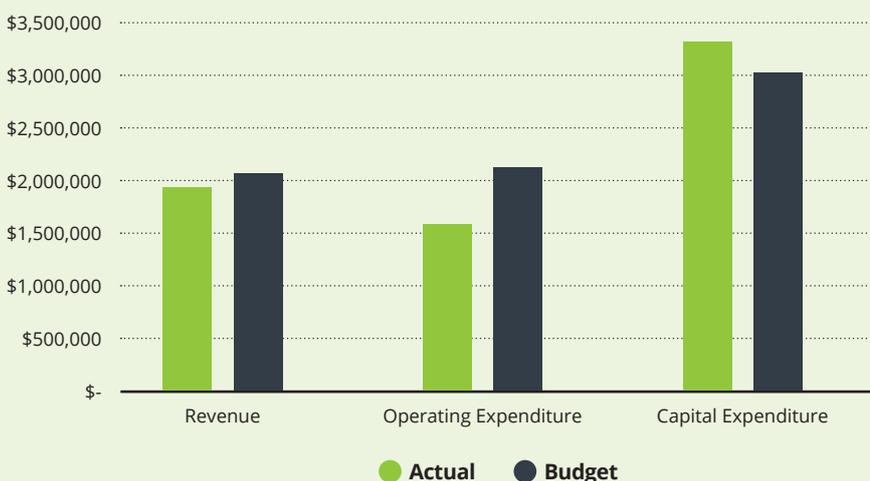
Measuring the Property Activity Performance

The Local Government Act 2002 requires all councils to report on a set of performance measures for Rooding, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

The following service performance information on the Property Activity has been prepared in accordance with PBE Standards.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Council operated facilities are available for public hire.	Number of hours and days Levin, Foxton and Shannon Memorial Halls are available for public hire outside of maintenance closedowns.	8 hrs per day	✓ ACHIEVED The three Memorial Hall facilities were available for hire for at least eight hours per day, seven days per week, outside of maintenance closedowns.	✓ ACHIEVED Council's three (3) Memorial Hall facilities were available for hire for at least eight (8) hours per day 7 days per week outside of maintenance closedowns.
	Conduct an annual review of hire charges.	Achieve	✓ ACHIEVED An annual review of hire charges was conducted as part of the Annual Plan process and as a result hire charges were increased by approximately 2% for this activity.	✓ ACHIEVED An annual review of hire charges was conducted as part of the Annual Plan 2023-2024 process and as a result hire charges were increased by on average 5% for this activity.
Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	Achieve	✓ ACHIEVED All Council buildings with Compliance Schedules have current BWOFs. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.	✗ NOT ACHIEVED While 16 of the 17 buildings that require a current building WOF have a current one, the Foxton Coronation Hall does not. The Foxton Coronation Hall is currently having some ongoing remediation work taking place so it will meet the building WOF standards. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.

THIS GRAPH BELOW PROVIDES AN OVERVIEW OF HOW THE PROPERTY ACTIVITY HAS PERFORMED AGAINST BUDGET.



Operating Expenditure

- The decrease in spending on suppliers is due to consultancy fees being less than anticipated for the property disposals programme.

Capital Expenditure

- The additional spend relates to the Waitāreere Beach Surf Life Club, this was offset by additional funding received.

Property Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		851	852	1,176	1,185
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		278	171	298	267
Local authorities fuel tax, fines, infringement fees, and other receipts		37	194	190	28
Internal charges and overheads recovered		378	405	411	465
Total operating funding (A)		1,544	1,622	2,075	1,945
Applications of operating funding					
Payments to staff and suppliers	1	1,004	1,088	1,381	917
Finance costs		244	195	375	314
Internal charges and overheads applied		388	377	370	365
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		1,636	1,660	2,126	1,596
Surplus (deficit) of operating funding (A-B)		(92)	(38)	(51)	349
Sources of capital funding					
Subsidies and grants for capital expenditure	2	67	200	-	800
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		1,254	4,511	436	(855)
Gross proceeds from sale of assets		464	650	4,180	196
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		1,785	5,361	4,616	141

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand		422	1,700	-	-
- to improve the level of service		1,277	1,500	-	-
- to replace existing assets		739	1,999	3,040	3,324
Increase (decrease) in reserves		(745)	124	1,525	(2,834)
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		1,693	5,323	4,565	490
Surplus (deficit) of capital funding (C-D)		92	38	51	(349)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation	3	511	266	275	592

Notes:

1. The decrease in spending on suppliers is due to consultancy fees being less than anticipated for the property disposals programme.
2. The additional funding received is for the Waitarere Beach Surf life club.
3. See Note 33 in the financial statements for further information.

	Internal \$000
Loans	
Loans as at 01/07/2022	10,710
Raised during year	-
Repaid during year	(855)
Loans as at 30/06/2023	9,855
Interest expense	314



Te Tautāwhi i te Hapori

Community Support

WHAKATAUKĪ

**Mahia i runga i te rangimārie
me te ngākau māhaki**

With a peaceful mind and
respectful heart, we will always
get the best results



Description of activity

These activities provide for the community's social and economic wellbeing. Combined, they support our hapori, to drive positive social and economic development outcomes, ensure hapori can respond to and recover from an emergency event, access community grants and funding, and visitor information within our rohe.

The Community Support Group of Activities includes the following Activities:

- Emergency management
- Community Engagement
- Visitor Information
- Destination Management
- Economic Development

What the activity involves

EMERGENCY MANAGEMENT

As part of this activity Council is an active member of the Manawatū-Whanganui Civil Defence Emergency Management Group and is responsible for facilitating the Horowhenua Emergency Management Committee and the Horowhenua Local Welfare Group.

The Emergency Management activity ensures our rohe is ready for, and able to respond to, emergencies or natural hazards that may cause loss of life, injury, or illness, and that Council fulfils its obligations pursuant to the CDEM Act 2002.

WHAT IT INVOLVES

- Facilitating community resilience and emergency preparedness planning with a range of external agencies and community groups through the Horowhenua Emergency Management Committee and Horowhenua Local Welfare Group. This includes identifying potential hazards, and developing and implementing measures to minimise impacts (i.e. reduction).
- Ensuring plans are in place and that the community is aware of the "hazardscape" and is prepared. Engaging with and educating our community about "Being Prepared" (i.e. readiness).
- Preparing for the provision of a fully functional Emergency Operating Centre (EOC) to coordinate response activities during an emergency. Ensuring critical services can be provided during and after an emergency (i.e. response).
- Coordination of recovery activities (i.e. recovery).

COMMUNITY ENGAGEMENT

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

WHAT IT INVOLVES

- Council leading the development and implementation of the Horowhenua Community Wellbeing Strategy as well as the education, youth, access and inclusion, arts culture and heritage, pride and vibrancy, and positive ageing action plans.
- Council taking a lead role in advocating, facilitating and coordinating on behalf of the community to assist community groups or find solutions to respond to local needs.
- Advocating on behalf of the community for better health, transport and social outcomes through the Community Wellbeing Committee.
- Providing funding support to surf lifesaving, Waitārere and Foxton Beach wardens, and neighbourhood support, on contract.
- Funding and operating several small contestable grant schemes which are:
 - Community development grant;
 - Community consultation grant;
 - International representation grant;
 - Rural halls grant;
 - Vibrant communities fund; and
 - Community events grant.
- Administrating or providing administrative support to externally funded contestable grant schemes which are: Horowhenua Creative Communities' Scheme; and Shannon Community Development Trust.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



- Facilitating a Community Capacity Building Programme, providing free or subsidised training to the not-for-profit sector with the aim to increase the capability at a governance and operational level.
- Produce and distribute Council publications.
- Produce sector-specific publications, such as resource consent guides.
- Monitor and update social and traditional media.
- Provide communications support to internal staff and departments.
- Maintain and update Council's website presence, namely www.horowhenua.govt.nz
- Respond and provide information to media outlets as required.
- Council provides a 24-hour, 7 day a week service to the public including an afterhours emergency telephone response service, and an afterhours Animal Control response function.

VISITOR INFORMATION

We manage the provision of visitor information services in Levin, Foxton, and Shannon.

WHAT IT INVOLVES

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

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

Development and promotion of 'day trips' outside of the region, such as the infamous bus trip to WOW (World or Wearable Arts).

DESTINATION MANAGEMENT

Responsible for driving sustainable visitor growth to our rohe and evolving the Horowhenua NZ brand to achieve favourable economic, social, cultural outcomes.

WHAT IT INVOLVES

- Council leading the development and implementation of an effective destination marketing strategy and media plan
- Build tourism industry capability
- Analyse and report on industry benchmarks and effectiveness of work programme.

ECONOMIC DEVELOPMENT

We partner with The Horowhenua Company to deliver this activity. The purpose of this activity is to facilitate economic growth and improved social and economic wellbeing in the Horowhenua. This is through the support and implementation of strategies targeting increased investment, job growth, skill growth, income growth and an enhanced reputation for the rohe. Our rohe is poised for significant change and has the opportunity to considerably advance its economic wellbeing and prosperity.

WHAT IT INVOLVES

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

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

ANNUAL PLAN KEY PROJECTS

What we planned	What we did
EMERGENCY MANAGEMENT	
Completion of CDEM VHF Radio upgrade including new repeater antenna, complete replacement of vehicle VHF base Radios, and replacement of old analogue radios in CD Centres and schools	Project has been completed up to current budget. Replacement of analogue radios in CD Centres and Schools on hold while the National PSN (Public Service Network) project is developed and implications for local CDEM are understood.
Facilitation of 3 CDEM Readiness Forum with the business Community, Education & Training Sector, and Care Facilities	Not yet progressed due to other priorities.
No key projects identified for Community Engagement, Visitor Information and Economic Development	

Activity Insights

VISITOR INFORMATION

Alongside the refreshed destination brand, Council refreshed the Horowhenua Visitor Guide https://www.horowhenua.govt.nz/files/assets/public/v/1/horowhenuanz/hnz-visitor-guide-refresh_web-17-april-2023.pdf and grew distribution of this from local Horowhenua isite to 15 isite across six Regional Tourism Organisations, based on key target audiences.

Bus, Ferry and Train bookings in isite have seen a 27% increase compared to the same period last year. Merchandise sales were up 46% compared to last year.

Additionally, Council is responsible for flying the iSite flag, helping visitors to our rohe, explore those hidden gems or find somewhere to stay. Whatever it be, our dedicated and qualified Visitor Information team based at Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom are there to help. They also assist with travel requests, making bookings for coach and ferry trips. Supporting the wider kaupapa of iSite, our Visitor Information Team also arrange 'away days' for members of our hapori to get around the region, exploring what other events, attractions and activities are on offer.

EMERGENCY MANAGEMENT

New systems

During the financial year we have been working with our Business Information / GIS teams on Geospatial Common Operating Picture capability and future options including Arc GIS. This is to ensure our systems have compatibility with the wider Civil Defence Emergency Management (CDEM) sector and in particular the CDEM Group.

We also have been working on the development of a primary Emergency Operating Centre (EOC) information management system utilising an MS Office 365 solution, which has been progressing very well.

Training

The training focus for this financial year continues to be on the Integrated Training Framework pathways which is coordinated by the National Emergency Management Agency (NEMA) via its online training platform 'takatu'. This includes Foundational, Intermediate, and Functional Courses, and Controller / Recovery Manager Development. We currently have the following (EOC) staff numbers having completed ITF training pathway courses:

- 123 staff have completed Foundational training
- 66 staff have completed Intermediate (2 day) training
- 24 staff have completed CIMS Functional training
- We currently have one fully qualified Controller and one currently progressing through the Response & Recovery Leadership Development Programme (RRLDP) for Controllers & Recovery Managers.

Within the reporting year Council have responded to a number of emergency events to support our hapori including the Bledisloe Street siege where Council coordinated a welfare response to support the Police response and to support residents that were evacuated from their homes for a number of days; and ongoing flooding and high groundwater and stormwater impacts from persistent rainfall events that impacted the rohe over the autumn, winter, and spring months of the 2022 year.

We have been working in partnership with our Iwi advisors around Marae preparedness in CDEM and have scheduled a CDEM training course for Iwi/Hapū members in August 2023.

COMMUNITY ENGAGEMENT

Events in partnership with the community

During this financial year the Community Development team worked in partnership with community

groups to plan, facilitate and deliver a number of events including:

- Age on the Go – an annual event showcasing services and technology available for the older people. The expo was very popular with 70 stalls and 750 attendees.
- Childrens Day – This was celebrated on 05 March 2023 with a whānau event at the Levin Adventure Park. The event hosted over 15 local organisations who joined together to provide fun activities and promoted their services. Kelvin Davis, Deputy Leader for the Labour Party and Minister for the Children joined the crowd of 2000 people on the day.
- Neighbours Aotearoa – is an initiative to encourage neighbours linking up in their local communities. During this financial year we teamed up with community organisations to plan and deliver two events
- Community Safety – we partnered with Horowhenua Neighbourhood Support to create an event with stalls and demonstrations from FENZ, Police, local community patrols, Rapid Relief Team and Civil Defence. It attracted over 500 attendees on the day.
- Movie in the Park Foxton Beach – Planned in collaboration with community groups Horowhenua Neighbourhood Support and Foxton Beach Volunteer Fire Brigade. The event had 100 attendees who came together for a picnic and watched Nanny McPhee.
- Taitoko/Horowhenua Vibes – This event is led by Muaūpoko Tribal Authority in conjunction with Council, Youth Services organisations and OnBoard Skate Inc. A series of weekly/fortnightly events for rangatahi, initially in Levin and then expanded to other centres in the Horowhenua. Up to 150 rangatahi attend these events that are funded by Council community grants and Sport Manawatū.

- Levin Job Expo – collaborating with the Ministry of Social Development (MSD), Get-Go, Iwi and local service providers we delivered the Let's Get Working – Levin Job Expo connecting job seekers together with employers. 40 employers and over 600 job seekers attended with very positive feedback received.

Community Networks

The Community Development team provide facilitation and secretarial support for our social services and education networks.

We support the following networks that report back to the Council's Community Wellbeing Committee:

- Education Horowhenua – A collaborative group of community, government and education sector representatives with the purpose of improving educational outcomes for child and young people in our rohe. The group held four meetings this financial year and set up two action groups on truancy and transition to life after school.
- Youth Services Network – Consists of representatives from youth services from all around the Horowhenua where they get together to talk about all things related to the youth sector. This financial year they held six meetings and established their priorities as rangatahi anxiety, increased cost of living hardship for whānau, youth housing and vaping crisis.
- YEP – Youth Empowerment Project was co-designed with young people to improve youth engagement and information sharing. The group met six times this financial year. Amongst other things, they organised a highly successful Uenuku Ball for Rainbow Youth.
- Older Persons Network – Is a place for collaborative conversation and information sharing. The Mayor chairs this meeting giving older people a voice and opportunity to share

their views. This group met seven times this financial year and decided their priorities were community safety, the Age Friendly Strategy and access to food banks for older people.

- Access and Inclusion Leadership Forum – A group championing inclusion for people of all ages and ethnicities across the rohe. They met five times this financial year. One of their biggest achievements was successfully applying for funding from the Department of Internal Affairs for an all-terrain wheelchair and an all-terrain walker. This was the result of suggestions put forward by the community and will be sure to get plenty of use!

Mayor's Taskforce for Jobs and Welcoming Communities

Mayor's Taskforce for Jobs (MTFJ) and Welcoming Communities are two very successful community engagement programmes led by the Community Development team. Both these programmes have far exceeded their targets and have achieved national recognition for their success. You can find about more the programmes by reading the case study specifically about them on page 46.

Long Term Plan Amendment 2021 – 2041 Comms and engagement campaign

This year we ran a successful comms and engagement campaign during the 2021-2041 Long Term Plan Amendment (LTPA) process. Our goal was to 'nurture trust and confidence with our community through effective visual storytelling'. We also wanted to ensure Elected Members felt well equipped to make informed decisions on the proposed options in the LTPA, break down the barriers that prevent our hapori from engaging with Local Government, ensure our hapori felt heard, their feedback valued and that decision making was transparent and not pre-determined.

Throughout the campaign we worked hard to build awareness

of the key topics included in the LTPA and increase community engagement. To ensure we reached and communicated with all sectors of our diverse hapori we used a variety of ways to communicate. This allowed flexibility on when, where and how our hapori could engage and encouraged participation and interaction in Council's consultation process. We used social media, radio, print, infrastructure tours, and our website to grow reach and engagement and introduced initiatives like Citizen's Panels and Facebook lives.

For the first time, we digitised the consultation document, breaking down the key topics on Let's Kōrero <https://letskorero.horowhenua.govt.nz/hub-page/ltpa> and providing an opportunity for our hapori to engage with various polls and ideas boards alongside making a more formal submission if they wanted.

You can find more information on the successful campaign in our case study on page 30.

Voice of the Customer

In 2021 we invested in Voice of Customer software Ask Nicely to optimise our research capability.

Moving from an annual resident satisfaction survey, to capturing feedback year-round was among the benefits, along with reducing research bias and the ability to send surveys and capture feedback closer to the moment of truth (when a service was actually used) for our hapori. The 2022-2023 financial year saw us move from one large survey to 10 smaller surveys dedicated to the various services and facilities Council provides, including – Land Transport, Water Infrastructure, Rubbish & Recycling, Community Centres and Libraries, Parks & Reserves, Communications & Engagement, Leadership & Reputation, Quality of Life, Customer Service and the Levin Aquatic Centre.

More members of our hapori responded to a greater number of surveys, with responses up 48%

to 2091 year on year and a total of 6051 collective responses. Net Promoter Score was up 8.0 points compared to last year at -8.0 and overall customer satisfaction was up year on year by 6% to 69.2%.

The following financial year we plan to automate all surveys, so that they are sent at a time closer to when a community member interacts with us and introduce hardware into our community centres and Civic building, so ratepayers and residents can share their feedback when they are using Council facilities.

Welcome Pack

We thought it was important to develop a welcome pack to provide a great first impression for newcomers to the Horowhenua. The welcome pack sets the tone for ongoing essential customer communication improvements.

Horowhenua offers a relaxed lifestyle with multiple beaches, forest parks and rivers all within a 20-minute drive. There is lots to explore and many people and places to connect with. Whether you have just moved to the Horowhenua or lived here your whole life, we developed Tō Kaunihera | Your Council – a welcome guide which aims to help everyone get the most out of their Council and connect with their wider community. In it is key information on our facilities, elected representatives, scenic spots and community groups. As well as 'need to know' information for day-to-day living in Horowhenua such as where to go to access key services, when to put your rubbish out, what hours our community centres are open and more.

<https://www.horowhenua.govt.nz/files/assets/public/community/welcoming/your-council-welcome-pack-july-2023.pdf>

ECONOMIC DEVELOPMENT

Get Go – Workforce Development

- Get-Go has supported 24 people into jobs over the past 12 months.
- The Horowhenua Company Limited (THCL) continues to

evolve the Get-Go initiative, with the introduction of new activities as the work ready framework developed with local colleges continues to evolve:

- College students have the opportunity in snapshot visits targeted businesses in Horowhenua focused on specific sectors with business owners sharing information on their careers/work life to a more intimate and engaged audience of Year 12 and 13 students.
- A Teacher's Day Out event introduced a group of STEM (Science, Technology, Environmental Education and Mathematics) secondary school teachers to Genoese and Hemp Connect, to create an understanding of what local employers look for with their workforce, and the important role Teachers play in aligning students to working life.
- THCL commissioned research into the expectations of young people entering the workforce, and reasons why they want local employment. This research has enabled more targeted work with local employers on how to become "youth ready". Also on the research side, Get-Go has been undertaking a pilot since November 2022, working with young people who have recently left college to understand their journey into tertiary or vocational training and/or the workforce, to inform improvements in the work ready programme.
- Two Futures Day events were delivered in the 2022/23 year, with each event proving hugely successful. Collectively across the two events, over 700 Year 10 students, staff and support were introduced to over 15 local businesses covering the Food and Beverage, Manufacturing, Agricultural, Horticultural, Hospitality, Governance and Energy sectors.

Inward Investment

- THCL supported 26 Seasons through their funding application with Kānoa, resulting in them receiving a loan of \$2.0M to assist the scaling up of their Foxton based indoor climate-controlled strawberry production operation.
- An Inward Investment report was undertaken to understand why businesses have established or relocated to Horowhenua within the past two years – and what their experience has been. Following the completion of this report, material has been published on the THCL website with case study stories and includes a checklist of what businesses interested in coming to Horowhenua should consider, and the support and advice they can get from THCL.

Business Support

- THCL has coordinated and delivered a range of business networking events across the past year, including Business after 5 (10 events), Foxton Business Breakfast (2 events) and Women in Business (3 events). Speakers have ranged from local business leaders, economists and business commentators to people who have successfully developed new world class sports facilities.
- THCL has developed a new website, which includes new information to provide existing and prospective business owners guidance through all stages of the business lifecycle.
- THCL employed a dedicated resource to provide support to Horowhenua small and medium sized enterprises (SME's) through the Regional Business Partner Network (RBP). In the four months from February 2023, we have started working with 21 local businesses, and provided \$13,000 in funding from Ministry of Business, Innovation and Employment (MBIE) to assist these businesses.

Measuring the Community Support Activity Performance

The Local Government Act 2002 requires all councils to report on a set of performance measures for Rooding, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

The following service performance information on the Community Support Activity has been prepared in accordance with PBE Standards.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Community awareness is promoted and encouraged.	12 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieved	<p>✓ ACHIEVED</p> <p>95 COVID-19 media messages have been distributed across social media channels; 79 Emergency Management media messages have been distributed across social channels. Emergency messaging will continue to be posted in support of COVID-19 response.</p>	<p>✓ ACHIEVED</p> <p>15 media messages promoting preparedness for an emergency were made to residents and ratepayers.</p>
Council maintains a functional EOC and trained staff.	Civil defence and emergency management assessment of readiness and capability.	Council's EOC (and alternates) are fully functional and meet the requirements of the CDEM Act 2002.	<p>✓ ACHIEVED</p> <p>Appropriate levels of Council staff have been trained to the Integrated Training Framework (ITF) Foundational level with Incident Management Team (IMT) members trained to minimum of Intermediate level. A number of EOC staff have also completed a higher level of training to the Functional level. Further training and exercising is planned throughout 2022/2023 to continue to increase capability and understanding of all the facets of emergency management throughout the organisation. Processes are in place to capture new staff and schedule them for CDEM Induction and set them onto the ITF training pathways.</p>	<p>✓ ACHIEVED</p> <p>Appropriate levels of Council Staff have been trained to the CDEM Integrated Training Framework (ITF) Standards with Incident Management Team (IMT) members trained to the minimum intermediate level but with an expectation that they will go on and achieve the relevant functional training qualification. A number of IMT personnel have completed the higher level of training to the functional level within this reporting year. Further training and exercising is planned throughout the 2023/2024 year to continue to increase capability and understanding of all the facets of emergency management across the local, regional and national hazard-scape within the organisation.</p>
Council provides effective leadership in advocating, coordinating and facilitating on behalf of community needs.	Number of Community Wellbeing Committee meetings per year.	≥ 4	<p>✓ ACHIEVED</p> <p>Four Community Wellbeing Committee meetings held.</p>	<p>✗ NOT ACHIEVED</p> <p>Three (3) Community Wellbeing Committee meetings held.</p> <p>One Community Wellbeing Committee meeting was cancelled, and meetings were put on hold, during the change of Council and confirmation of new (Elected member) Chairperson.</p>

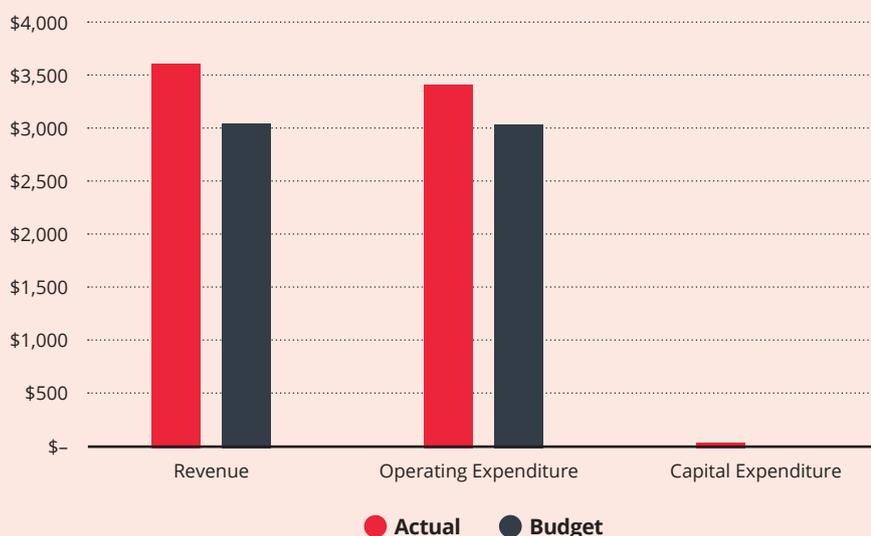
Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Empowerment Project meetings per year.	≥ 8	✓ ACHIEVED Six yEP meetings held.	✗ NOT ACHIEVED Four (4) yEP meetings held. Meetings put on hold late 2022 due to school holidays and amending our approach to the yEP model.
	Number of programmes or projects implemented by Youth Empowerment Project.	≥ 4	✓ ACHIEVED Four programmes/projects implemented by yEP.	✗ NOT ACHIEVED Two (2) programmes/projects implemented by yEP.
	Number of Youth Services Network meetings per year.	≥ 6	✓ ACHIEVED Six Youth Services Network meetings held.	✓ ACHIEVED Six (6) Youth Services Network meetings held.
Horowhenua residents are empowered to make choices enabling them to Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Person's Network meetings per year	≥ 6	✓ ACHIEVED Eight Older Persons' Network meetings held.	✓ ACHIEVED Six (6) Older Persons' Network meetings held.
	Number of Puāwai magazine publications annually.	≥ 4	✓ ACHIEVED Four Puāwai magazines published.	✓ ACHIEVED Four (4) Puāwai magazines have been published.
Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year.	≥ 2	✓ ACHIEVED Two Creative Communities funding rounds.	✓ ACHIEVED Two (2) Creative Communities funding rounds.
Horowhenua is New Zealand's foremost District in taking joint responsibility for the success of our community through education.	Number of Education Horowhenua meetings per year	≥ 4	✓ ACHIEVED Four Education Horowhenua meetings held.	✓ ACHIEVED Four (4) Education Horowhenua meetings held.
Horowhenua is fully accessible to all people	Number of Access and Inclusion Leadership forums per year	≥ 4	✓ ACHIEVED Four Access and Inclusion Leadership forums.	✓ ACHIEVED Five (5) Access and Inclusion Leadership forum held.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary																						
Council promotes community group empowerment and provides opportunities for community driven initiatives and projects, and to grow and develop	Number of Community Capacity and Capability Building Programme workshops or trainings offered.	≥ 10	<p>✔ ACHIEVED</p> <p>10 Community Capacity and Capability Building workshops/trainings held.</p> <p>These are as follows: Workshop/trainings Location/attendees</p> <table border="1"> <thead> <tr> <th>Workshops</th> <th>Number Attended</th> </tr> </thead> <tbody> <tr> <td>First Aid Level 1</td> <td>Levin (11)</td> </tr> <tr> <td>First Aid Level 2</td> <td>Shannon (18)</td> </tr> <tr> <td>Food safety</td> <td>Shannon (19)</td> </tr> <tr> <td>St Johns Mental Health</td> <td>Shannon (11)</td> </tr> <tr> <td>Establishing not for profit</td> <td>Levin (8)</td> </tr> <tr> <td>Food Safety</td> <td>Levin (16)</td> </tr> <tr> <td>I am Hope - Youth Mental Health (Manawatū College)</td> <td>Foxton (240)</td> </tr> <tr> <td>S4L & M TA Pēpē programme</td> <td>Levin (22, interrupted and not completed due to Covid)</td> </tr> <tr> <td>ITS Food Safety</td> <td>Levin (9)</td> </tr> <tr> <td>Youth Governance</td> <td>Levin (5)</td> </tr> </tbody> </table>	Workshops	Number Attended	First Aid Level 1	Levin (11)	First Aid Level 2	Shannon (18)	Food safety	Shannon (19)	St Johns Mental Health	Shannon (11)	Establishing not for profit	Levin (8)	Food Safety	Levin (16)	I am Hope - Youth Mental Health (Manawatū College)	Foxton (240)	S4L & M TA Pēpē programme	Levin (22, interrupted and not completed due to Covid)	ITS Food Safety	Levin (9)	Youth Governance	Levin (5)	<p>✘ NOT ACHIEVED</p> <p>While a number of events were held during the financial year insufficient records were kept to be able to provide confirmation of the workshops. Improved processes have been implemented for future record keeping.</p>
	Workshops	Number Attended																								
First Aid Level 1	Levin (11)																									
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	Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	≥ 85%	<p>✔ ACHIEVED</p> <p>100% satisfaction has been recorded from five programme workshops or training.</p>	<p>✘ NOT ACHIEVED</p> <p>While a number of events were held during the financial year insufficient records were kept to be able to provide confirmation of the satisfaction of participants. Improved processes have been implemented for future record keeping.</p>																						
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	≥ 200	<p>✔ ACHIEVED</p> <p>332 individuals have participated in Capacity and Capability Building Programme workshops or training.</p>	<p>✘ NOT ACHIEVED</p> <p>While a number of events were held during the financial year insufficient records were kept to be able to provide confirmation of the numbers attended. Improved processes have been implemented for future record keeping.</p>																						
Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitāreke beaches.	≥ 6	<p>✔ ACHIEVED</p> <p>Six weeks have been funded.</p>	<p>✔ ACHIEVED</p> <p>Six (6) weeks have been funded.</p>																						
Council effectively communicates with its ratepayers and residents.	Percent of media releases feature in media within 21 days of release to inform residents about what Council is doing.	≥ 60	<p>✔ ACHIEVED</p> <p>There have been 96 media releases and 100% featured in media.</p>	<p>✔ ACHIEVED</p> <p>There have been 72 media releases and 100% featured in media.</p>																						

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Council provides a variety of ways to access information.	Number of Council Community Connections newsletters published annually.	≥ 10	✓ ACHIEVED 10 Community Connections published.	✓ ACHIEVED 15 Community Connection newsletters have been published.
	Number of new digital services are delivered online annually.	≥ 2	✓ ACHIEVED The HDC website has been refreshed and five online payment forms have been completed or significantly updated, including: Application for Building Consent – Discretionary Exemptions; Resource Consent Application; Property File Information – Lodgement Form; Application to Renew Registration of Dogs; Application for Engineering Plan Approval.	✓ ACHIEVED 12 new digital services were delivered ranging from expression of interest forms, Long Term Plan Amendment submission forms, swim school enrolments and online forms.
Council provides a 24/7 telephone contact centre operation.	Telephone contact is continually provided 24/7.	Achieve	✓ ACHIEVED Council's 06 366 0999 telephone number is operational 24/7. Afterhours service and continuous phone supply under Contract with Palmerston North City Council. The phone system is hard coded to divert to Palmerston North City Council should it have a fault at Horowhenua District Council.	✓ ACHIEVED Council's 06 366 0999 telephone number is operational 24/7. After hour's service and continuous phone supply under Contract with Palmerston North City Council.
Council staff are knowledgeable in tikanga māori and the principles of Te Tiriti o Waitangi.	Percent of staff who have undertaken training. (Partnership with Tangata Whenua).	60% of Council staff	✗ NOT ACHIEVED Te Tiriti o Waitangi and Cultural Competence training has been scheduled with external facilitator 'Engaging Well'. The training sessions will be for six cohorts of 16 people and will be 3x half-day sessions each. These are scheduled in July.	✓ ACHIEVED 154 Council kaimahi have attended Te Tiriti o Waitangi & Cultural Competence training with Engaging Well which is 72% of staff (excl aquatics staff) Weekly training sessions based on sections within the Tūhono ki Te Ao Māori toolkit, are also provided to kaimahi. These sessions are delivered by the Cultural Outcomes Team.
Council supports the promotion of Horowhenua as a tourism destination.	i-Site accreditation is maintained at Te Awahou Nieuwe Stroom and Te Takeretanga o Kura-hau-pō facilities.	Achieve	✓ ACHIEVED i-Site accreditation for both sites is maintained.	✓ ACHIEVED i-Site accreditation is maintained.
	Annual number of visitor information enquiries conducted from Horowhenua i-Sites.	≥ 10,000	✓ ACHIEVED Manually collated statistics on Visitor Information enquiries are: 6,349.	✗ NOT ACHIEVED Manually collated statistics on Visitor Information enquiries are: 9,888.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings organised per year.	≥ 10	<p>✓ ACHIEVED</p> <p>There have been 10 Business Networking events held. This includes a Women in Business networking lunch – which is proposed to be continued as a quarterly lunchtime series. In addition, we have held three online business support webinars focused on the changing COVID situation.</p>	<p>✓ ACHIEVED</p> <p>There have been 13 (Thirteen) Business Networking events held. This includes 2 Women in Business networking lunches, 2 Foxton Business Breakfasts and 9 Business After 5 events.</p>
Council advocates for and facilitates business development and new business investment in the Horowhenua District.	Percent of the District's Business Community that are satisfied or more than satisfied with Council's overall performance in the Economic Development Activity.	> 75%	<p>✓ ACHIEVED</p> <p>As per the contract with The Horowhenua Company, a new customer satisfaction survey was developed that assessed customer satisfaction using a net promoter score approach. The first survey was undertaken during May and June. Under that survey 80% of the Horowhenua business community indicated they would be likely, very likely or highly likely to refer the Horowhenua Company to other businesses. This result has established the baseline for future years, and the Horowhenua Company will agree future targets with Council as part of the negotiation of future performance standards. Note: Net Promoter Score (NPS) is a customer loyalty and satisfaction measurement taken from asking customers how likely they are to recommend your product or service to others on a scale of 0-10. NPS can range from -100 to 100. The reason we've used NPS as an organisational metric over customer satisfaction is because it relates to our performance as a whole, rather than customer satisfaction for individual experiences.</p>	<p>✗ NOT ACHIEVED</p> <p>The Annual Satisfaction survey results is 40%</p> <p>The significant difference in results reflects a change in survey methodology for this financial year. Previously a separate survey campaign specifically targeting The Horowhenua Company business customers specifically was used for the performance measure result. For this financial year we are using the organisation wide survey campaign which contacts a wider audience through a new single platform. The results for this financial year are a new baseline going forward.</p>

THE GRAPH BELOW PROVIDES AN OVERVIEW OF HOW THE COMMUNITY SUPPORT ACTIVITY HAS PERFORMED AGAINST BUDGET.



Revenue

- The additional income is due to the Better off funding received from the Department of internal affairs (DIA).

Operating Expenditure

- The additional expenditure is due to unbudgeted emergency spending for the July 2022 Waitārere flooding.

Community Support Funding Impact Statement FOR THE YEAR ENDED 30 JUNE 2023

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		2,757	2,759	2,962	2,985
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes	1	428	33	34	558
Fees and charges		-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		175	51	53	72
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		3,360	2,843	3,049	3,615
Applications of operating funding					
Payments to staff and suppliers	2	2,737	1,809	1,828	2,203
Finance costs		-	-	2	-
Internal charges and overheads applied		1,192	1,026	1,206	1,230
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		3,929	2,835	3,036	3,433
Surplus (deficit) of operating funding (A-B)		(569)	8	13	182
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	37
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		-	75	(2)	-
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		-	75	(2)	37

Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding				
Capital expenditure				
- to meet additional demand	-	-	-	-
- to improve the level of service	10	47	-	12
- to replace existing assets	15	28	10	15
Increase (decrease) in reserves	(594)	8	1	191
Increase (decrease) of investments	-	-	-	-
Total applications of operating funding (B)	(569)	83	11	219
Surplus (deficit) of capital funding (C-D)	569	(8)	(13)	(182)
Funding balance ((A-B)+(C-D))				
	-	-	-	-
Depreciation				
	9	9	12	2

Notes:

1. The additional revenue is due to better off funding received from the Department of Internal Affairs (DIA).
2. The additional expenditure is due to unbudgeted emergency spending for the July 2022 Waitāreere flooding.

Loans	Internal \$000
Loans as at 01/07/2022	-
Raised during year	-
Repaid during year	-
Loans as at 30/06/2023	-
Interest expense	
	-

Ngā Ratonga Whakariterite ā-Ture Regulatory Services



WHAKATAUKI

I orea te tuatara ka patu ki waho

A problem is solved by continuing to find solutions.

Description of activity

The Regulatory Services Group of Activities provides advice, consenting services, assessment, education, compliance and enforcement. This Group of Activities aims to protect the health and safety of our hapori and the environment they live within.

The Regulatory Services Group of Activities includes the following activities:

1. Resource Consenting
2. Building Consenting
3. Environmental Health
4. Alcohol Licensing
5. Parking Enforcement
6. Building Compliance
7. Resource Management Compliance
8. Animal Control
9. General Regulatory Services

What the activity involves

RESOURCE CONSENTING

The Resource Consenting Activity is undertaken to ensure Council is meeting its obligations under the Resource Management Act (1991).

WHAT IT INVOLVES

- Processing resource consents and other applications made under the Resource Management Act.
- Providing advice to the public on the District Plan and Resource Management Act.
- Processing section 223 and 224 applications to certify approved subdivision applications.
- Engagement with the planning industry to stay informed about best practice and relevant issues.
- Provision of planning information relating to building consent applications.

BUILDING CONSENTING

The Building Consenting Activity aims to ensure that buildings are constructed and/or altered in a manner which means they are safe to use.

WHAT IT INVOLVES

- Processing building consent applications by assessing their compliance with the Building Code.
- Undertaking inspections of the consented building work to ensure compliance with the approved building consent.
- Providing advice to the public on building consent applications and the Building Act 2004.
- Maintaining accreditation requirements in accordance with the Building (Accreditation of Building Authorities) Regulations 2006.
- Engagement with the building industry to stay informed about best practice, relevant issues and changes to processes.

- Processing code compliance certificate applications and subsequent approval where Council is satisfied the building work complies with the Building Code.

ENVIRONMENT HEALTH AND FOOD SAFETY

Environmental Health and Food Safety ensures to promote and protect public health in the Horowhenua and that food services used by our hapori are healthy and safe.

WHAT IT INVOLVES

- Registration and verification of food businesses in accordance with the Food Act 2014 and premises required under the Health Act 1956 and associated regulations and legislation.
- Responding to complaints relating to non-compliances with the Health Act 1956 and associated codes and regulations, and taking appropriate action when non-compliance is observed.

ALCOHOL LICENSING

The Alcohol Licensing Activity aims to ensure that the sale and supply of alcohol is conducted in a manner which complies with the Sale and Supply of Alcohol Act 2012.

WHAT IT INVOLVES

- Processing applications for licences and managers' certificates.
- Monitoring and inspection of all licensed premises to ensure compliance with both legislation and licence conditions.
- Undertaking 'Controlled Purchase Operations' with partner agencies.
- Providing information and advice to customers on licensing requirements.

PARKING ENFORCEMENT

The Parking Enforcement Activity aims to ensure that people can easily access car parks for on- and off-street parking.

WHAT IT INVOLVES

Enforcing the parking requirements for mobility car parks, metered parking, time restricted parking, and illegal parking, including issuing infringement notices for non-compliance. Monitoring and enforcement of expired vehicle registrations, certificates of fitness and warrants of fitness. Monitoring of unauthorised parking on taxi stands, loading zones, broken yellow lines, double parking, parking on the footpath, bus stops, or inconsiderate parking. Monitoring and enforcement of the parking control measures specified in Council's Land Transport Bylaw 2017 and relevant legislation.

BUILDING COMPLIANCE

The Building Compliance Activity aims to protect health and safety by ensuring our hapori is complying with building requirements, and our buildings and residential swimming pools are safe.

WHAT IT INVOLVES

- Responding to complaints relating to non-compliances with the Building Act 2004 and associated codes and regulations, and taking appropriate action when non-compliance is observed.
- Monitoring and enforcement of the Building (Pools) Amendment Act 2016, primarily, undertaking inspections of swimming pool fencing.
- Monitoring, enforcement and actions related to the Building (Earthquake-prone Buildings) Amendment Act 2016.
- Ensuring Building Warrants of Fitness (BWOs) are renewed and are accurate.

RESOURCE MANAGEMENT COMPLIANCE

The Resource Management Compliance Activity aims to support the sustainable management of the environment by ensuring compliance with the Resource Management Act 1991, the Operative District Plan and resource consent conditions.

WHAT IT INVOLVES

- Responding to complaints and queries relating to the Resource Management Act 1991, Operative District Plan or conditions of resource consents, and taking appropriate action when a non-compliance is observed.
- Monitoring of compliance with resource consent conditions and taking appropriate enforcement measures in respect of non-compliance.

ANIMAL CONTROL

The Animal Control Activity aims to implement and enforce legislation and Council bylaws related to dogs and animals to improve public safety by mitigating the risk of harm, injury, or nuisance in our hapori.

WHAT IT INVOLVES

- Maintaining a register of dogs in the rohe.
- Patrolling the rohe for animal nuisances.
- Responding to complaints about dogs and livestock.
- Providing impounding facilities for dogs and livestock.
- Educating the public on the responsibilities of dog ownership.
- Re-homing or euthanising unclaimed animals.
- Enforcement of Council's bylaws related to Animal Control – Dog Control Bylaw 2015, Animal Nuisance and the Keeping of Pigs, Poultry and Bees Bylaw 2014 and Land Transport Bylaw 2017 (Part 2 – Stock Control and Movement).
- Enforcement of relevant legislation – Dog Control Act 1996 and Impounding Act 1955.

GENERAL REGULATORY SERVICES

The General Regulatory Services Activity consists of a number of sub-activities undertaken as part of Council's general regulatory functions, with the aim of dealing with statutory nuisance-related matters, registration, permitting and inspection of appropriate activities.

WHAT IT INVOLVES

- Review or develop relevant bylaws e.g. Council's Public Places Bylaw.
- Respond to general noise complaints and take appropriate action.
- Respond to complaints regarding vehicles reported as being abandoned in public places and take appropriate action.
- Respond to general bylaw complaints.

How our work delivers on hapori (community) wellbeing

SOCIAL WELLBEING

Continued delivery of all relevant services in relation to legislation, policies and bylaws contributes to the health and safety of the hapori.

Close engagement with key stakeholders when reviewing bylaws and policies ensures community input into local decisions.

ENVIRONMENTAL WELLBEING

Continued delivery of all relevant services in relation to legislation, policies and bylaws contributes to the health and safety of the hapori. Close engagement with key stakeholders when reviewing bylaws and policies ensures community input into local decisions.

ECONOMIC WELLBEING

Timely and efficient delivery of services within statutory time limits ensures that regulatory processes are not an impediment to economic progress whilst at the same time ensuring that due process is applied correctly.

CULTURAL WELLBEING

Consenting processes ensure that community facilities and infrastructure are built resiliently to combat climate change and natural hazards.

Providing consenting services which takes into consideration potential cultural impacts including ensuring the protection of culturally and historically significant sites.

This activity contributed to the following Community Outcomes



ANNUAL PLAN KEY PROJECTS

What we planned	What we did
PARKING ENFORCEMENT	
Replacement of existing assets	
Parking Mobile ticket devices - Replace old parking mobile ticket devices	New replacement mobile ticket devices are now in operation.
Body-worn equipment - Replacement of body worn video equipment	New replacement body-worn video equipment has been procured.
ANIMAL CONTROL	
To improve levels of service	
Dog pound facility – Investigation into the refurbishment of the dog pound facility	Investigation has started and a consultant has been engaged to continue with this work.

No key projects were planned for Resource Consenting, Building Consenting, Environmental Health, Alcohol Licensing, Building Compliance, Resource Management Compliance, or General Regulatory Services.

Activity Insights

CONSENTS

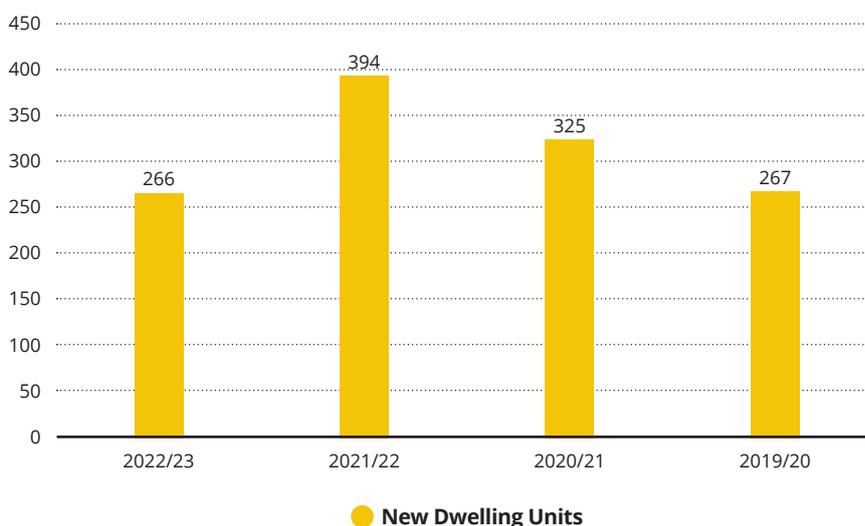
Both the building and resource consent processing sub-activities are driven by responding to growth. Demand for new dwelling building consents has been dropping in Aotearoa New Zealand, and Horowhenua is not immune to this, with demand starting to drop off during the financial year.

BUILDING CONSENTS

It has continued to be a challenging time in the building consenting space this financial year.

Demand was coming off its peak at the beginning of the financial year, while we were also still dealing with the backlog of consents in progress from the very high demand period of the previous financial year; an impact resulting from Covid disruptions. This was compounded by the long term difficulties in filling positions with suitably qualified people. At the beginning of the 2022/23 year, the building team had over 130 consents in progress, by

NUMBERS OF NEW DWELLING UNITS CONSENTED



the end of the financial year there were less than 70 building consents in progress.

As overflow applications were processed, demand started to decrease, however the proportion of applications that are complex has remained high. The complexity differences generally relate to different building uses, types, additional floor levels and fire separation requirements. We have seen an increase in consents for multi-unit and multi-level dwellings while commercial demand has remained low.

These buildings are more complex than a stand-alone single level dwelling, we need to have staff with a higher level of competency to process and inspect those consents. Staffing shortages of suitably qualified people, absences due to illness and a misalignment of workloads peaks with staffing levels meant there have been resulting delays in the processing of some applications.

Over the financial year staff have gained more competencies, which along with decreased demand has meant applications are processed in

a more timely fashion. However, the use of contractors is still required to meet the demand when at peak workloads. Such as when there was a large increase in applications ahead of changes to the building code relating to H1 insulation standard changes.

Overall, this financial year the number of applications has decreased but as noted there were a higher proportion of applications that are complex. There is also a number of building consent applications that have been withdrawn; this has become particularly notable since the implementation of the Development Contributions Policy on 1 July 2021 and as a result in the cooling of the housing market due to wider macro-economic factors.

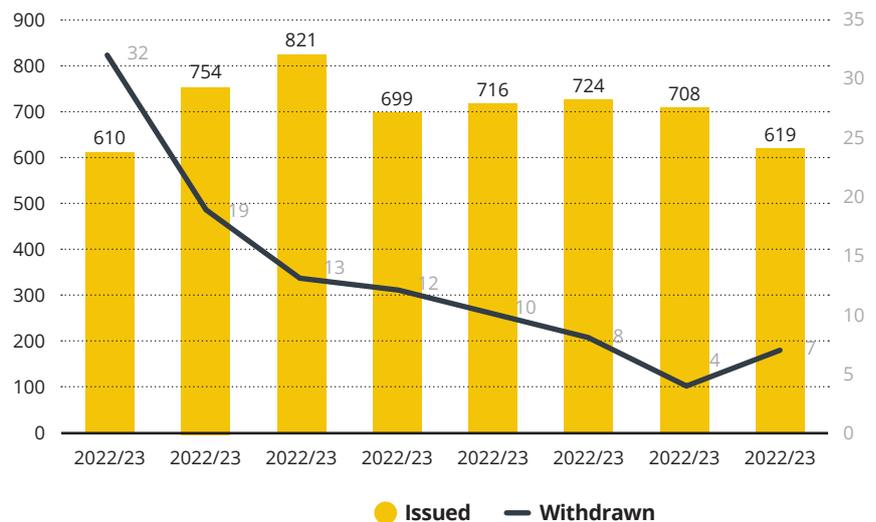
These macro-economic conditions continue to provide challenges for the housing sector, however this year's New Dwellings growth target set in the Long Term Plan (LTP) will remain attainable as the rohe remains on track, when viewing this through a 2020 to 2023 'Plan vs. Actual' lens.

RESOURCE CONSENTS

The resource consent space has had the same challenges this financial year as the building consent space, with demand complexity and difficulty with filling staff vacancies. At the beginning of the 2022/23 year, the team had just under 100 consents in progress, by the end of the financial year there were less than 70 consents in progress. The majority of consents are currently being processed by contractors as we do not have the staff with the right level of competencies on the team.

Central Government introduced the National Policy Statement for Highly Productive Land (NPS-HPL) in October 2022. The objective of the NPS-HPL is to ensure that highly productive land is protected for use in land-based primary production. This generally makes it more difficult to subdivide land that is zoned

BUILDING CONSENTS ISSUED VS WITHDRAWN



rurally. In effect adding time and complexity to the demand placed on Planners processing consents.

International Accreditation NZ (IANZ) Building Consent Authority Accreditation

Retaining our building consent authority is critical, as without it we would not be able to process building consents.

IANZ is appointed by Ministry of Business, Innovation and Employment (MBIE) to undertake accreditation assessments. IANZ conducted their bi-annual accreditation reassessment of Council during April 2023.

Given the importance of retaining the accreditation, we carefully resourced preparation work to ensure a successful accreditation which resulted in a good assessment outcome in April 2023, with just seven general non-compliances being identified. These were subsequently resolved, and accreditation was retained.

End to end processing

During the financial year the team has begun focusing on how end to end processing for new land and building developments can be enabled. An end to end consenting process aims to combine the independent functions of our specialist teams in the Planning,

Building and Development Engineering spaces with the view being to improve the overall end to end experience for the customer.

The ultimate goal is to develop a connected and seamless process where the tasks of resource consenting, building consenting and development engineering activities are considered to be 'one system' rather than the three independent functions they are currently. This will provide the customer with a seamless, connected experience.

To that end we have bought the entire team together in the same space, started looking for interdependencies in the consenting process, started to develop an end to end checklist and proposed some changes to the team to ensure the customer is at the core of all the work we do.

Not only will end to end consideration provide an improved experience for the customer but the efficiencies identified and developed will make us more cost efficient and customer centric.

Swimming pool barrier inspections

Did you know we have 336 pools on a register? Swimming pools require a three yearly inspection to ensure peace of mind for pool owners that their pools meet the requirements

and keep everyone safe. Pool owners can choose who carries out the mandatory inspection whether it is Council or an Independently Qualified Pool Inspector.

In March 2022 we received a report from MBIE on our how we are doing with in our Building Territorial activities which includes our swimming pool inspection programme. This report made a number of recommendations on ways we could improve our swimming pool inspection process. This report, along with the filling of vacant roles in the compliance team, meant we quickly established a project to implement the recommendations during this financial year.

We are now collecting and recording more information and have tightened our processes to demonstrate we meet Central Government requirements. We are also upskilling others in the Compliance team to carry our swimming pool inspections, which increases our capacity to conduct inspections and meet our statutory requirements. We are also providing clear compliance pathways for swimming pool owners who do not meet the standards. They are now given clear information and options on how to meet compliance.

After some time and effort this project has been implemented and working very well, ensuring the continued safety of private swimming pool users.

Online dog registrations

We love our dogs in the Horowhenua. At the end of this financial year 6,162 dogs were on the register. We were keen to modernise our dog registration process for our local dog lovers. The method of posting registration notices is no longer fit for purpose and had limited benefits.

In July 2022, in time for the 2022/2023 dog registration process, we offered online dog registrations. This meant that those who opted

in were emailed their renewal notices with a link to the HDC website and were able to pay their dog registration online. Those who did not opt in still received their registration notice via the post.

Online registration means dog owners can pay their registration anytime they want, internet banking and credit/debit cards are available as options. The online form takes the hassle out of dog registration as it auto-generates a lot of the information required when owners enter their dog reference number and dog tag number or the birth date of the person who registered the dog(s). We also changed our processes to ensure that dog owners receive their dog tags as quickly as possible in the mail.

All the other options, such as coming into the Council offices to pay and collect a dog tag, are still available. However, the online process is more cost effective and efficient, and we will continue to encourage dog owners to pay the registration online and further refine our online processes.

We conducted a wide ranging communications campaign encouraging dog owners to sign up for the significant benefits of online registration renewals. As a result an extra 575 dogs had been registered online and on time before penalties were applied compared to the previous year, being an increase from 1,620 dogs registered online on 31 July 2021 to 2,195 dogs registered online by 31 July 2022. Dog registration renewals were due by 31 July each year to avoid the late penalty fee.

Dealing with complaints

Dealing with complaints is an important part of our role but can be difficult to achieve in a fiscally constrained environment. We have a small team of regulatory compliance staff who respond to all complaints received. With 309 complaints received during the year, it has been difficult to achieve any of our non-financial performance targets.

Providing support for businesses and events

The Compliance team is keen to support businesses and events to achieve the relevant compliance. We are trying to be more proactive in supporting businesses and those planning and running events.

Council has a responsibility to under the Food Act 2014 to verify all food businesses that operate a template food control plan.

The team had been noticing an upward trend in food compliance corrective actions required in record keeping. A one off coaching session has been developed for new food businesses to help them be successful during their verification. This includes what the verifier will want to see when the verification takes place and what good record keeping looks like. We also conducted a food safety workshop for volunteers of the Hope Hub Freestore.

We have also started to provide coaching sessions on alcohol licencing. To make it easier for licenced premises we also have started to conduct our alcohol licencing compliance checks during the premise's business hours rather than our own businesses hours.

The Horowhenua Taste Trail is a significant local event bringing many benefits to the rohe. The Council worked closely with the organisers in a number of different areas. In regard to compliance, we assisted organisers with food safety and alcohol requirements and compliance checks, provided advice about temporary building structures and staging, as well as guidance regarding the use of amusement devices such as the barrel train rides and children's merry-go round machines.

Keeping our people safe

Our staff come to work every day wanting to do a good job on behalf of their hapori. We have many members of the Compliance team doing their work out in the public arena, their work is important and for the benefit of our hapori. We have some dedicated team members, such as our parking wardens that have been conducting their job for a long time, decades in some cases!

Disappointingly the safety of our people is increasingly of concern. Our Compliance team, especially in the parking area have faced challenging and aggressive behaviour including assault. While there have always been incidents of concern, this has been increasing recently.

Our Animal Control staff from our Compliance team care about animals and our hapori, they also face unpleasant and difficult behaviour

from the public. This situation is often fuelled by misinformation on social media. The focus for them used to be on safety from dogs, now it is safety from people.

We are now taking a stand on what we will and will not tolerate and are prioritising keeping our people safe. That will mean we will take action if our staff face challenging behaviour such as referring incidents to the police and trespassing people from our facilities.



Measuring the Regulatory Services Activity Performance

The Local Government Act 2002 requires all councils to report on a set of performance measures for Roothing, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

The following service performance information on the Regulatory Services Activity has been prepared in accordance with PBE Standards.

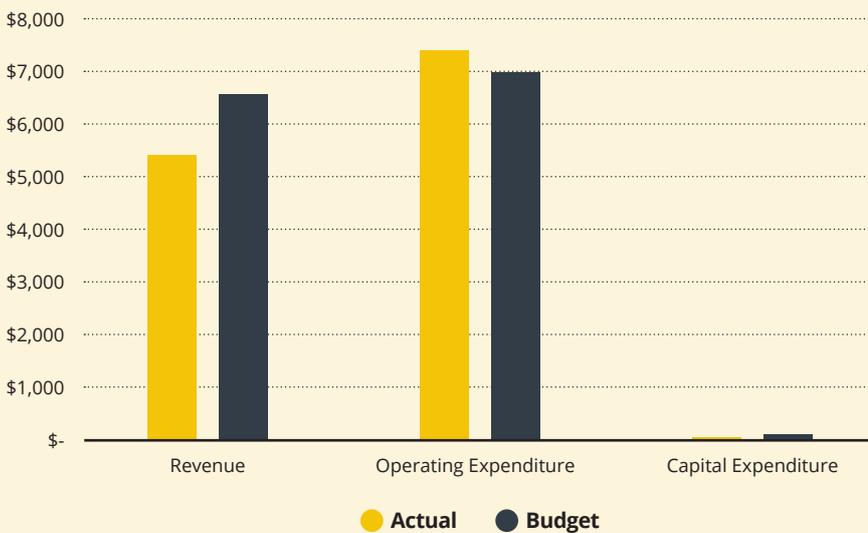
Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Processing of applications under the Resource Management Act (RMA) 1991.	Applications under the RMA will be processed within statutory timeframes.	95%	✘ NOT ACHIEVED 326 consents have been approved for Land Use, Subdivision, Boundary Activities and "other", approximately 54% of consents were approved within statutory timeframes. This has been due to the high volume of applications received compared to the number of staff and contractors available to process applications.	✘ NOT ACHIEVED 268 consents have been approved for Land Use, Subdivision, Boundary Activities and "other", approximately 51% of consents were approved within statutory timeframes. This has been due to high volume of applications received and the increasing complexity of applications, recruiting staff in this discipline has been and continues to prove difficult. More contractors are however coming available to process applications. Internal capacity and performance review will seek to improve performance in this space.
Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Percentage of building consent applications that are processed with in statutory timeframes.	98%	✘ NOT ACHIEVED 755 building consents were granted during the year, 88% within statutory timeframes. 94 consents have been processed outside the statutory timeframe. This was due to the flow on effect of large numbers of applications received between May-June 2021, delays in replacing staff members who have left and the sudden illness and subsequent departure of a key staff member in October/November.	✘ NOT ACHIEVED 609 building consents were granted for the year, 74% within statutory timeframes. One hundred and sixty (160) consents have been processed outside the statutory timeframe for the year. This was due to the high number of consents in progress and the number of staff who have been off periodically with Covid and on other leave. The level of statutory compliance improved throughout the year and over 98% of consents issued in June were processed within statutory timeframes.
	Council will maintain its accredited status as a Building Consent Authority.	Achieve	✔ ACHIEVED IANZ reconfirmed our accreditation on 11 January 2022.	✔ ACHIEVED The bi-annual IANZ accreditation re-assessment took place from 17-20 April 2023. The BCA received 7 general non-compliances (GNCs), which are required to be resolved by 4 August 2023. Once the GNCs are resolved, ongoing accreditation will be re-confirmed.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Food safety – Food businesses are monitored to ensure compliance with legislation.	Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015.	Achieve	✗ NOT ACHIEVED 86 Food businesses operating a MPI template food control plan were verified; however, 36 verifications were processed at extended timeframes granted due to COVID –19 and allowed for in the Food (Covid-19 Exemption from Compliance with Verification Requirements) Regulations 2021.	✗ NOT ACHIEVED 153 Food businesses operating a MPI template food control plan were verified and in general accordance with the frequency specified in the Food Regulations. Of the 153, 25 verifications due to be completed within the financial year were not completed within frequency determined by the Food Regulations 2015.
Monitoring of licensed premises to ensure compliance with relevant* legislation.	Premises are inspected annually to check for compliance with their licence conditions.	Achieve	✓ ACHIEVED 71 licensed premises holding 71 operative licences exist. Random compliance checks were carried out of all premises during the year.	✓ ACHIEVED 68 licensed premises holding an operative licences exist, and all 68 premises were inspected during the year.
All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Land Transport Regulations.	Parking infringement explanations are responded to within 5 business days of receipt.	Achieve	✓ ACHIEVED 443 parking infringement explanations were received and responded to within five working days of receipt.	✗ NOT ACHIEVED 553 parking infringement explanations were received and responded to. 19 explanations were not responded to within 5 business days.
Carry out territorial authority functions including enforcement of legislation.	All reported cases of illegal building work will be responded to within five working days.	Achieve	✓ ACHIEVED Compliance officers received two reports of illegal building work which were responded to within five working days.	✓ ACHIEVED Compliance officers received 3 reports of illegal building work. 100% were responded to within 5 working days.
	Percentage of private swimming pools on register inspected annually for compliance.	> 33%	✗ NOT ACHIEVED 295 pools are on the register. Zero inspections occurred during the year. There is one person to carry out this role and there was a nine month period where the role was vacant.	✓ ACHIEVED 336 pools are on the register, and 176 swimming pool barrier inspections were completed during the year.
Carry out territorial authority functions including enforcement of legislation.	100% of Building Warrant of Fitness (BWOs) are renewed or Notices to Fix are issued.	Achieve	✓ ACHIEVED 317 BWOs are on the register and compliant. All 317 were renewed on time.	✓ ACHIEVED 327 BWOs are on the register and compliant. No 'notice to fix' issued for the year.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Monitoring of District Plan requirements, resource consent compliance and complaints.	All known and reported instances of non-compliances with the District Plan and any resource consents will be responded to within five working days	Achieve	✗ NOT ACHIEVED The compliance team continues to respond to reports of non-compliance however the timeframe of five working days has not always been achieved. Of the 123 complaints received 48% were responded to within five working days. The RMA Monitoring & Compliance Officer role had been vacant for nine months. This role was finally filled in May 2022 after which service levels improved.	✗ NOT ACHIEVED 101 reported complaints regarding non-compliance with the District Plan, 23 of the 101 complaints were not responded to within 5 working days.
	All resource consents that are required to be monitored for the year are monitored for compliance with conditions.	Achieve	✓ ACHIEVED The requirement for monitoring is triggered if a complaint is made that relates to a consent. There were three complaints that related to consent and therefore triggered consent monitoring.	✓ ACHIEVED The requirement for monitoring is triggered if a complaint is made that relates to a consent. There were two complaints that related to consent and therefore triggered consent monitoring.
Reported instances of non-compliances and dog nuisances will be responded to.	Percent of reported instances of non-compliances and dog nuisances will be responded to.	100%	✓ ACHIEVED 1,001 complaints were received, 100% were responded to.	✓ ACHIEVED 1112 complaints have been received YTD; 100% were responded to.
	An after-hours emergency response will be continuously provided.	Achieve	✓ ACHIEVED The service is provided by staff on a weekly roster.	✓ ACHIEVED The service is provided by staff on a weekly roster or via availability for consult via phone as necessary.
Registration and classification of all known dogs within the District.	Percent of known dogs that will be registered or accounted for annually by 31 October.	100%	✓ ACHIEVED Dog registration renewal notices and reminder notices have been issued. Council's unregistered dog list was created in October 2021 and Animal Control started visiting properties with unregistered dogs in October 2021 and infringed dog owners.	✓ ACHIEVED There are 6082 known dogs. 130 dog owners have been infringed for failing to register their dog as at by 31 October. A further 17 dog owners were infringed between 1 November and 30 June 2023 for failing to register a dog. All known dogs in the district are accounted for either by registration, registration notice or infringement.
Noise complaints response service will be provided.	Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	Achieve	✓ ACHIEVED 1,750 complaints have been received. 95% were responded to within 60 minutes.	✓ ACHIEVED 1500 complaints were received. The response time to 123 complaints was more than 60 minutes - 92% were responded to within 60 minutes.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Public safety bylaws and other legislation will be enforced.	Percent of reported non-compliances and complaints that are responded to within five working days.	100%	✗ NOT ACHIEVED 165 complaints received have been responded to with 125 complaints responded to within 5 working days. Recruitment into vacant roles continues to be a challenge. The 165 complaints responded to comprise of:	✗ NOT ACHIEVED 138 complaints received have been responded to, however only 62% of complaints were responded to within 5 working days. The complaints responded to comprise of:
			2021/2022	2022/2023
			Smoke	Smoke
			5	32
			Health Act	Health Act
			67	30
			Local Government Act	Local Government Act
			58	50
			Council Bylaws	Council Bylaws
			34	23
			Drainage	Litter Act
			1	2
			TOTAL	TOTAL
			165	138

THE GRAPH BELOW PROVIDES AN OVERVIEW OF HOW THE REGULATORY SERVICES ACTIVITY HAS PERFORMED AGAINST BUDGET.



Revenue

- This reduction of income is due to the downturn in the housing and development market.

Operating Expenditure

- The additional expenditure is due to increased contractor costs and increased internal compliance costs.

**Regulatory Services Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2023**

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		2,452	2,453	1,984	1,999
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		256	204	275	287
Local authorities fuel tax, fines, infringement fees, and other receipts	1	3,741	3,490	4,329	3,115
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		6,449	6,147	6,588	5,401
Applications of operating funding					
Payments to staff and suppliers	2	845	615	926	1,151
Finance costs		1	1	1	1
Internal charges and overheads applied	3	5,532	5,461	6,037	6,243
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		6,378	6,077	6,964	7,395
Surplus (deficit) of operating funding (A-B)		71	70	(376)	(1,994)
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		13	14	419	3
Gross proceeds from sale of assets		29	-	-	29
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		42	14	419	32

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand		-	-	-	-
- to improve the level of service		73	80	34	4
- to replace existing assets		4	4	45	38
Increase (decrease) in reserves	4	36	-	(36)	(2,005)
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		113	84	43	(1,963)
Surplus (deficit) of capital funding (C-D)		(71)	(70)	376	1,995
Funding balance ((A-B)+(C-D))					
Depreciation	5	110	70	76	89

Notes:

1. This reduction of income is due to the downturn in the housing and development market. We are currently reviewing our income to ensure it is in line with activity-based costing.
2. Additional expenditure is due to the use of external contractors to complete Resource Management work.
3. The increased internal costs relates to higher compliance costs.
4. This overspend relates to the operating costs that is a reserve funded.
5. See Note 33 in the financial statements for further information.

	Internal \$000
Loans	
Loans as at 01/07/2022	37
Raised during year	4
Repaid during year	(1)
Loans as at 30/06/2023	40
Interest expense	
	1

Te Whakakanohi me te Hautū i te Hapori

Representation and Community Leadership

WHAKATAUKĪ

Mā pango, mā whero ka oti ai te mahi.

If the leaders work together with the community, the job will get done.





Description of activity

This group of activities comprises of how Council meets its responsibility to represent the hapori (community) as well as provide leadership to the hapori and how Council will involve the hapori in decision making processes and long term strategic planning.

What the activity involves

The Representation and Community Leadership Group of Activities includes the following activities:

- Employing the Chief Executive who is empowered to implement decisions of Council.
- Hosting Local Body elections.
- Encouraging Horowhenua residents to become involved in Council activity and communicating Council decisions.
- Council, Committee and Community Board meetings.
- Setting the strategic and policy direction of Council. This includes preparing the key strategic policy and planning documents such as the Long Term Plan and Annual Plans.
- Reviewing the District Plan and preparing plan changes.
- Monitoring the district's State of the Environment and efficiency and effectiveness of the District Plan.
- Representing the views and interests of residents.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Focused engagement with key stakeholders when developing Community Plans, Structure Plans, Master Plans, Long Term Plan Amendment and the Annual Plan ensured hapori input into local decisions and priority projects. The development of community plans provided opportunity for local communities to identify the 'sense of place' that is important to not only the community at the centre of the plan, but also the wider hapori. Awarding of Civic Honours ensures recognition of those who have contributed to community outcomes and who have longstanding volunteer roles within the various groups, clubs and organisations across the rohe.

ENVIRONMENTAL WELLBEING

The ongoing preparation of the Levin Structure Plan is intended to help ensure that there are well planned and developed environments in the future while sustainably managing the natural resources of our rohe for the enjoyment of future generations. Changes to the District Plan to rezone land, enable the Tara-Ika Master Plan to be implemented and for specific environmental outcomes to be delivered The Manawatū River Loop at Foxton and Lake Horowhenua (Punahau) remain a focus of Council and as a

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



ANNUAL PLAN KEY PROJECTS

What we planned	What we did
Annual Plan 2023/24 – This key document will adopted by 30 June 2023.	The Annual Plan 2023/24 was adopted on 28 June 2023, alongside the 2021-2041 Long Term Plan Amendment.
LTP 2024-2044 – Begin the process of creating this key strategic document.	Planning for the LTP 2024 is underway. This work will progress at a faster pace after the 2021-2041 Long Term Plan Amendment is adopted.
District Plan changes – Continue to carry out the Plan Change process for a number of plan changes to respond to the needs of the district including growth.	Work on Plan Changes 5 (Waitārere Beach), 6 (Growth Areas) and 7 (Intensification) has progressed with additional evidence provided.
Central Government Reforms – Continue to keep informed and respond to changes prompted by Central Government Reforms.	Council has been active to ensure the issues and opportunities for our rohe are considered within the reforms of Three Waters, Resource Management and Future for Local Government through formal submissions and discussions with central government, in addition to responding to national direction such as the National Policy Statement on Highly Productive Land.
Local Government Election - Assisting in the administration of the local body elections, scheduled for 8 October 2022.	The Electoral Officer (contracted to ElectionNZ) and the Deputy Electoral Officer ran the Local Government Elections 2022 successfully with all nominations accepted and no challenges to the process.

result, extensive work has gone into Provincial Growth Fund and Crown funding opportunities to improve these environments.

ECONOMIC WELLBEING

Economic development is delivered in collaboration with The Horowhenua Company Limited (THCL) who work with local enterprise to realise local opportunities, source economic data for informed decision making and facilitate access to capability and funding mechanisms.

Where Master Plans have been previously developed, they help ensure that infrastructure planning can occur in an integrated manner that can meet the current and future needs of each area. Applications to the Provincial Growth Fund and Crown Infrastructure Projects funding have resulted in earlier progression of infrastructure projects such as Gladstone Road, Queen Street upgrade and Tara-Ika.

CULTURAL WELLBEING

Engaging and consulting with tangata whenua has continued to be a priority. Resourcing Agreements have been developed as one way of supporting participation, growth and capacity of our Iwi partners. Regular hui

take place with Te Tūmatakahuki (a Ngāti Raukawa hapū collective) as well as representatives from Muaūpoko where discussion takes place regarding projects, review of strategies and plans, and Council's work programme.

Activity Insights

LONG TERM PLAN AMENDMENT

This is a significant piece of work carried out during the financial year by our Strategic Planning team in conjunction with many other areas of the Council.

Every three years, we must produce a Long Term Plan (LTP), which sets out the services and projects Council will deliver over a 10 year (or greater) period and how we will pay for them. During the years in between, we have to produce an Annual Plan (AP). The AP sets out the planned projects and services for only one financial year. During this financial year we would normally only be considering our AP this year. But, because we had some big issues to resolve, we needed to amend the current 2021-2041 LTP as these changes could not wait until the development of the full LTP. The nature of the

change meant we could not make these changes using the Annual Plan process.

Some difficult decisions needed to be made on three main issues

- Rates affordability
- Leave the rating system as it currently is, or
- Calculate general rate based on capital value (Council's preferred option), or
- Calculate general rate based on capital value, but include rural differential
- Levin Landfill – considering options for its future
- Keep Levin Landfill closed with no alternative site use, or
- Keep Levin Landfill closed with revenue generated from alternative site use determined through the Waste Minimisation Management Plan development (Council's preferred option), or
- Reopen Levin Landfill until its consent expires in 2037
- Upgrading our water programme
- Increase the budget to deliver the projects we need (Council's preferred option), or
- Reduce programme of work to meet current budget, or

LTPA ENGAGEMENT STATISTICS

350 PEOPLE ENGAGED

Approximately 350 people engaged with council at 22 in person events over the month of engagement.

350 CONSULTATION DOCUMENTS HANDED OUT

Council handed out 350 hard copies of the consultation document and over 500 hard copies of the submission form, with the online versions used as well.

302 FACEBOOK LIVE ENGAGEMENTS

302 people engaged with Council through the Facebook Live Events hosted over the same time.

418 FORMAL SUBMISSIONS

All up, Council received 418 formal submissions, 25 from groups such as Iwi, Hapu, community groups and organisations.

- Increase budget to deliver the projects we need excluding universal water metering for leak detection
- Reduce programme of work to meet current budget, excluding universal water metering for lead detection.

As well as some decisions on fees and charges and development contributions to share the costs more fairly between the user and ratepayer.

An extensive community consultation programme was developed including trying some new ideas such as Citizen's Panels, Facebook lives sessions, Ask Me Anything sessions out at community facilities, Cuppa with a Councillor and a site tour to some key infrastructure sites.

Overall, we had very good engagement with our hapori during the consultation process.

After considering all the community feedback and extensive documentation provided by Council, staff made the following decisions

- Leave the rating system as it currently is
- Keep Levin landfill closed with revenue generated from alternative site use determined through the Waste Minimisation Management Plan development
- Increase the budget to deliver the key water projects we need.

RESPONDING TO CENTRAL GOVERNMENT REFORMS

Council has been active to ensure the issues and opportunities for our rohe are identified and considered within the three areas of Central Government reform: Three Waters, Resource Management and Future for Local Government, other legislation and national direction developed.

Council made the following submissions:

To Parliament about legislation

- Water Services Entities Bill
- Water Services Legislation Bill
- Natural and Built Environments Bill and the Strategic Planning Bill
- Inquiry into the future of inter-regional passenger rail in New Zealand

About projects or issues affecting our district

- Ōtaki to North of Levin Expressway (Ō2NL)
- Future for Local Government Reform
- National Policy Statement on Highly Productive Land and was one of a small number of Council invited to participate in further workshops as this was finalised.

To Horizons Regional Council

- Regional Policy Statement
- Plan Change 3 about Urban Development
- Our Freshwater Future

ELECTIONS

Local Government Elections held on 8 October 2022 were successfully delivered, fulfilling our legislative duties and responsibilities.

During the Election period we reviewed and adopted a signage policy with the inclusion of additional locations. A 2022 Pre-Election Report was also prepared detailing the issues we are facing, financial information and major projects planned for the next three years.

There were no nominations forms identified as incorrect when final checks were completed by ElectionsNZ resulting in 100% nominations being accepted. We received three nominations for Mayor, 22 for Councillors (a decrease of 14 from the previous elections) and seven nominations for the Foxton Community Board.

All public notices were released on time and to the appropriate channels, electoral donation and expense declaration are published on the website.

We opted into a nationwide campaign to make it easier to cast a vote with 10 large orange ballot bins being distributed throughout the rohe at commonly used locations.

Voter turnout was 45.07% – the 5th highest for provincial councils across Aotearoa.

This election we had eight new Elected Members and four returning. Included in the eight were two Māori representatives from the newly created Māori Ward.

An Elected Member induction programme was developed and implemented, starting with an Elected Member pōwhiri taking place on 10 October 2022. As of the end of the financial year 95% of induction sessions were completed.

DOING THINGS DIFFERENTLY

This financial year for the new triennium we tried out a few different things to be transparent and accessible and encourage our hapori (community) to get involved in local decision making.

Cuppa with a Councillor

Starting from March 2023 we have had monthly opportunities for the hapori to come and have a cuppa and a chat with a Councillor about local topics that are important to them. The event is held on the same day at the same time at Te Takeretanga o Kura-hau-pō, Te Awahou Nieuwe Stroom and Shannon Library, with Councillors rotating between the locations.

Public Forum

In February 2023 we established a Public Forum to be held for a half an hour before a full Council meeting. The forum is not a decision making platform but an opportunity for the hapori to come and have their say on any topics important to them, while the Elected Members are at the table. It does not have to be about a specific topic or what is on the agenda for the meeting, it can be about anything the individual or group wishes to share. There is also no need to request speaking rights.

It is a different way for the hapori to share their point of view and the Elected Members to get exposed to hapori sentiments that they can take into account in their future decision making.

Inductions

Inductions are very important for a large group such as the Elected Members, who need to work together to make some very important decisions. Not only do the Elected Members have to work together but our Executive Leadership Team (ELT) and Elected Members need to work together.

For this triennium, a comprehensive induction plan was put in place. This included everything from the pōwhiri for incoming Elected Members mentioned above, to Elected Members and ELT spending time together on a retreat to get to know each other, decide how they will work together and for new Elected Members get a basic understanding of Council business.

Not only that, but Elected Members also then received very thorough briefings on everything from the Council's strategies, Key Performance Indicators (KPIs),

any decisions made during the previous triennium that impacts this triennium, work plans and briefing from managers about their activities.

Feedback from both returning and new Elected Members has been very positive.

Live Streaming

While we have offered live streaming of full Council meetings in the past, the quality has not always been great.

We think live streaming is important as not everyone can get to a Council meeting in person, and it promotes transparency in our decision making. To that end we have invested in new technology to improve the quality of the sound and the image and allow us to record the live stream to make available after the meeting through YouTube.

We also now offer live streaming and recordings of our committee meetings and workshops.



Measuring the Representation and Community Leadership Activity Performance

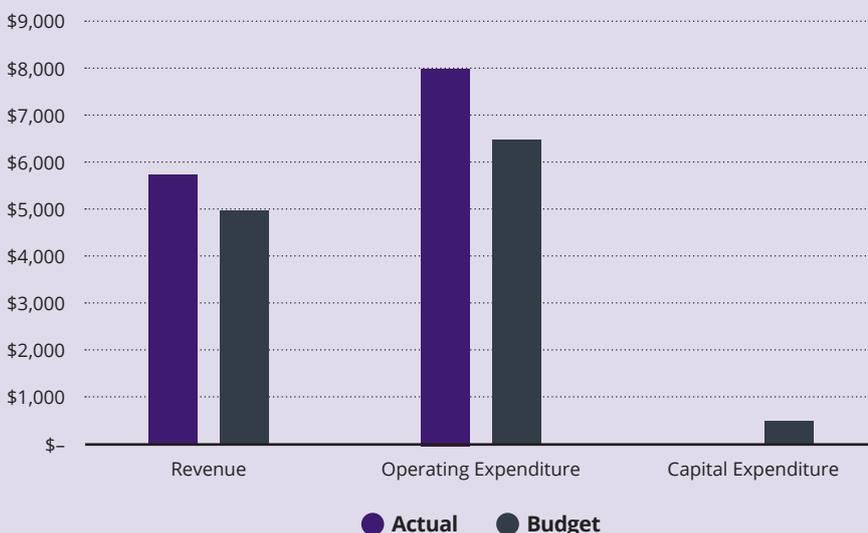
The Local Government Act 2002 requires all councils to report on a set of performance measures for Rooding, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process. Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

The following service performance information on the Representation and Community Leadership Activity has been prepared in accordance with PBE Standards.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Council provides open, accessible information and processes to local government and the Community.	Number of successful challenges to Council's decision making processes.	< 2	 ACHIEVED There have been no challenges to Council's decision making processes.	 ACHIEVED There have been no successful challenges to Council's decision making processes.
	Official Information requests are processed in accordance with the LGOIMA.	100% compliance rate	 NOT ACHIEVED T138 LGOIMA requests had been received 120 were processed on time, one was sent late* Nine remain open on time Zero remain open with an extension Three were withdrawn Five extensions were applied for accepted and sent within time *Late response was provided at EOD completion.	 NOT ACHIEVED 124 LGOIMA requests had been received 106 were processed on time 2 were sent late 12 remain open on time 1 were withdrawn 3 were transferred
Council supports residents and ratepayers to have their views heard and considered in Council decision-making.	Percent of residential and non-residential ratepayers who are satisfied with the way Council involves the public in its decision making, based on the Annual Customer Satisfaction Survey.	> 50%	 NOT ACHIEVED This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 21%.	 NOT ACHIEVED The measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved this year is 43%. Though this result means not achieved this is a significant increase from the previous year. Note: An error in the recording of the annual satisfaction survey results resulted in the previous year's results being noted as 21% when in fact it was 25%.
	Council will pre-engage on all significant decisions as outlined in the Significance of Engagement Strategy found on Council's website.	Achieve	 ACHIEVED There was one significant decision that required preengagement. This was the Representation Review in which extensive consultation and engagement was conducted with the community.	 ACHIEVED The Long Term Plan Amendment was the only significant decision, as outlined in the Significance and Engagement Strategy that was made by Council. Pre-engagement was conducted by way of workshops.

Service	How performance is measured	Target	2021/2022 results	2022/2023 Actual performance and commentary
Council's planning documents meet statutory requirements and have unqualified audit opinions.	The LTP is completed within the statutory timeframe, including a Financial and Infrastructure Strategies which meets the requirements of the Local Government Act.	Adopted before 30 June (every 3 years)	✓ ACHIEVED The LTP was adopted on 30 June 2021.	✓ ACHIEVED LTP Amendment was adopted on 28 June 2023 LTP Amendment was adopted on 28 June 2023 but received an adverse opinion due to the decision to include three waters spending.
	The Annual Plan will be adopted before 30 June annually.	Achieve	✓ ACHIEVED The Annual Plan was adopted 29 June 2022.	✓ ACHIEVED Annual Plan 2023/24 was adopted on 28 June 2023.
	The Annual Report will include an unqualified audit opinion.	Achieve	✗ NOT ACHIEVED The Annual Report was adopted 16 December 2021. However, the report was qualified due to audit unable to verify the completeness of customer complaints data which was collected by Palmerston North City Council.	✗ NOT ACHIEVED The 2021 – 2022 Annual Report was adopted on 10 May 2023. It received a qualified audit opinion due to the ongoing issues related to being unable to verify the completeness of customer complaints data, which was collected by Palmerston North City Council. This issue was resolved in January 2022.
The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Council will process non-complying consents in a robust way. When the percentage of non-complying consents approved exceed 5% we will undertake an investigation of the District Plan rules that have triggered the non-complying consents.	< 5%	✓ ACHIEVED 12 non-complying resource consents have been approved, which represents approximately 4% of applications approved.	✓ ACHIEVED Eight non-complying resource consent has been approved, which represents less than four percent (4%) of applications approved.

THE GRAPH BELOW PROVIDES AN OVERVIEW OF HOW THE REPRESENTATION AND COMMUNITY LEADERSHIP ACTIVITY HAS PERFORMED AGAINST BUDGET.



Revenue

- Additional income is received for Ōtaki to North Levin (Ō2NL) project.

Operating Expenditure

- Additional spending on Ō2NL consultancy fees offset partly by income received.

Capital Expenditure

- The lower spending relates to the Levin Town Centre project. The funding has been carried forward into 2023/24.

Representation and Community Leadership Funding Impact Statement FOR THE YEAR ENDED 30 JUNE 2023

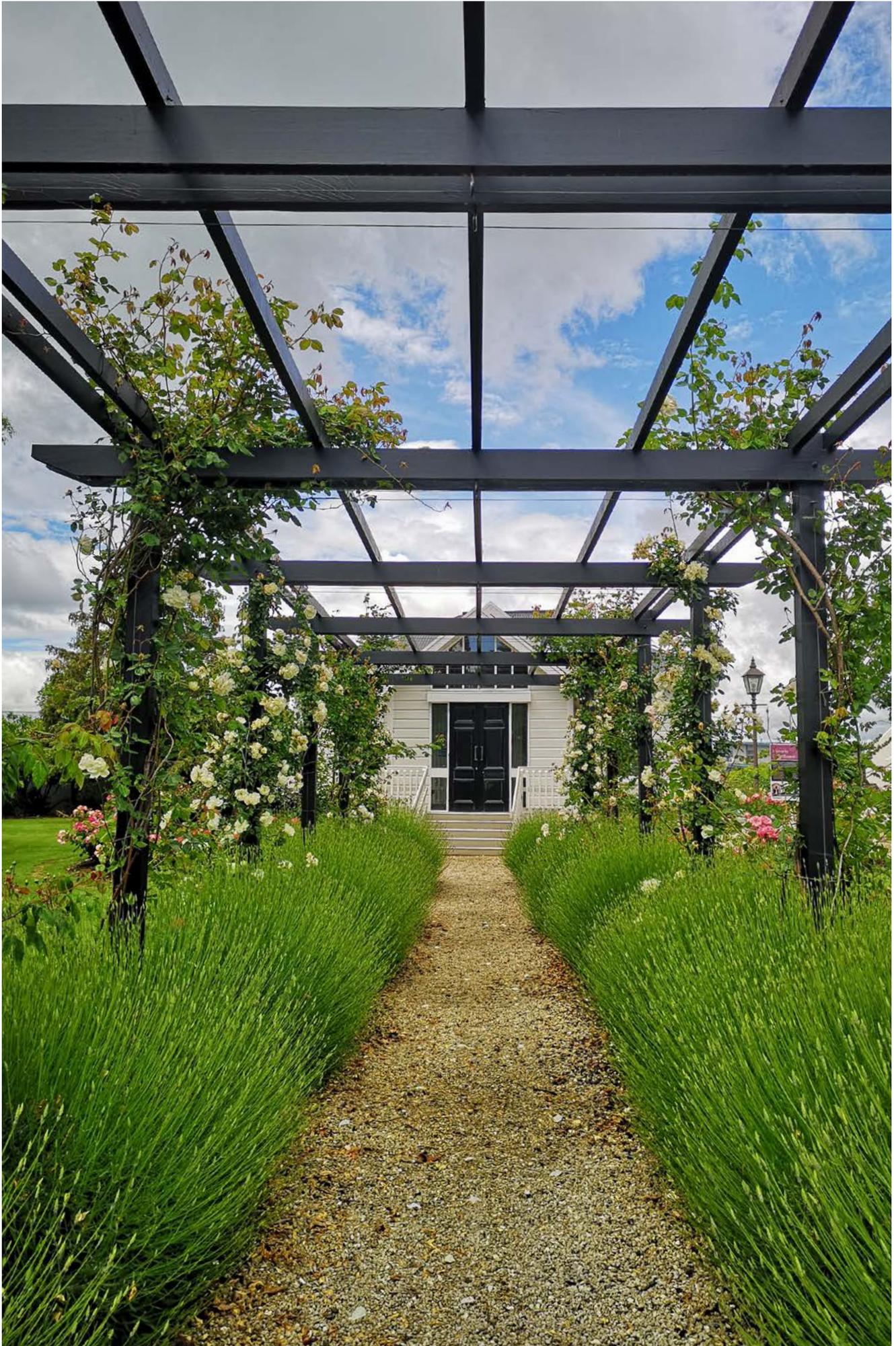
	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		267	267	427	430
Targeted rates		4,050	4,051	4,564	4,599
Subsidies and grants for operating purposes		63	-	-	-
Fees and charges		-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	1	1	1	733
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		4,381	4,319	4,992	5,762
Applications of operating funding					
Payments to staff and suppliers	2	2,510	2,057	2,213	3,144
Finance costs		103	107	212	99
Internal charges and overheads applied	3	4,543	3,709	4,064	4,773
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		7,156	5,873	6,489	8,016
Surplus (deficit) of operating funding (A-B)		(2,775)	(1,554)	(1,497)	(2,254)
Sources of capital funding					
Subsidies and grants for capital expenditure		670	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt	4	(1,119)	2,055	1,998	(329)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		(449)	2,055	1,998	(329)

	Note	Actual 2022 \$000	Annual Plan 2022 \$000	Annual Plan 2023 \$000	Actual 2023 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand		-	-	-	-
- to improve the level of service	5	1	500	500	8
- to replace existing assets		-	-	-	-
Increase (decrease) in reserves	4	(3,225)	1	1	(2,591)
Increase (decrease) of investments		-	-	-	-
Total applications of operating funding (B)		(3,224)	501	501	(2,583)
Surplus (deficit) of capital funding (C-D)		2,775	1,554	1,497	2,254
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation					
		-	-	-	-

Notes:

1. Additional income was received for Otaki to North Levin (O2NL) project.
2. Additional spending on O2NL consultancy fees offset partly by income received.
3. Internal charges are higher than budgeted mainly due to higher overhead costs.
4. Debt funding less than budget as a result of larger reserve funded operating deficit.
5. The lower spending relates to the Town Centre project. The funding has been carried forward into 2023/24.

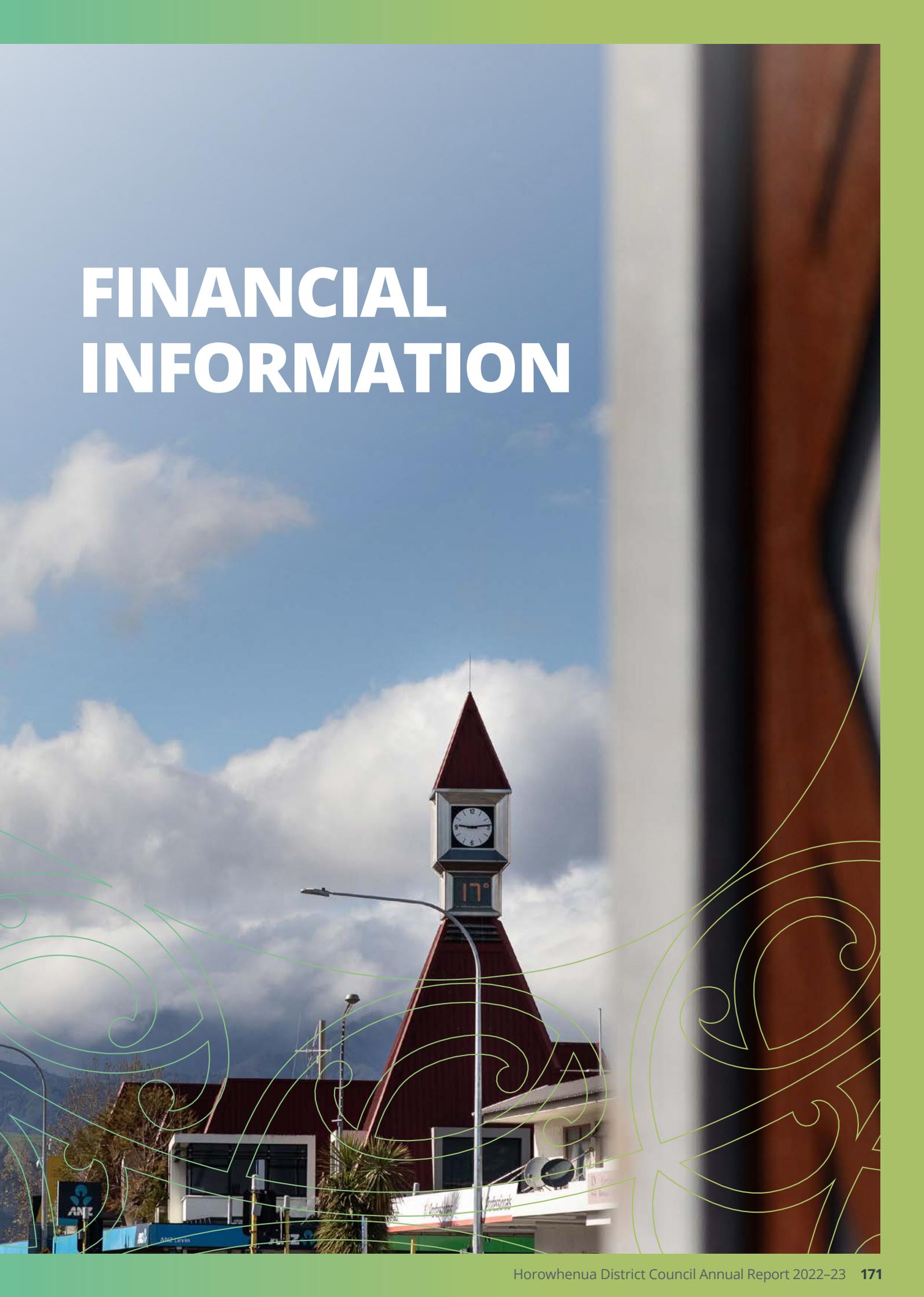
	Internal \$000
Loans	
Loans as at 01/07/2022	3,376
Raised during year	8
Repaid during year	(338)
Loans as at 30/06/2023	3,046
Interest expense	
	99



NGĀ PĀRONGO PŪTEA



FINANCIAL INFORMATION



Statement of Comprehensive Revenue and Expense

HOROWHENUA DISTRICT COUNCIL For the year ended 30 June 2023

	Note	Council Actual \$ 30 June 2023 \$000	Council Budget \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Revenue						
Rates	1	47,815	47,227	43,408	47,815	43,408
Finance revenue	2a	513	205	81	528	86
Grants and subsidies	2b	12,515	18,725	9,848	12,515	9,848
Fees and charges	2c	4,203	3,693	4,241	4,203	4,241
Other revenue	2d	4,926	4,718	5,020	4,926	5,020
Vested assets	2e	2,313	-	5,628	2,313	5,628
Development contributions	2f	1,266	1,461	122	1,266	122
Gain on derivative financial instruments	19	728	-	2,916	728	2,916
Other gains	3	604	33	680	604	680
Total revenue		74,883	76,062	71,944	74,898	71,949
Expenditure						
Employee benefit expenses	4	20,129	20,095	17,451	20,129	17,451
Depreciation and amortisation	11, 12, 33	19,265	17,196	16,091	19,265	16,091
Finance costs	6	5,508	3,467	3,088	5,508	3,088
Loss on derivative financial instruments	19	-	-	-	-	-
Other losses	3	1,075	-	690	1,075	690
Increase / (decrease) in landfill provision	16	1,443	-	3,300	1,443	3,300
Other expenses	5	33,741	28,306	32,867	33,750	32,870
Total expenses		81,161	69,064	73,487	81,170	73,490
Operating surplus / (deficit) before tax		(6,278)	6,998	(1,543)	(6,273)	(1,541)
Income tax expense	36	-	-	-	-	-
Operating surplus / (deficit) after tax		(6,278)	6,998	(1,543)	(6,273)	(1,541)
Surplus/ (Deficit) attributable to: Horowhenua District Council		-	-	-	-	-
Other comprehensive revenue and expense						

	Council Actual \$ 30 June 2023 \$000	Council Budget \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Note					
Gain / (loss) on infrastructural assets revaluations	(15)	-	43,213	(15)	43,213
Gain / (loss) on operational assets revaluation	-	-	16,293	-	16,293
Gain / (loss) on restricted assets revaluation		-	30,282	-	30,282
Gain / (loss) on changes in fair value of carbon credits	(463)	-	-	(463)	-
Total other comprehensive revenue and expense for the year	(478)	-	89,788	(478)	89,788
Total comprehensive revenue and expense (deficit) for the year	(6,756)	6,998	88,245	(6,751)	88,247
Total comprehensive revenue and expense attributable to Horowhenua District Council	(6,756)	6,998	88,245	(6,751)	88,247

Explanations of major variances against budget are provided on page 174.

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

Explanations of Significant Variances between the Council's Actual Results and the Council's Budget for 2022/23

REVENUE

Grants and subsidies

Capital grants is \$6M lower than budgeted due to the timing of the capital programme changing from what was originally planned. This is largely due to the Tara-Ika programme moving out to future years.

Finance revenue

The higher income of \$308k is due to us holding a \$15M term deposit for pre funding purposes. This is offset by increased finance costs. Pre funding is when we borrow money earlier than required to renew our borrowings becoming due and place it on term deposit.

Other revenue

The additional revenue of \$207k is largely due to additional cost recovery from Ōtaki to North Levin project (Ō2NL) consultancy costs of \$670k and additional Three Water Stimulus funding of \$390k. This is and offset by lower building consent revenue, which was \$700k under budget due to demand for new dwelling building consents dropping during the financial year.

Fees and Charges

The lower revenue of \$406k is largely due to lower aquatics revenue of \$134k and not receiving budgeted recycling revenue of \$194k.

Gains on derivative financial instruments

This is an unrealised gain on valuation of Council's interest rate derivatives. This reflects the fact that the Council's future interest cash payments will be lower than the variable market rates prevailing at the point in time when those interest cash payments are made.

Vested assets

The vested assets income of \$2.5M relates to infrastructure assets vested to the Council as part of the subdivision process due to growth.

EXPENDITURE

Employee benefit expenses

The reduced expenditure of \$718k is due to vacancies across Council operations.

Depreciation

The additional depreciation expense of \$2M is due to the higher than expected valuation of assets in 2021/2022 which was finalised with the 2021/22 Annual Report and adopted in May 2023.

Finance costs

The higher finance costs of \$2M relate to increased interest rates compared to budget and increased net borrowings of \$27M. The Council is carefully monitoring the interest rates changes and ensuring we have an appropriate level of fixed interest rates cover.

Other losses

This is largely resulted from to the sale of general property \$840k.

Increase in landfill provision

This increased expenditure reflects the reassessment of the landfill provision. The increase is mainly due to the cost of the best practicable option for remedying the old landfill site in Hōkio.

Other expenses

The additional expenditure of \$5.4M is made up mostly by the following:

- Additional in audit fee of \$100k.
- \$1.1M additional spending on professional services. The higher spending due to difficulty in filling staff vacancies in Planning & Regulatory \$369k, \$154k on consultants for the 2022 Election, increased spend on asset valuations for the Annual report of \$40k, and additional spending of \$368k on Iwi payments.
- \$1.7M additional spending on maintenance. mainly due to for emergency works from weather events of \$811k, additional costs in two waters operating and maintenance \$662k and inflation increase for Roading maintenance contracts higher than budget \$400k.
- \$800k less in staff time was recorded against the capital projects and relates to the lower capital project expenditure.
- Additional \$244k was spent on Software license fees, support and maintenance.
- Increased insurance premiums of \$267k.

Statement of Changes in Ratepayers' Equity

HOROWHENUA DISTRICT COUNCIL For the year ended 30 June 2023

	Council Actual \$ 30 June 2023 \$000	Council Budget \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Note					
Balance at 01 July	704,682	625,100	616,436	705,058	616,811
Opening adjustment on adoption of NZ IPSAS 41	131	-	-	131	-
Total comprehensive revenue and expense for the year	(6,757)	44,355	88,245	(6,751)	88,247
Asset Revaluation Reserve	(4,404)	-	-	(4,404)	-
Balance at 30 June	20	693,652	669,455	704,681	694,035
		705,058			

Explanations of major variances against budget are provided on page 178

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

Statement of Financial Position

HOROWHENUA DISTRICT COUNCIL As At 30 June 2023

	Note	Council Actual \$ 30 June 2023 \$000	Council Budget \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Assets						
Current assets						
Cash and cash equivalents	7	1,265	4,380	5,998	1,297	6,024
Debtors and other receivables	8	12,514	7,587	4,984	12,514	4,984
Prepayments		1,359	–	921	1,359	921
Inventories		34	–	36	34	36
Derivative financial instruments	19	655	–	192	655	192
Other financial assets	9	18,350	350	350	18,350	350
Non-current assets held for sale	10	1,180	1,091	–	1,180	–
Total Current assets		35,357	13,408	12,481	35,389	12,507
Non-current assets						
Plant, property and equipment						
– Operational assets	11	79,940	60,992	75,679	79,940	75,679
– Infrastructural assets	11	670,354	660,129	663,707	670,354	663,707
– Restricted assets	11	96,858	75,022	96,192	96,858	96,192
Intangible assets	12	1,071	1,211	1,739	1,071	1,739
Forestry assets	13	1,166	1,301	1,110	1,166	1,110
Commercial property	14	1,300	–	884	1,300	884
Derivative financial instruments	19	997	–	901	997	901
Other financial assets:						
– Investments CCOs & similar entities	9	204	220	204	204	204
– Investments in associates	9	52	52	52	52	52
– Other	9	3,250	1,762	2,392	3,250	2,392
Total Non-current assets		855,192	800,689	842,860	855,192	842,860
Total Assets		890,549	814,097	855,341	890,581	855,367

	Note	Council Actual \$ 30 June 2023 \$000	Council Budget \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Liabilities						
Current liabilities						
Payables and deferred revenue	15	16,490	15,948	15,898	16,138	15,547
Provisions	16	1,516	30	1,614	1,516	1,614
Employee benefit liabilities	17	1,791	1,422	1,546	1,791	1,546
Derivative financial instruments	19	6	702	104	6	104
Borrowings and other financial liabilities	18	33,000	21,000	25,000	33,000	25,000
Total Current liabilities		52,803	39,102	44,162	52,451	43,811
Non-current liabilities						
Provisions	16	8,638	5,542	7,097	8,638	7,097
Employee benefit liabilities	17	456	256	330	456	330
Borrowings and other financial liabilities	18	135,000	98,463	99,000	135,000	99,000
Derivative financial instruments	19	–	1,279	71	–	71
Total Non-current liabilities		144,094	105,540	106,498	144,094	106,498
Total Liabilities		196,897	144,642	150,660	196,545	150,309
Net Assets		693,652	669,455	704,681	694,036	705,058
Equity						
Retained earnings	20	246,484	267,488	252,589	246,865	252,965
Revaluation reserves	20	437,423	389,873	442,305	437,423	442,305
Other reserves	20	9,746	12,094	9,788	9,746	9,788
Total Equity		693,652	669,455	704,681	694,036	705,058

Explanations of major variances against budget are provided on page 178.

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

Explanations of significant variances between the Council's actual results and the Council's budget for 2022/23

ASSETS

Term Deposits

The higher term deposit balance is due to a term deposit of \$18M for prefunding purposes. Prefunding allows the council to have funds available to repay current loans as they fall due.

Debtors and other receivables

The higher balance relates to a large payment from Crown Infrastructure Partners (CIP) not being received before 30 June. The amount has since been paid in July.

Non-current assets for sale

There are two properties actively being marketed for sale on Gladstone Road. The sections are now surplus to Council's requirements.

Plant, property and equipment assets

The higher than expected valuation of assets in 2021/2022 which was finalised with the 2021/22 Annual Report and adopted in May 2023 was not reflected in the 2022/23 Annual Plan.

Commercial property

The Focal Point Cinema was previously held for sale, is no longer expected to be sold and has been reclassified as commercial property.

Derivative financial instruments

The derivative asset is due to the increase in long term interest rates.

LIABILITIES

Payables and deferred revenue

The increase is due a higher level of capital work and operational work occurring in the last two months of the year and not being paid until August 2023.

Total borrowings

The overall higher borrowings are due to major projects progressing during the 2022-23 year.

Derivative financial instruments

The Council uses derivative financial instruments in the form of interest rate swaps to manage interest rate risks arising from borrowing activities. The lower derivative liability is due to the increase in long term interest rates.

Provisions

This increase reflects the increased cost of the best practicable option for remedying the old landfill site in Hōkio.

Statement of Cash Flows

HOROWHENUA DISTRICT COUNCIL As At 30 June 2023

	Council Actual \$ 30 June 2023 \$000	Council Budget \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Note					
Cashflow from operating activities					
Cash was provided from:					
Revenue from rates	47,552	47,227	43,191	47,552	43,191
Other revenue	481	28,597	21,043	481	21,043
Interest received	468	205	129	474	131
Net GST movement	-	-	167	-	167
Total cash provided	48,501	76,029	64,530	48,507	64,532
Cash was disbursed to:					
Suppliers, services and employees	55,455	48,240	50,118	55,455	50,118
Interest paid	5,417	3,467	2,884	5,417	2,884
Net GST movement	812	-	-	812	-
Total cash disbursed	61,684	51,707	53,002	61,684	53,002
Net cashflow from operating activity	31	(13,183)	11,528	(13,177)	11,530
Cashflows from investing activities					
Cash was provided from:					
Proceeds from asset sales	1,987	4,180	1,146	1,987	1,146
Proceeds from investments	-	-	-	-	-
Total cash provided	1,987	4,180	1,146	1,987	1,146
Cash was disbursed to:					
Purchases of investments	1,012	-	620	1,012	620
Purchase of assets	36,525	35,000	31,458	36,525	31,458
Total cash disbursed	37,537	35,000	32,078	37,537	32,078
Net cashflow from investing activity	(35,550)	(30,820)	(30,932)	(35,550)	(30,932)

	Council Actual \$ 30 June 2023 \$000	Council Budget \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Note					
Cashflows from financing activities					
Cash was provided from:					
Loans raised	103,975	18,356	78,000	103,975	78,000
Total cash provided	103,975	18,356	78,000	103,975	78,000
Cash was disbursed to:					
Repayment of public debt	59,975	10,000	62,000	59,975	62,000
Total cash disbursed	59,975	10,000	62,000	59,975	62,000
Net cashflow from financing activity	44,000	8,356	16,000	44,000	16,000
Net increase (decrease) in cash held	(4,733)	1,858	(3,404)	(4,727)	(3,402)
Add opening cash bought forward	5,998	2,522	9,402	6,024	9,426
Closing cash balance	1,265	4,380	5,998	1,297	6,024
Closing balance made up of cash and cash equivalents	7	1,265	4,380	1,297	6,024

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

Funding Impact Statement for Whole of Council

HOROWHENUA DISTRICT COUNCIL For the year ended 30 June 2023

	Annual Report 2022 \$000	Annual Plan Forecast 2022 \$000	Annual Plan Forecast 2023 \$000	Actual 2023 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	11,732	11,657	11,486	11,593
Targeted rates	31,675	31,790	35,741	36,221
Subsidies and grants for operating purposes	2,645	2,101	2,120	2,968
Fees and charges	4,241	4,721	3,693	4,203
Interest and dividends from investments	84	200	211	518
Local authorities fuel tax, fines, infringement fees, and other receipts	5,018	4,748	4,662	4,921
Total operating funding (A)	55,395	55,217	57,913	60,424
Applications of operating funding				
Payments to staff and suppliers	50,318	45,003	48,240	53,868
Finance costs	3,088	2,964	3,467	5,508
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	53,406	47,967	51,707	59,376
Surplus /(deficit) of operating funding (A-B)	1,989	7,250	6,206	1,048
Sources of capital funding				
Subsidies and grants for capital expenditure	7,203	15,135	16,605	9,547
Development and financial contributions	122	2,744	1,461	1,266
Increase (decrease) in debt	16,000	20,022	12,586	44,000
Gross proceeds from sale of assets	955	2,056	4,180	1,066
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	24,280	39,957	34,832	55,879

	Annual Report 2022 \$000	Annual Plan Forecast 2022 \$000	Annual Plan Forecast 2023 \$000	Actual 2023 \$000
Applications of capital funding				
Capital expenditure				
- to meet additional demand	5,407	18,042	10,349	8,862
- to improve the level of service	13,581	18,659	7,005	13,616
- to replace existing assets	12,108	18,838	17,646	13,789
Increase (decrease) in reserves	(5,462)	(8,332)	6,038	4,075
Increase (decrease) of investments	635	-	-	16,585
Total applications of capital funding (D)	26,269	47,207	41,038	56,927
Surplus/ (deficit) of capital funding (C-D)	(1,989)	(7,250)	(6,206)	(1,048)
Funding balance ((A-B)+(C-D))				
	-	-	-	-
Depreciation	16,091	14,722	17,196	19,265

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

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

HOROWHENUA DISTRICT COUNCIL For the year ended 30 June 2023

	Annual Report Actual 2022 \$000	Annual Plan Forecast 2023 \$000	Actual 2023 \$000
Revenue			
Statement of comprehensive revenue and expense			
Total operating revenue	71,944	76,062	74,882
Summary funding impact statement			
Sources of operating funding			
Total operating funding	55,395	57,913	60,424
Add sources of capital funding			
Subsidies and grants for capital expenditure	7,203	16,605	9,547
Development and financial contributions	122	1,461	1,266
Gain on derivative financial instruments	2,916	-	728
Other gains	680	33	603
Vested assets	5,628	-	2,313
Total revenue	71,944	76,062	74,881
Expenditure			
Statement of comprehensive revenue and expense			
Total operating expenditure	73,487	69,064	81,161
Summary funding impact statement			
Total application of operating funding	53,406	51,707	59,376
Loss on derivative financial instruments	-	-	-
Other losses	690	-	1,075
Increase / (decrease) in landfill provision	3,300	-	1,443
Add depreciation and amortisation expense	16,091	17,196	19,265
Total expenditure	73,487	69,064	81,161

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

Statement of Reserve Funds

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

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

2023 RESERVE FUNDS	Opening Balance 1 July 2022 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2023 \$000s
Restricted reserves – purpose of the fund				
FOXTON BEACH FREEHOLDING FUND (PROPERTY)				
Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,875	265	(569)	5,570
RESERVE LAND RESERVE (PARKS AND RECREATION)				
To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	203	9	-	212
ROAD UPGRADE RESERVE (ROADING ACTIVITY)				
To fund transport network improvements as approved by Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	861	39	-	900
WAIRARAWA STREAM WALKWAY				
To hold funds for the construction of a walkway along the Wairarawa stream.	60	3	-	63
Total restricted reserves	6,999	909	(569)	6,745
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR ROADING (ROADING ACTIVITY)				
To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	95	4	-	99
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WATER SUPPLIES (WATER SUPPLY ACTIVITY)				
To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	625	28	-	654
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WASTEWATER SCHEMES (WASTEWATER ACTIVITY)				
To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	153	9	-	160
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR PARKS AND RESERVES (PARKS AND RECREATION ACTIVITY)				
To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	722	32	-	754

2023 RESERVE FUNDS	Opening Balance 1 July 2022 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2023 \$000s
ELECTION FUND (REPRESENTATION AND GOVERNANCE ACTIVITY)				
To smooth the rating impact of election costs and to fund any by-election.	26	1	-	27
CAPITAL PROJECTS FUND (ALL ACTIVITIES)				
To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	954	43	-	997
FOXTON CITIZENS FUND (COMMUNITY SUPPORT ACTIVITY)				
To provide a fund for awards in recognition of community service in Foxton.	4	0	-	5
HOCKEY TURF REPLACEMENT FUND (PARKS AND RECREATION – SPORTS GROUNDS)				
To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust.	34	52	(84)	2
ESPLANADE FUND (PARKS AND RECREATION)				
To provide a fund to construct or provide for possible public accessways to esplanade reserves created under the Resource Management Act.	146	7	-	153
SHANNON RAILWAY STATION FUND (PROPERTY ACTIVITY)				
Set aside from grants to preserve the historic Shannon Railway Station.	28	1	-	30
MAYORAL RELIEF FUND				
Set aside for use in a future disaster event	-	121	-	121
Total Council-created reserves	2,787	298	(84)	3,001
Total all reserve funds	9,786	1,270	(653)	9,746

2022 RESERVE FUNDS	Opening Balance 1 July 2021 \$000s	Deposits for the period of the year \$000s	Withdrawals for the period of the year \$000s	Closing balance 3 June 2022
FOXTON BEACH FREEHOLDING FUND (PROPERTY)*				
Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,674	864	(663)	5,875
RESERVE LAND RESERVE (PARKS AND RECREATION)				
To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	198	5	-	203
ROAD UPGRADE RESERVE (ROADING ACTIVITY)				
To fund transport network improvements as approved by Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	836	25	-	861
WAIRARAWA STREAM WALKWAY				
To hold funds for the construction of a walkway along the Wairarawa stream.	58	2	-	60
Total restricted reserves	6,766	302	(663)	6,999

* Foxton Beach Freeholding Fund (Property) balance at 30 June 2022 was understated by \$594,000.

Statement of Reserve Funds

2022 RESERVE FUNDS	Opening Balance 1 July 2021 \$000s	Deposits for the period of the year \$000s	Withdrawals for the period of the year \$000s	Closing balance 3 June 2022
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR ROADING (ROADING ACTIVITY)				
To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	92	3	-	95
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WATER SUPPLIES (WATER SUPPLY ACTIVITY)				
To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	607	18	-	625
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WASTEWATER SCHEMES (WASTEWATER ACTIVITY)				
To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	150	3	-	625
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR PARKS AND RESERVES (PARKS AND RECREATION ACTIVITY)				
To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	701	21	-	722
ELECTION FUND (REPRESENTATION AND GOVERNANCE ACTIVITY)				
To smooth the rating impact of election costs and to fund any by-election.	26	0	-	26
CAPITAL PROJECTS FUND (ALL ACTIVITIES)				
To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	927	27	-	954
FOXTON CITIZENS FUND (COMMUNITY SUPPORT ACTIVITY)				
To provide a fund for awards in recognition of community service in Foxton.	4	0	-	4
HOCKEY TURF REPLACEMENT FUND (PARKS AND RECREATION – SPORTS GROUNDS)				
To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust.	322	34	(322)	34
ESPLANADE FUND (PARKS AND RECREATION)				
To provide a fund to construct or provide for possible public accessways to esplanade reserves created under the Resource Management Act.	142	4	-	146
SHANNON RAILWAY STATION FUND (PROPERTY ACTIVITY)				
Set aside from grants to preserve the historic Shannon Railway Station.	28	0	-	28
Total Council-created reserves	2,999	110	(322)	2,787
Total all reserve funds	9,765	412	(985)	9,786

Council's Interest in Other Entities

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

SHANNON COMMUNITY DEVELOPMENT TRUST

Nature and scope of activities provided

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

Policies and objectives on ownership and control

The Trust was established on 02 August 2012. The Trust has five Trustees (excluding Advisory Trustees). The current Councillor for Miranui Ward will automatically be one of the five.

The Trust is an exempt Council Controlled Organisation (CCO), as it has not been established for the purposes of making a profit and is not intended to be a CCO under the Local Government Act 2002.

The Trust is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) as approved by Council on 10 November 2021.

The Council receives the Trust's annual report. The annual accounts are included in the Group financials for 30 June 2023.

MANAWATŪ-WHANGANUI LOCAL AUTHORITY SHARED SERVICES LIMITED (MW LASS)

Nature and scope of activities provided

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

Policies and objectives on ownership and control

The company comprises of a Board of eight directors, seven CEOs of the shareholding councils and one Independent Director. The Board oversees the governance of Manawatu-Whanganui LASS Limited.

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

The company is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) as approved by Council on 10 November 2021.

Notes to the Financial Statements

For the year ended 30 June 2023

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1. RATES REVENUE	Council and Group Actual \$ 30 June 2023 \$000	Council and Group Budget \$ 30 June 2023 \$000	Council and Group Actual \$ 30 June 2022 \$000
General rates			
Uniform annual general charge	-	-	-
Differential general rates	11,500	11,463	11,630
Penalties	482	400	439
Total general-purpose rates	11,982	11,863	12,069
Targeted rates			
Solid waste rates	2,871	2,866	2,213
Roading rate	4,060	4,049	3,022
Library services and Community Centres rate	4,581	4,569	4,595
Representation and Community Leadership rate	4,577	4,566	4,050
Aquatic centre (Swimming pool) rate	2,414	2,407	2,244
Stormwater rate	2,123	2,092	1,663
Wastewater Disposal rate	7,748	7,737	6,858
Total targeted rates excluding water rates	28,374	28,286	24,645
Water rates			
District wide	5,563	5,560	5,139
Foxton Beach	512	519	476
Metered water supply	1,773	1,378	1,416
Total targeted water rates	7,848	7,457	7,031
Total rates revenue (gross of remissions)	48,204	47,606	43,745

1. RATES REVENUE	Council and Group Actual \$ 30 June 2023 \$000	Council and Group Budget \$ 30 June 2023 \$000	Council and Group Actual \$ 30 June 2022 \$000
Net Rates			
Total rates revenue (gross)	48,204	47,608	43,745
Remissions under the Council remission policy	(389)	(379)	(337)
Total rate remissions	(389)	(379)	(337)
Total rates revenue net of remissions	47,815	47,227	43,408
Exchange transaction	-	-	-
Non-exchange transaction	47,815	47,227	43,408
Total transactions	47,815	47,227	43,408
Total rates revenue includes \$223,944 (2022 \$172,638) for rates paid by Horowhenua District Council on properties owned by Council			

Rateable properties	30 June 2023	30 June 2022
Total properties	18,563	18,521
Total land value	\$8,625,595,400	\$5,041,569,800
Total capital value	\$14,861,408,500	\$10,022,728,850

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

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

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
2. FINANCE REVENUE AND OTHER REVENUE				
2a. Finance revenue				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	234	70	249	75
Interest rate swaps (presented net)	223	-	223	-
Borrower notes	56	11	56	11
Total finance revenue	513	81	528	86
Exchange transactions				
Exchange transactions	513	81	528	86
Non-exchange transactions				
Non-exchange transactions	-	-	-	-
Total finance revenue transactions	513	81	528	86
2b. Subsidies and grants				
Waka Kotahi/NZTA government grants	6,290	7,243	6,290	7,243
Three Waters Stimulus fund	515	1,802	515	1,802
Private sector grants	20	-	20	-
Provincial Growth Fund	1,739	67	1,739	67
Other government grants	3,951	736	3,951	736
Total subsidies and grants	12,515	9,848	12,515	9,848
Exchange transactions				
Exchange transactions	-	-	-	-
Non-exchange transactions				
Non-exchange transactions	12,515	9,848	12,515	9,848
Total subsidies and grants transactions	12,515	9,848	12,515	9,848
2c. Fees and charges				
User charges	4,100	4,096	4,100	4,096
Rental revenue from commercial properties	103	145	103	145
Total fees and charges	4,203	4,241	4,203	4,241
Exchange transactions				
Exchange transactions	222	232	222	232
Non-exchange transactions				
Non-exchange transactions	3,982	4,009	3,982	4,009
Total fees and charges transactions	4,203	4,241	4,203	4,241

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
2. FINANCE REVENUE AND OTHER REVENUE				
2d. Other revenue				
Infringements and fines	378	306	378	306
Rendering of services	1,625	1,075	1,625	1,075
Petrol tax	230	228	230	228
Dividend revenue	5	3	5	3
Insurance recoveries:				
– Buildings	-	1	-	1
Regulatory revenue	2,678	3,394	2,678	3,394
Donations	10	13	10	13
Total other revenue	4,926	5,020	4,926	5,020
2e. Vested assets				
Exchange transactions	451	357	451	357
Non-exchange transactions	4,475	4,663	4,475	4,663
Total other revenue transactions	4,926	5,020	4,926	5,020
2f. Development contributions				
Exchange transactions	-	-	-	-
Non-exchange transactions	3,579	5,750	3,579	5,750
Total vested assets and development contributions transactions	3,579	5,750	3,579	5,750

There are no unfulfilled conditions and other contingencies attached to government grants recognised other than that relating to the government grant for housing discussed in Note 22.

The vested assets income relates to infrastructure assets vested to Council as part of the subdivision process.

3. OTHER GAINS/(LOSSES)	Note	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Non-financial instruments					
Gain/(loss) on changes in fair value of forestry assets	13	100	(170)	100	(170)
Gain on disposal of property, plant and equipment		87	246	87	246
Loss on disposal of property, plant and equipment		(921)	246	(921)	246
Gain/(loss) on changes in fair value of investment property	14	416	(210)	416	(210)
Total non-financial instruments		(318)	112	(318)	112
Financial instruments					
Gain/(loss) on revaluation of financial assets		(154)	15	(154)	15
Total financial instruments		(154)	15	(154)	15
Total gains/(losses)		(472)	127	(472)	127
Properties sold during the year ending 30 June 2023 242 Gladstone Street					

4. EMPLOYEE BENEFIT EXPENSES

Salaries and wages	18,854	16,441	18,854	16,441
Increase/(decrease) in employee entitlements	369	90	369	90
Other employee benefit expenses	410	481	410	481
Employer contributions to superannuation schemes	496	439	496	439
Total employee benefit expenses	20,129	17,451	20,129	17,451

5. OTHER OPERATING EXPENSES	Note	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Fees to auditors					
Fees to Audit NZ for audit of the financial statements and performance information		220	183	220	183
Fees to Audit NZ for audit of the Long Term Plan Amendment for 2021-2041		45	-	45	-
Fees to Audit NZ for other services		-	5	-	5
Fees to Assurance CA firm for audit of Council's subsidiaries' financial statement		5	-	5	-
Total fees to auditors		270	188	270	188
Donations					
Debtors written off	8	28	30	28	30
Impairment of receivables	8	131	347	131	347
Minimum lease payments under operating leases		140	118	140	118
Professional services		7,334	7,660	7,334	7,660
Asset maintenance contract expenditure		18,795	18,322	18,795	18,322
General grants		694	1,052	694	1,052
Expenditure on utilities		1,262	1,243	1,262	1,243
Other		5,087	3,907	5,096	3,910
Total other operating expenses		33,741	32,867	33,750	32,870
6. FINANCE COSTS					
Interest on borrowings		5,417	2,497	5,417	2,497
Interest rate swaps (presented net)		91	591	91	591
Total finance costs		5,508	3,088	5,508	3,088

7. CASH AND CASH EQUIVALENTS	Note	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Cash at bank and in hand		1,265	5,998	1,297	6,024
Total cash and cash equivalents		1,265	5,998	1,297	6,024
Cash and cash equivalents for the purpose of the statement of cash flows					
Cash at bank and in hand		1,265	5,998	1,297	6,024
Bank overdrafts		-	-	-	-
Total cash and cash equivalents for the purpose of the statement of cash flows		1,265	5,998	1,297	6,024

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value. There are no financial assets recognised in a non-exchange transaction that are subject to restrictions.

8. DEBTORS AND OTHER RECEIVABLES	Note	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Gross debtors and other receivables					
Rates receivables		3,455	2,529	3,455	2,529
Related party receivables	23	-	-	-	-
GST receivable		995	1,151	995	1,151
Other receivables		8,629	2,028	8,629	2,028
Total gross debtors and other receivables		13,079	5,708	13,079	5,708
Less provision for impairment of receivables		(565)	(724)	(565)	(724)
Net debtors and other receivables		12,514	4,984	12,514	4,984
Less non-current portion:		-	-	-	-
Total current portion debtors and other receivables		12,514	4,984	12,514	4,984
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges for activities that are partly subsidised by rates.		12,458	4,906	12,458	4,906
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.		56	78	56	78
Total debtors and other receivables transactions		12,514	4,984	12,514	4,984

Fair value

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

Impairment

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

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

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

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

As of 30 June 2023 and 2022 all overdue receivables, except for rates receivables, have been assessed for impairment and appropriate provisions applied. Horowhenua District Council holds no collateral as security or other enhancements over receivables that are either past due or impaired.

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

Movement in the allowance for credit losses	21/22	22/23
Opening balance adjustment due to adoption of PBE IPSAS 41	-	(134)
Individual Impairment	723	696
Collective Impairment	-	3
Allowance for doubtful debts for trade receivable other at 30 June	724	565
Movement in the allowance for credit losses		
Balance at 1 July measured under PBE IPSAS 29	1,101	724
ECL adjustment due to adoption of PBE IPSAS 41	-	(134)
Opening balance for expected credit losses at 1 July	1,101	590
Provision Utilised	(564)	(115)
Increased Provision	187	90
Released unused provision	-	-
Closing balance for expected credit losses at 30 June	724	565

The aging profile of receivables excluding property rates, for the year ended 30 June:

Trade and other receivables (excluding property rates)	22/23				21/22			
	Gross	Expected Credit Loss	Provision for impairment	Net	Gross	Expected Credit Loss	Provision for Impairment	Net
Not past due	2,729	0%	-	2,729	427	0%	-	427
1-30 days	4,901	0.71%	494	4,407	651	0.71%	542	109
31-60 days	266	9.56%	25	240	147	9.56%	14	133
61-90 days	33	25.63%	8	24	121	25.63%	31	90
> 90 days	735	5.12%	38	697	57	5.12%	3	54
Total	8,662	-	565	8,097	1,404	-	590	814

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
9. OTHER FINANCIAL ASSETS				
Short-term deposits with maturities of 4–12 months	18,350	350	18,350	350
Total current portion	18,350	350	18,350	350
Non-current portion				
Investment in CCOs and similar entities				
Unlisted shares in NZLGIC Limited	104	104	104	104
Unlisted shares in LGFA	100	100	100	100
Total investment in CCOs and similar entities	204	204	204	204
Investment in associates				
MW LASS	52	52	52	52
Total investment in associates	52	52	52	52
Other				
LGFA borrower notes	3,250	2,392	3,250	2,392
Community loans	–	–	–	–
Total other	3,250	2,392	3,250	2,392
Total non-current portion	3,506	2,648	3,506	2,648
Total other financial assets	21,856	2,998	21,856	2,998

Fair value

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

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
MATURITY ANALYSIS AND EFFECTIVE INTEREST RATES:				
Short-term deposits with maturities 3 months or less	-	-	-	-
Average maturity	-	-	-	-
Weighted average effective interest rate	-	-	-	-
Short-term deposits with maturities of 4–12 months	18,350	350	18,350	350
Average maturity	365 Days	214 Days	365 Days	214 Days
Weighted average effective interest rate	5.63%	4.24%	5.63%	4.24%

Impairment

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

On the date of initial application of PBE IPSAS 41, the classification and carry amounts of financial assets under PBE IPSAS 41 and PBE IPSAS is outlined in the following table.

	MEASUREMENT CATEGORY		CARRYING AMOUNT	
	PBE IPSAS 29	PBE IPSAS 41	PBE IPSAS 29 30 June 2022 \$000	PBE IPSAS 41 1 July 2022 \$000
21/22				
Financial Assets				
Cash & Cash Equivalents	Loans and receivables	Amortised Costs	5,998	5,998
Term Deposit	Loans and Receivables	Amortised Costs	350	350
Receivables (excluding GST receivables, prepayment and rates debtors)*	Loans and receivables	Amortised Costs	1,304	1,438
Interest Rate Swap	Fair Value through surplus or deficit	Fair value through surplus or deficit	1,093	1,093
LGFA Borrow Notes	Loans and receivables	Fair value through surplus or deficit	2,392	2,392
Derivative Financial instruments	Loans and receivables	Fair value through surplus or deficit	52	52
Shares investments	Fair value through other comprehensive revenue and expense	Fair value through other comprehensive revenue and expense	204	204
Total			11,341	11,475
Financial Liabilities				
Creditors	Amortised Cost	Amortised Cost	15,898	15,898
Borrowings	Amortised Cost	Amortised Cost	124,000	124,000
Interest rate swap	Fair Value through surplus or deficit	Fair Value through surplus or deficit	175	175
Total			140,073	140,073

* the receivables comparative balances have been restated to exclude rates debtors of \$2,529,000

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
10. NON-CURRENT ASSETS HELD FOR SALE				
Land & Buildings	1,180	-	1,180	-
Total assets held for sale	1,180	-	1,180	-

258 and 260 Gladstone street are currently available for sale.

WORK IN PROGRESS	30 June 20 23	30 June 2022
Land	-	\$77,497
Buildings	\$3,606,174	\$1,252,201
Wastewater	\$6,182,575	\$3,961,160
Water	\$4,431,273	-
Parks	\$3,036,965	\$657,983
Plant & Equipment	\$161,560	\$230,967
Stormwater	\$3,771,713	\$959,604
Cemeteries	\$29,643	-
Roading	\$2,035,425	-
Books	\$1,056	-
Total	\$23,256,384	\$7,139,412

The Work in Progress in the table is included in the above asset schedule.

The increase in Work in Progress reflects the more precise monitoring of project completion at an asset level during the 2022/23 year. Multiple large projects spanning financial years and pending resource consent applications contribute to these costs. Projects include Tara-Ika infrastructure additions, as well as the Waitāreere Surf Life Club new building and refurbishment of the Foxton Aquatic Centre yet to be completed as at 30 June 2023.

Restrictions on Title

There are no pledges or restrictions on titles for any properties, plant or equipment as per the accounting policies for restricted assets. Foxton Depot Building was impaired to the value of \$50,000 following structural assessment that identified strengthening of that value is required.

Prior Year Correction

The property at 15-23 Durham Street consists of 5 separate titles with a total area of 5,169 square metres. The intention of the sale is to allow for the land to be used to develop a medical centre and pharmacy complex. Council has the buyback ability at the same price by 22 June 2024 as specified in the sale and purchase agreement.

On 30 June 2022 15-23 Durham Street was sold and was incorrectly not recognised in the 2021/22 Annual report. The sale has since been recognised in the 2022/23 accounts.

The error has been corrected by restating the opening equity as at 1 July 2022 and each of the affected financial statement items for the year ended 30 June 2023, as shown below.

Impact on Statement of Comprehensive Revenue and Expense	Group and Council 30 June 2022
Operating Surplus/(deficit) for the year	-
Decrease in Other Comprehensive revenue and Expense for the year	(880)
Total Impact	(880)

Impact on net assets/equity	Group and Council 30 June 2022
Retained earnings	-
Decrease in asset revaluation reserves	(880)
Total impact	(880)

Impact on Financial Position	Group and Council 30 June 2022
Increase in Accounts Receivable	1,050
Decrease in Property, Plant & Equipment	(1,930)
Total Impact	(880)

Description	Date of last full asset valuation	Valuation method used to assess fair value for 2022/23	Valuation performed by	Next full asset revaluation date
Operational assets				
Land and buildings	30 June 2022	At "fair value" was determined from market-based evidence by an internal assessment, and where the value of the asset is not able to be readily determined using market based evidence, depreciated replacement cost has been used to determine fair value. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 30 June 2022. Fair value assessment was completed as at 30 June 2023, no material movement is noted from previous valuation.	B D Lavender (ANZIV, SNZPI) of TelferYoung	30 June 2025
Infrastructural assets				
Water reticulation, sewerage reticulation and stormwater systems	30 June 2022	The fair value is measured using the optimised depreciated replacement cost method. Valuations are based on the physical attributes of the assets, their condition and their remaining lives based on Council's best information reflected in its assets management plans. The costs are based on current quotes from suppliers and as such they include ancillary cost such as breaking through seal, traffic control and rehabilitation. Unit rates are adjusted using the appropriate water and environmental management index. Infrastructural assets were revalued in two parts, one part made up of three waters reticulation and treatment plants the other Infrastructure land and buildings. The fair valued of the three waters reticulation and treatment plants were independently assessed for fair value changes with an effective date of 31 May 2023 by WSP New Zealand and it was determined that a full valuation was not required.	WSP New Zealand	30 June 2025
Land and building portion of treatment plants	30 June 2022	At "fair value" was determined from market-based evidence by an independent valuer, and where the value of the asset is not able to be readily determined using market based evidence, depreciated replacement cost has been used to determine fair value. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation was effective as at 30 June 2022. An independent fair value assessment was also performed as of 31 May 2023 by TelferYoung and it was determined that a full valuations was not required. The accounts have not been adjusted for the fair value movement as it was not deemed material to the accounts.	B D Lavender (ANZIV, SNZPI) of TelferYoung	30 June 2025
Solid Waste: Land and Building	30 June 2023	At "fair value" was determined from market-based evidence by an independent valuer, and where the value of the asset is not able to be readily determined using market based evidence, depreciated replacement cost has been used to determine fair value. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 30 June 2023.	B D Lavender (ANZIV, SNZPI) of TelferYoung	30 June 2026
Roading	30 June 2022	The "fair value" is measured using the optimised depreciated replacement cost method. The valuation is based on the inventory within the Road Assessment and Maintenance Management (RAMM) database and unit prices updated as part of the valuation. The rates for replacement costs of assets are based on current construction costs of similar works. Rates for major items are equivalent rates for similar roading work in other parts of the Wellington region. Unit rates have been adjusted using the appropriate roading construction index. The condition of Roading assets was not considered as part of the Roading revaluation because the confidence levels in the condition data was not high enough to be relied upon. There was an assumption made that there has been no change to the fair value of useful life (UL)/Remaining useful life (RUL) due to the conditions of the assets. The most recent independent valuation with an effective date of 30 June 2022 was performed internally with external peer review by GHD. The fair value of the roading assets were independently assessed for fair value changes with an effective date of 31 May 2023 by WSP New Zealand and it was determined that a full valuation was not required.	Performed internally with external peer review by GHD	30 June 2024
Land Under Roads	30 June 2022	Land under Roads is carried at cost.		
Restricted assets				
Land and buildings: Parks, cemeteries and endowment land	30 June 2022	At "fair value" was determined from market-based evidence by an independent valuer, and where the value of the asset is not able to be readily determined using market based evidence, depreciated replacement cost has been used to determine fair value. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 30 June 2022. Fair value assessment was completed at 30 June 2023, no material movement is noted from previous valuation.	B D Lavender (ANZIV, SNZPI) of TelferYoung	30 June 2025

Description	Date of last full asset valuation	Valuation method used to assess fair value for 2022/23	Valuation performed by	Next full asset revaluation date
Others				
Forestry	30 June 2023	<p>Independent registered valuers at Forme Consulting Ltd have valued the forestry assets as at 30 June 2023. Valuation assumptions adopted in determining the fair value of the forestry assets include:</p> <ul style="list-style-type: none"> • a pre-tax discount rate of 7.9% (2021: 7.9%) has been used in discounting the present value of expected cash returns; • the value of the land and the cost of owning the land are not allowed for in the valuation; • the estimated net stocked forest area is based on aerial mapping records; • trend log prices are based on an average of the last six quarters; and • costs are current average costs. 	Forme Consulting Ltd	30 June 2024
Solid Waste: Landfill	30 June 2023	<p>Independent registered valuers at Stantec have valued the Solid waste landfill assets as at 30 June 2023. Valuation assumptions adopted in determining the fair value of the landfill include:</p> <ul style="list-style-type: none"> • Cost Adjustment Factor (CAF) has been used to convert data from earlier years to 2023 rates. • Data was available from Council's Capex information, final payment claims for Stages 1A, 2, 3A, 3B and 3C, Stantec professional services invoices, Council landfill tendered rates, Tasman DC tendered rates, and Rawlinsons (2013/2014) with the CAF applied for periods varying between one and twenty-seven years as applicable. • The CAF has been applied to both construction activities and professional services. • The main access road is assumed to consist of the section of road that was in place prior to the construction of Stage 1A, and which extends to the existing site office/storage shed. It is assumed to consist of the following: 6m wide chip seal, 150mm basecourse, and 150mm subbase. • Perimeter fencing is based on a stock-proof 7-wire strand fence along the entire landfill boundary. It excludes any internal fencing that may exist. • Weighbridge kiosk replacement costs are based on rates tendered in 2011 for a similar facility in Tasman District. • Site office /storage shed costs are based on square metre rates derived from Rawlinsons (2013/2014). • Monitoring bore costs are based on those costs known for bores constructed in 1997/1998 (Monitoring bores - C2Ds, C2Dd, D1, D2, D3, D6, E1d/s, E2d/s) and 2009/2010 (G1(s), G1(d), G2, D3(r)), and pro-rated for depth of bores. • Replacement costs calculations for the main access road, perimeter fencing, weighbridge kiosk, site office /storage shed, and monitoring bores. 	Stantec	30 June 2026

	Cost / revaluation 1-Jul-22 \$000	Accumulated amortisation and impairment charges 1-Jul-22 \$000	Carrying amount 1-Jul-22 \$000	Additions 2022/23 \$000	Vested assets 2022/23 \$000	Disposals at Cost 2022/23 \$000	Amortisation 2022/23 \$000	Revaluation 2022/23 \$000	Cost transfers 2022/23 \$000	Accumulated depreciation transfers 2022/23 \$000	Cost / revaluation 2022/23 \$000	Accumulated amortisation and impairment charges 30-Jun-23 \$000	Carrying amount 30-Jun-23 \$000
12. INTANGIBLE ASSETS 2023													
- COUNCIL & GROUP													
Council intangible assets													
Easements	296	-	296	-	-	-	-	-	-	-	296	-	296
Carbon credits	1,028	-	1,028	-	-	-	(463)	-	-	-	565	-	565
Computer software	4,932	(4,517)	415	9	-	-	212	-	-	-	4,941	(4,729)	212
Total council intangible assets	6,256	(4,517)	1,739	9	-	-	212	(463)	-	-	5,802	(4,729)	1,073

	Cost / revaluation 1-Jul-22 \$000	Accumulated amortisation and impairment charges 1-Jul-22 \$000	Carrying amount 1-Jul-22 \$000	Additions 2022/23 \$000	Vested assets 2022/23 \$000	Disposals at Cost 2022/23 \$000	Amortisation 2022/23 \$000	Revaluation 2022/23 \$000	Cost transfers 2022/23 \$000	Accumulated depreciation transfers 2022/23 \$000	Cost / revaluation 2022/23 \$000	Accumulated amortisation and impairment charges 30-Jun-23 \$000	Carrying amount 30-Jun-23 \$000
12. INTANGIBLE ASSETS 2022													
- COUNCIL & GROUP													
Council intangible assets													
Easements	265	-	265	-	-	-	-	31	-	-	296	-	296
Carbon credits	609	-	609	-	-	-	419	-	-	-	1,028	-	1,028
Computer software	4,861	(4,272)	589	71	-	-	(245)	-	-	-	4,932	(4,517)	415
Total council intangible assets	5,735	(4,272)	1,463	71	-	-	(245)	450	-	-	6,256	(4,517)	1,739

Impairment of easements

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

Life of easements

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

13. FORESTRY ASSETS	Note	Council and Group Actual \$ 30 June 2023 \$000	Council and Group Actual \$ 30 June 2022 \$000
Balance at 01 July		1,110	1,248
Gains / (losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	3	100	(170)
Purchase of trees		-	32
Harvest of trees at the POT		(44)	-
Total Forestry assets		1,166	1,110

Council owns 133.3 hectares of pinus radiata forest and other harvestable trees, which are at varying stages of maturity ranging from one to 28 years. This consists of the Ferry Reserve 11.6 ha, Purcell St Transfer Station 3.9 ha, Hōkio Landfill 38.6 ha and Target Reserve 26 ha, The POT forest has 33.5 ha.

Independent registered valuers, Forme Consulting Ltd, have valued the forestry assets as at 30 June 2023. Valuation assumptions adopted in determining the fair value of the forestry assets include:

- a pre-tax discount rate of 7.8% (2022: 7.9%) has been used in discounting the present value of expected cash returns;
- the value of the land and the cost of owning the land are not allowed for in the valuation;
- the estimated net stocked forest area is based on aerial mapping records;
- trend log prices are based on an average of the last six quarters; and
- costs are current average costs.

Financial Risk Management Strategies

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

There are no restrictions on titles and liabilities for forestry.

14. COMMERCIAL PROPERTY	Note	Council and Group Actual \$ 30 June 2023 \$000	Council and Group Actual \$ 30 June 2022 \$000
Balance at 01 July		884	-
Additions from acquisitions		-	4
Additions from subsequent expenditure		-	-
Disposals		-	-
Transfer from / (to) assets held for sale		-	1,090
Fair value gains / (losses) on valuation	3	416	(210)
Total Commercial property		1,300	884

Horowhenua District Council's investment properties are valued annually at fair value effective 30 June 2023. All commercial properties were valued based on open market evidence. The valuation was performed by Bruce Lavender ANZIV, an independent valuer from TelferYoung, experienced valuers with extensive market knowledge in the types of investment properties owned by Horowhenua District Council.

The market value at 30 June 2023 was \$1,300,000 which has taken into account all the improvements made to that time. Assumptions vary depending on the item being valued. Land is based on current sales, Leasehold Land is based on recent market sales evidence and commercial properties is determined by rental achieved or achievable with appropriate capitalisation return indicating property worth.

REVENUE AND EXPENSE FROM COMMERCIAL PROPERTY	Note	Council and Group Actual \$ 30 June 2023 \$000	Council and Group Actual \$ 30 June 2022 \$000
Rental revenue		103	97
Direct operating expenses from commercial property generating revenue		(40)	(51)
Direct operating expenses from commercial property not generating revenue		-	-
Contractual obligations for capital expenditure		-	-
Contractual obligations for operating expenditure		-	-
Surplus / (deficit) from investment property		63	46

15. PAYABLES AND DEFERRED REVENUE	Note	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Trade payables		8,402	8,833	8,402	8,833
Deposits and bonds		1,395	1,511	1,395	1,511
Accrued expenses		2,431	1,940	2,431	1,940
Rates and other revenue in advance		2,168	2,247	2,168	2,247
Other		1,744	1,017	1,744	1,017
Term deposit held for Shannon Community Trust		350	350	-	-
Total payables and deferred revenue		16,490	15,898	16,140	15,547

Exchange transactions		14,379	13,615	14,029	13,265
Non-exchange transactions		2,111	2,283	2,111	2,283
Total payables and deferred revenue transactions		16,490	15,898	16,140	15,547

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

16. PROVISIONS	Council and Group Actual \$ 30 June 2023 \$000	Council and Group Actual \$ 30 June 2022 \$000
Current provisions are represented by:		
Landfill aftercare	1,516	1,614
Total current provisions	1,516	1,614
Non-current provisions are represented by:		
Landfill aftercare	8,638	7,097
Total non-current provisions	8,638	7,097
Total provisions	10,154	8,711
Landfill aftercare		
Opening balance	8,711	5,411
Additional provisions made during the year	1,443	3,300
Unwinding of discount	-	-
Amounts used during the year	-	-
Closing landfill aftercare balance	10,154	8,711

Provision for financial guarantees

Horowhenua District Council is listed as sole guarantor to a community organisation's bank loan. Under this guarantee Horowhenua District Council is obligated to make loan payments in the event the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent upon the financial stability of the community organisation, which will vary over time; it is not considered to be necessary to make any provision as at 30 June 2023 (30 June 2022: \$Nil). Refer to Note 22.

Provision for landfill aftercare costs

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

Cash outflows for landfill post-closure costs are already being incurred for closed cells, (a cell is a set area of the landfill) that has and will increase as each current and future cell is closed (that time is between 2022 and 2052). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using discount rates ranging from 4.19% to 5.43% (2022: 3.34% to 4.47%). The inflation factor is the Treasury's CPI assumption with rates ranging from 1.99% to 3.26% (2022: 3.34% to 4.28%). The gross provision before discounting was \$18.2m (2022: \$14.1m).

The provision was estimated by P Landmark of Stantec New Zealand as at 30 June 2023 (2022: P Landmark of Stantec New Zealand). P Landmark of Stantec New Zealand is an independent valuer.

Assumptions have been made that additional remediation, including clay capping, is required and that environmental monitoring will be increased. It has also been assumed that pumping operations will need to continue for a period of at least 30 years after the closure of the landfill and post-closure costs have been assumed from information presented in the Ministry for the Environment (MfE) Closed Landfills Guideline.

During the 2022/2023 the decision was made that the Levin Landfill will remain closed and alternative uses will be investigated for the site. As the site is now permanently closed there is no remaining capacity (2022: 472,180 cubic metres), and there is no remaining useful life (2022: 15 years).

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
17. EMPLOYMENT BENEFIT LIABILITIES				
Accrued pay	358	308	358	308
Annual leave	1,433	1,238	1,433	1,238
Long service leave	456	330	456	330
Retirement gratuities	-	-	-	-
Total employee benefit liabilities	2,247	1,876	2,247	1,876
Comprising:				
Current	1,791	1,546	1,791	1,546
Non-current	456	330	456	330
Total employee benefit liabilities	2,247	1,876	2,247	1,876

Long service leave assumptions

Long service leave is calculated based on estimate of individual staff members reaching the long service leave milestones based on current salaries. Non-current employee benefit liabilities of \$456k relates to Long service leave.

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
18. BORROWINGS				
Current				
Bank overdraft	-	-	-	-
Secured loans	33,000	25,000	33,000	25,000
Total current borrowings	33,000	25,000	33,000	25,000
Non-current				
Secured loans	135,000	99,000	135,000	99,000
Total non-current borrowings	135,000	99,000	135,000	99,000
Total borrowings	168,000	124,000	168,000	124,000

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

Fixed rate debt

Horowhenua District Council's secured debt of \$68,000,000 (2022: \$70,000,000) is issued at rates of interest fixed at time of issue.

Floating rate debt

Horowhenua District Council has \$97,000,000 of secured debt on current floating rate (2022: \$54,000,000). The interest rate is reset quarterly based on the 90-day bill rate plus a margin for credit risk.

Committed cash advance facility

Horowhenua District Council has a CARL (Customised Average Rate Loan) of \$7m with BNZ. Of the \$7m BNZ CARL facility, \$3m was drawn down as at 30 June 2023. This is included in current borrowings.

Horowhenua District Council has a standby credit facility of \$20m with LGFA (New Zealand Local Government Funding Agency Limited) which has not been included in the financial statements.

Credit card

Horowhenua District Council has a total Mastercard facility of \$50,000 with BNZ. There are three credit cards on issue with a total limit of \$30,000. The current balances of the cards on issue are recorded in the financial statements but the remaining balance of the total facility are not recorded in the financial statements.

Security

All Horowhenua District Council's secured loans are secured under the terms of the Debenture Trust Deed between Horowhenua District Council and Covenant Trustee Services Ltd as Trustee. Security is by a charge over Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, Horowhenua District Council has issued to its bankers security certificates totalling \$185m to secure the various bank loan facilities and guarantees issued on behalf of Horowhenua District Council and other general banking facilities. An additional \$18,570m of security certificates have been issued as part of the Local Government Funding Agency agreement to jointly secure debt issues with other shareholding Councils.

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

Council and Group	Secured Loans	Secured Loans	Bank Overdraft	Bank Overdraft
	Actual \$ 30 June 2023 \$000	Actual \$ 30 June 2022 \$000	Actual \$ 30 June 2023 \$000	Actual \$ 30 June 2022 \$000
Less than one year	33,000	25,000	-	-
Effective weighted average interest rate	3.20%	2.84%	0.00%	0.00%
Later than one year but not more than five years	104,000	71,000	-	-
Effective weighted average interest rate	4.35%	3.68%	0.00%	0.00%
Later than five years	31,000	28,000	-	-
Effective weighted average interest rate	5.83%	2.31%	0.00%	0.00%
Total borrowings	168,000	124,000	-	-

Fair value of borrowings

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

Council and Group	CARRYING AMOUNTS		FAIR VALUES	
	Actual \$ 30 June 2023 \$000	Actual \$ 30 June 2022 \$000	Actual \$ 30 June 2023 \$000	Actual \$ 30 June 2022 \$000
Secured Loans	168,000	124,000	168,000	124,000
Total borrowings	168,000	124,000	168,000	124,000

The carrying amounts of borrowings repayable within one year approximate their fair value. The fair values are based on cash flow using a rate based on the weighted borrowing rates ranging from 1.6500% to 6.8500% (2022: 0.5550% to 5.9852%).

Internal borrowings

Information about internal borrowings per activity is provided on the activity funding impact statements on pages 52 to 169.

LGFA Covenant Compliance	Council Limits	LGFA Lending Policy	Actual 30 June 2023	Actual 30 June 2022
Net debt to total operating revenue	< 225%	< 250%	211%	189%
Net interest to total operating revenue	< 20%	< 20%	7%	5%
Net interest to annual rates revenue	< 25%	< 25%	10%	7%
Available financial accommodation to external indebtedness	> 110%	> 110%	126%	117%

The net debt to total operating revenue Council limit and LGFA lending policy limit are different because the 225% limit is self-imposed limit set in the 2021 LTP.

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
19. DERIVATIVE FINANCIAL INSTRUMENTS				
Asset				
Current asset				
Interest rate swaps – cashflow hedges	655	192	655	192
Non-current asset				
Interest rate swaps – cashflow hedges	997	901	997	901
Total derivative financial instrument asset	1,652	1,093	1,652	1,093
Liability				
Current liability				
Interest rate swaps – cashflow hedges	6	104	6	104
Non-current liability				
Interest rate swaps – cashflow hedges	-	71	-	71
Total derivative financial instrument Liability	6	175	6	175
Gain or loss on derivative financial instruments				
Opening balance	(918)	1,998	(918)	1,998
Closing balance	(1,646)	(918)	(1,646)	(918)
Derivative gain/(loss)	728	2,916	728	2,916

Fair value

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

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for Horowhenua District Council were \$55m (2022: \$26m) and for the Horowhenua District Council group were \$55m (2022: \$26m). At 30 June 2023, the fixed interest rate of the cash flow hedge interest rate swaps varied from 2.150% and 4.750% (2021 2.150% and 4.750%).

20. EQUITY	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Retained earnings				
As at 01 July	252,590	254,154	252,965	254,529
Changes in PBE IPSAS standards	131	-	131	-
Transfers from: Special funds	(561)	(826)	(562)	(826)
Transfers from: Special funds	604	803	604	803
Surplus / (deficit) for the year	(6,278)	(1,543)	(6,273)	(1,541)
As at 30 June	246,485	252,589	246,848	252,965
Other reserve funds (refer to separate schedule on page 184 to 186)				
As at 01 July	9,788	9,765	9,788	9,765
Transfers to: Retained earnings	(604)	(803)	(604)	(803)
Transfers to: Retained earnings	562	826	562	826
As at 30 June	9,746	9,788	9,746	9,788
Asset revaluation reserves				
As at 01 July	442,305	352,517	442,305	352,517
Revaluation gains / (losses)	(478)	89,788	(478)	89,788
Asset revaluation reserve on disposals	(4,404)	-	(4,404)	-
As at 30 June	437,422	442,305	437,422	442,305
Asset revaluation reserves consist of				
Operational assets				
Land & Buildings and Carbon Credits	31,976	32,164	31,976	32,164
Infrastructural assets				
Sewerage system	100,988	101,127	100,988	101,127
Water system	92,181	91,667	92,181	91,667
Stormwater drainage system	34,879	34,879	34,879	34,879
Solid waste	1,830	1,845	1,830	1,845
Roading network	115,698	120,734	115,698	120,734
Restricted assets				
Cemeteries	869	869	869	869
Parks and reserves	43,787	43,807	43,787	43,807
Endowment property	15,213	15,213	15,213	15,213
Total asset revaluation reserves	437,422	442,305	437,422	442,305
Total equity	693,652	704,681	694,036	705,058

Refer to reserve funds statement, pages 184 to 186 for details on restricted reserves and Council-created reserve funds.

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
21. CAPITAL COMMITMENTS AND OPERATING LEASES				
PPE capital commitments				
Wastewater treatment	-	-	-	-
Water treatment	-	-	-	-
Wastewater other	4,292	2,523	4,292	2,523
Water other	-	-	-	-
Stormwater	-	933	-	933
Roading	-	1,678	-	1,678
Buildings	4,473	-	4,473	-
Parks	-	618	-	618
Total PPE capital commitments	8,765	5,752	8,765	5,752

Council has entered into an agreement with Alliance for the provision of service to carry out the capital programme as per the Annual Plan. Refer to Note 14 for Capital commitments for investment properties.

Operating leases as lessee

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

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Operating Leases as Lessee				
Non-cancellable operating leases as lessee				
Less than one year	140	59	140	59
Later than one year but not more than five years	85	16	85	16
Later than five years	-	-	-	-
Total non-cancellable operating leases	225	75	225	75

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

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

Operating leases as lessor

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

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Operating Leases as Lessee				
Non-cancellable operating leases as lessor				
Less than one year	359	385	359	385
Later than one year but not more than five years	1,166	1,193	1,166	1,193
Later than five years	912	732	912	732
Total non-cancellable operating leases	2,438	2,310	2,438	2,310

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

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

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
22. CONTINGENCIES				
Guarantees	5,219	5,219	5,219	5,219
Government grant	-	-	-	-
Total contingencies	5,219	5,219	5,219	5,219

Guarantees

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

A condition of the sale of residential housing to Compassion Horowhenua was that the suspensory loan from Housing NZ to build the Cambridge St flats will transfer to Sisters of Compassion, but Council will issue security stock as guarantee for the loan. The maximum financial exposure Council is open to of \$5,219k.

Contingent liability

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

Horowhenua District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Council has several ongoing legal proceedings. The outcome of these remains uncertain at the end of the reporting period. The maximum financial exposure is anticipated to be \$205,000

Horowhenua District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA- for foreign currency and A-1+ local currency.

Horowhenua District Council is one of 30 local authority shareholders and 71 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100k. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Horowhenua District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2023, NZLGFA had borrowings totalling \$18,570m (2022: \$15,789m).

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

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

The leases for Waitāreere Beach Motor Camp and Levin Holiday Park include provisions for Council to buy back the lessee's fixtures and improvements in certain circumstances totalling \$1,480,000. This estimate has been based on district rating valuations.

Personal grievances claims represent amounts claimed by employees for personal grievances cases. There are no open personal grievances claims as at 30 June 2023 (2022: 0 personal grievances claims).

Building Act claims

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

Horowhenua District Council has two claims under The Building Act of 2004. One claim is in progress, whether council is liable and the extent of any potential liability is unknown at this stage. The other claim is with the Weathertight Homes Resolution Service (WHRS claim 07559).

This claim has been accepted as valid and will be liable for 25% of the value of repairs. At this stage value of the repairs is not known.

Horowhenua District Council is not expected to be covered under its insurance policies where the claims pertain to weathertightness.

Horowhenua District Council is also exposed to potential claims which have not been advised. The amount of these claims and any potential liability are estimated to be up to \$250k.

Contingent assets

Third parties including sports clubs and community groups are able to construct facilities (e.g. club rooms) on Horowhenua District Council-owned land. The third parties control the use of these facilities and Horowhenua District Council will only gain control of the asset if the third party vacates the facility. Unless, and until, such event occurs these assets are not recognised as assets in the statement of financial position. As at 30 June 2023 there were 15 facilities having an approximate value of \$23.67m (2022: 15 facilities, \$18.79m).

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

23. RELATED PARTY TRANSACTIONS

Manawatū/Whanganui Local Authorities Shared Services Limited (MW LASS)

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

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

The company is considered to be a Council Controlled Organisation under the Local Government Act 2002 but the member councils have resolved that it is exempt for the purposes of section 6(4)(i) of that Act for 2022/23 and 2021/22.

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000
Related Party Transactions		
Total MW LASS related party transactions	103	126

Shannon Community Development Trust

The Council holds \$350,000 (2022: \$350,000) on deposit on behalf of the Shannon Community Development Trust.

Key management personnel

During the year key management personnel (the Mayor, Councillors and senior managers) were involved in minor transactions with Horowhenua District Council (e.g., payment of rates, purchase of rubbish bags, and registration of dogs) as part of a normal customer relationship. In addition, the following transactions were conducted with key management personnel:

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000
Transactions with Key Management Personnel		
EM SERVICES (2020) LIMITED - in which Cr Ross Brannigan is a director / shareholder	132	145
Taitoko Limited- in which Cr Piri-Hira Takapua is a director / shareholder	1	-
McLeods Book Centre (1965) Limited - in which Mayor Bernie Wanden is a director / shareholder	11	12
Nua Bins Limited- in which Cr Todd Issacs is a director/ shareholder*	-	2
Brady Electrical and Control Limited- in which Nicki Brady is a director/shareholder**	-	20
Total transactions with key management personnel	144	179

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2022: \$Nil).

*Todd Issacs is no longer a councillor and there is no longer a requirement to report related party transactions.

**Nicky Brady is no longer part of the key management personnel and there is no longer a requirement to report related party transactions.

Te Awahou Foxton Community Board members

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

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000
Related Party Transactions		
Foxton Beach Community Board members		
Mastermix Packaging Ltd (in which Tricia Metcalf is a shareholder)	-	12
Total transactions with Foxton Beach Community Board members	-	12

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000
Key Management Personnel Compensation		
Remuneration		
Councillors	638,839	568,563
Senior management team, including the Chief Executive*	1,902,516	1,640,708
Total key management personnel remuneration	2,541,355	2,209,271
Full-time equivalent key management personnel		
Councillors**	13	11
Senior management team, including the Chief Executive	8	7
Total full-time equivalent key management personnel	21	18

* Includes \$114,280.51 redundancy payments for 2 staff.

** Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors. For the 2023 triennium, there were 2 additional Councillors for Maori ward.

For the purposes of this table key management personnel comprise the Chief Executive Officer and other senior executives, and the mayor and councillors.

24. REMUNERATION	Council Actual \$ 30 June 2023	Council Actual \$ 30 June 2022
Chief Executives		
David Clapperton	(1 July 2021 - 21 January 2022)	
Salary	-	336,463
Vehicle (FBT value)	-	8,425
Final holiday pay	-	97,560
David Wright - Interim CE	(31 January 2022 - 1 May 2022)	
Salary		169,855
Vehicle (FBT value)	-	-
Final holiday pay	-	-
Monique Davidson	(2 May 2022 - 30 June 2022)	
Salary	329,600	54,181
Vehicle (FBT value)	15,000	2,466
Final holiday pay	-	-
Total Chief Executive remuneration	344,600	668,950

Note 24 includes payments made to the former, interim, and current Chief Executives during the year ending 30 June 2022.

Remuneration of Elected Members July 2022 to October 2022

**Council Actual \$
1 July - 31 October 2022**

Elected representatives	Remuneration	Other Allowances
Mayor:		
B Wanden	45,699	1,325
Councillors:		
D Allan	13,395	450
W Bishop	11,979	395
R Brannigan	13,395	450
T Isaacs	11,979	395
S Jennings	13,395	450
V Kaye-Simmons	14,375	395
R Ketu	11,979	637
J Mason	29,042	395
C Mitchell	13,177	395
P H Tukapua	15,790	450
Total elected representatives' remuneration	194,205	5,737
Foxton Beach Community Board		
D Roache (Chair)	4,185	450
T Chambers	2,229	450
J Girling	2,229	450
P Metcalf	1,956	395
Total Foxton Beach Community Board remuneration	10,599	1,745

Remuneration of Elected Members	Council Actual \$ 1 November 2022 to 30 June 2023		Council Actual \$ 30 June 2022	
	Remuneration	Other Allowances	Remuneration	Other Allowances
Elected representatives				
Mayor:				
B Wanden	92,451	2,102	128,991	2,113
Councillors:				
D Allan	41,894	4,864	38,900	3,402
W Bishop	-	-	38,900	1,292
R Brannigan	29,546	850	38,900	1,292
T Isaacs	-	-	38,900	1,292
S Jennings	32,544	850	38,900	1,292
V Kaye-Simmons	-	-	46,680	1,292
R Ketu	-	-	38,900	1,292
J Mason	-	-	70,022	1,292
C Mitchell	-	-	42,790	1,292
P H Tukapua	30,207	850	46,680	1,292
M Barker	28,215	955	-	-
R Boyle	26,927	905	-	-
C Grimstone	26,927	905	-	-
N Hori Te Pa	26,927	905	-	-
P Olsen	26,927	905	-	-
J Procter	28,215	955	-	-
J Tamihana	26,927	1,828	-	-
A Young	26,927	905	-	-
Total elected representatives' remuneration	444,635	17,779	568,563	17,143
Te Awahou Foxton Community Board				
J Girling (Chair)	8,077	1,158	6,352	1,292
D Roache	4,212	850	12,704	1,292
T Chambers	4,212	850	6,352	1,292
P Metcalf	-	-	6,352	1,292
N Newland	-	-	1,954	392
B Russell	4,485	905	-	-
N Fox	4,485	1,166	-	-
Total Te Awahou Foxton Community Board	25,471	4,929	33,714	5,560

During the year ending 30 June 2023, there were payments totalling \$15,121.31 made to two independent members of the Risk and Assurance Committee. There were also payments totalling \$3,552.81 made to four independent members of the Licensing Committee. These payments are not shown in the table above, however, are reported in the Statement of Comprehensive Revenue and Expense.

	Council Actual \$ 30 June 2023	Council Actual \$ 30 June 2022
Council employees Total annual remuneration by band		
<\$60,000	102	126
\$60,000 – \$79,999	71	51
\$80,000 – \$99,999	44	44
\$100,000 – \$119,999	32	20
\$120,000 – \$139,999	12	10
\$140,000 – \$159,999	9	8
\$160,000 – \$259,999	7	6
\$260,000 – \$359,999*	1	1
Total Council employees	278	266

Total remuneration includes any non-financial benefits provided to employees.

At balance date, Council employed 167 (2022: 160) full-time employees, with the balance of staff representing 45 (2022: 51) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

* Disclosure in 2022 of \$260,000-\$339,999 has been updated to correctly reflect \$260,000-\$359,000 which applies to both 2022 and 2023

25. SEVERANCE PAYMENTS

For the year ended 30 June 2023 Horowhenua District Council made 7 severance payments to employees totalling \$257,232.56 (2022: \$0). The amount stated is gross pay before taxes, benefits and other payroll deductions.

26. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after 30 June 2023 that have impacted the accounts.

27. FINANCIAL INSTRUMENTS

			Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
27a. Financial Instrument Categories	Note					
Financial assets						
Cash and cash equivalents	Amortised Costs	7	1,265	5,998	1,297	6,024
LGFA borrower notes	FVTSD	9	3,250	2,392	3,250	2,392
Receivables (excluding GST receivables, prepayment and rates debtors)	Amortised costs	8	8,554	1,950	8,554	1,950
Term deposits	Amortised costs	9	18,350	350	18,350	350
Interest rate Swap	FVTSD		655	1,093	655	1,093
Share investment	FVTOCRE		204	204	204	204
Total financial assets			32,278	11,987	32,310	12,013
Financial Liabilities						
Creditors and other payables	Amortised costs	15	16,490	15,898	16,140	15,547
Borrowings:	Amortised costs	18	168,000	124,000	168,000	124,000
Interest rate swap	FVTSD		6	175	6	175
Total financial liabilities at amortised cost			185,490	139,898	184,140	139,547
Total financial liabilities			184,496	140,073	184,146	139,722

27b. Financial instrument Risk

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

27c. Fair Value Hierarchy Disclosures

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

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

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

	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000
Council 2023				
Financial assets				
Shares	204	-	-	204
Swap derivatives	1,652	-	1,652	-
Financial liabilities				
Swap derivatives	6	-	6	-
Group 2023				
Financial assets				
Shares	204	-	-	204
Swap derivatives	1,652	-	1,652	-
Financial liabilities				
Swap derivatives	6	-	6	-
Council 2022				
Financial assets				
Shares	204	-	-	204
Swap derivatives	1,093	-	1,093	-
Financial liabilities				
Swap derivatives	175	-	175	-
Group 2022				
Financial assets				
Shares	204	-	-	204
Swap derivatives	1,093	-	1,093	-
Financial liabilities				
Swap derivatives	175	-	175	-

Market Risk

PRICE RISK

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

Horowhenua District Council holds unlisted equity instruments in Civic Financial Services Limited, which are not publicly traded. If the fair value of the shares had moved plus or minus 5%, the effect would have been to increase/decrease the fair value through equity reserve by \$5,200 (2021: \$5,200).

CURRENCY RISK

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

INTEREST RATE RISK

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

FAIR VALUE INTEREST RATE RISK

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

CASH FLOW INTEREST RATE RISK

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

Horowhenua District Council manages its cash flow interest rate risk on borrowings by borrowing primarily at fixed rates and taking out swap contracts.

CREDIT RISK

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

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in Note 22.

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

Maximum exposure to credit risk

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

Maximum Exposure to Credit Risk	Note	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Cash at bank and term deposits	7	19,615	5,998	19,647	6,024
Debtors and other receivables	8	12,514	4,984	12,514	4,984
Total credit risk		32,129	10,982	32,161	11,008

Maximum exposure to credit risk

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

Counterparties with Credit Ratings	Note	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
Cash at bank and term deposits:					
AA -	7	19,615	5,998	19,647	6,024
Total cash at bank and term deposits		19,615	6,348	19,647	6,374

Liquidity Risk

MANAGEMENT OF LIQUIDITY RISK

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

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

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

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

Council is exposed to liquidity risk as a guarantor of all LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 22.

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES

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

Council 2023	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Creditors and other payables	15	16,490	16,490	16,490	-	-	-
Secured loans	18	168,000	172,893	31,470	23,299	85,243	32,881
Swap derivatives	19	6	6	-	6	-	-
Total		184,496	189,388	47,960	23,305	85,243	32,881

Group 2023

Creditors and other payables	15	16,140	16,140	16,140	-	-	-
Secured loans	18	168,000	172,893	31,470	23,299	85,243	32,881
Swap derivatives	19	6	6	-	6	-	-
Total		184,146	188,038	47,610	23,305	85,243	32,881

Council 2022

Creditors and other payables	15	15,898	15,898	15,898	-	-	-
Secured loans	18	124,000	127,375	25,709	11,375	61,645	28,646
Swap derivatives	19	175	175	19	156	-	-
Total		140,073	143,448	41,626	11,531	61,645	28,646

Group 2022

Creditors and other payables	15	15,547	15,547	15,547	-	-	-
Secured loans	18	124,000	127,375	25,709	11,375	61,645	28,646
Swap derivatives	19	175	175	19	156	-	-
Total		139,723	143,098	41,276	11,531	61,645	28,646

Contractual maturity analysis of financial assets.

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

Council 2023	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Cash and cash equivalents	7	1,265	1,265	1,265	-	-	-
Debtors and other receivables	8	12,514	12,514	12,514	-	-	-
Other financial assets:							
Term deposits	9	18,350	365	365	-	-	-
Community loan	9	-	-	-	-	-	-
Total		32,129	14,144	14,144	-	-	-
Group 2023							
Cash and cash equivalents	7	1,297	1,297	1,297	-	-	-
Debtors and other receivables	8	12,514	12,514	12,514	-	-	-
Other financial assets:							
Term deposits	9	18,350	365	365	-	-	-
Community loan	9	-	-	-	-	-	-
Total		32,161	14,176	14,176	-	-	-
Council 2022							
Cash and cash equivalents	7	5,998	5,998	5,998	-	-	-
Debtors and other receivables	8	4,984	4,984	4,984	-	-	-
Other financial assets:							
Term deposits	9	350	365	365	-	-	-
Community loan	9	-	-	-	-	-	-
Total		11,332	11,347	11,347	-	-	-
Group 2022							
Cash and cash equivalents	7	6,024	6,024	6,024	-	-	-
Debtors and other receivables	8	4,984	4,984	4,984	-	-	-
Other financial assets:							
Term deposits	9	350	365	365	-	-	-
Community loan	9	-	-	-	-	-	-
Total		11,358	11,373	11,373	-	-	-

Sensitivity analysis

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

Interest rate risk	Council & Group 30 June 2023 -100bps	Council & Group 30 June 2023 +100bps	Council & Group 30 June 2022 -100bps	Council & Group 30 June 2022 +100bps
Financial assets				
Cash and cash equivalents	(42)	42	(60)	60
Financial liabilities				
Borrowings	970	(970)	540	(540)

Cash and cash equivalents include deposits at call totalling \$1,265,000 (2022: \$5,998,000) which are at floating rates. A movement of interest rates of plus or minus 1% has an effect on interest income of \$12,650 (2022: \$59,980).

Borrowings include total debt of \$97,000,000 (2022 \$54,000,000) on current floating rates.

28. BUDGETS FOR YEAR ENDED 30 JUNE 2023

Budgets are as per the 2022/23 Annual Plan

29. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

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

30. FINANCE LEASES

Council does not have any finance leases (2022: \$Nil).

	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$000	Group Actual \$ 30 June 2022 \$000
31. RECONCILIATION OF SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES				
Surplus (deficit)	(6,278)	(1,543)	(6,273)	(1,541)
Add / (less) non-cash items:				
Depreciation and amortisation	19,265	16,091	19,265	16,091
Other including vested and donated assets	(2,313)	(5,628)	(2,313)	(5,628)
Net gains and losses on Landfill provision	1,443	3,300	1,443	3,300
Net gains and losses on derivative financial instruments	(728)	(2,916)	(728)	(2,916)
Increase / (decrease) in other assets	361	42	361	42
Increase / (decrease) in non-current liabilities	126	74	126	74
Add / (less) movements in working capital:				
Increase / (decrease) in accounts receivable	(25,528)	1,682	(25,528)	1,682
Increase / (decrease) in stock on hand	2	(15)	2	(15)
Increase / (decrease) in current liabilities	467	441	467	441
Net cash flows from operating activities	(13,183)	11,528	(13,177)	11,528

32. CAPITAL MANAGEMENT

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

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

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

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

Horowhenua District Council has the following Council-created reserves:

- Reserves for different types of rates;
- Reserves for the repayment of loans;
- Depreciation funds.

Refer to pages 184 to 186 for Council-created reserves.

33. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000
Community support	2	9
Regulatory services	89	110
Community facilities	1,134	1,019
Community infrastructure	1,230	1,084
Property	592	511
Roading	4,674	4,360
Solid waste	529	459
Stormwater	878	757
Wastewater	5,247	3,770
Water supply	4,238	3,424
Council operating assets	652	588
Total	19,265	16,091

34. INSURANCE OF ASSETS	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000
Total value of assets covered by insurance contracts	80,813	155,477
Maximum amount of insurance	291,665	271,298
Total value of assets covered by financial risk sharing arrangements	295,059	276,036
Maximum amount available under those arrangements	516,348	516,348
Total value of assets that are self-insured	366,749	391,665
The value of funds maintained for that purpose	-	-

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

35. REPLACEMENT COST OF CORE INFRASTRUCTURAL ASSETS	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000
Water	265,576	246,987
Wastewater	354,191	343,862
Stormwater	97,949	86,731
Solid Waste	12,850	11,273
Roading and footpaths	469,069	456,733
Total replacement cost of core infrastructure assets	1,199,635	1,145,586

Refer to Note 11 for vested assets and additions.

36. TAX	Council Actual \$ 30 June 2023 \$000	Council Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2023 \$00	Group Actual \$ 30 June 2022 \$000
Components of tax expense				
Current tax	-	-	-	-
Tax expense	-	-	-	-
Relationship between tax expense and accounting surplus				
Surplus / (deficit) before tax	(6,278)	(1,543)	(6,832)	(1,541)
Tax at 28%	(1,758)	(432)	(1,913)	(431)
Plus / (less) tax effect of:				
Non-deductible expense	1,758	432	1,913	431
Non-assessable revenue	-	-	-	-
Tax expense	-	-	-	-

37. RECONCILIATION OF MOVEMENTS IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES	Borrowing	Derivative (Mark to market movements)	Other
Balance at 1 July 2022	124,000	(918)	-
Cash inflows	103,975	-	-
Cash outflows	(59,975)	-	-
Non-cash changes	-	(729)	-
Balance at 30 June 2023	168,000	(1,647)	-
Balance at 1 July 2021	108,000	1,998	(17)
Cash inflows	78,000	-	-
Cash outflows	(62,000)	-	-
Non-cash changes	-	(2,916)	17
Balance at 30 June 2022	124,000	(918)	-

38. WATER SERVICES REFORM PROGRAMME

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

Benchmarks Disclosure Statement

For the year ended 30 June 2023

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

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

Rates affordability benchmarks

The Council meets the rates affordability benchmark if

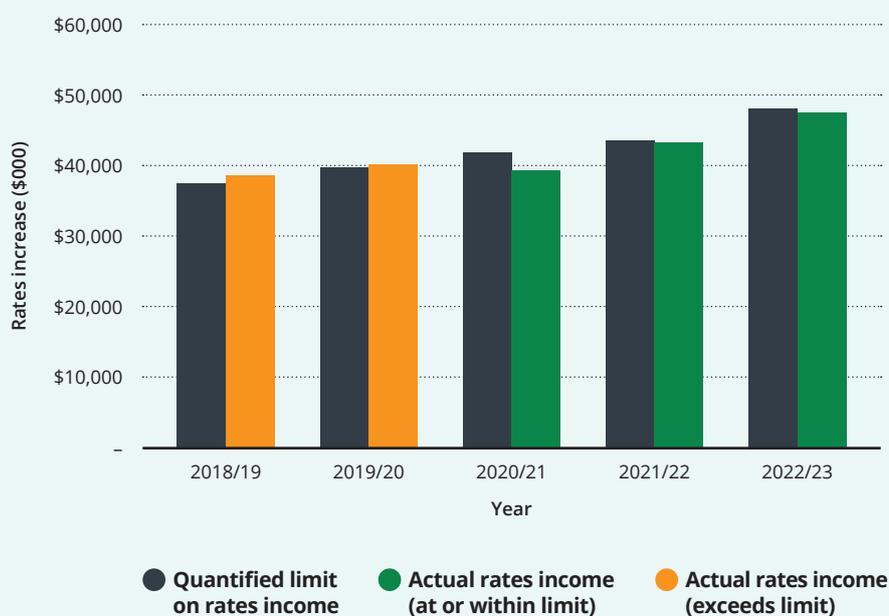
- Its actual rates income equals or is less than each qualified limit on rates; and
- Its actual increases equal or are less than each qualified limit on rates increases.

1. RATES (INCOME) AFFORDABILITY

The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long Term Plan (LTP). The quantified limit is \$37,457,000 (2018/19), \$39,686,000 (2019/20), \$41,886,000 (2020/21), \$43,514,000 (2021/22) and \$48,104,000 (2022/2023).

Actual rates income is the total net rates income after rates penalties and remission, including water by meter rates revenue.

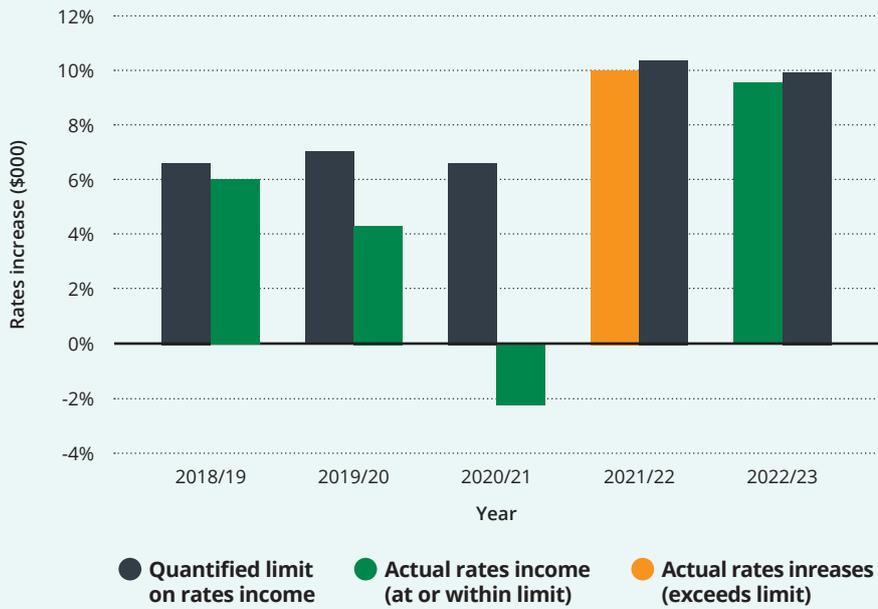
RATES (INCOME) AFFORDABILITY



2. RATES (INCREASES) AFFORDABILITY

The following graph compares Council's actual rate increase with a quantified limit on rates increases included in the financial strategy in Council's LTP. The quantified limits are 6.55% (2018/19), 6.96% (2019/20), 6.54% (2020/21), 9.71% (2021/22) and 10.76% (2022/2023) after growth.

RATES (INCREASE) AFFORDABILITY



When Council adopted the 2020/21 annual plan, the impacts of Covid-19 were very much unknown so a rate decrease was decided on to lessen the burden of rates on rate payers.

Whilst 2021/22 shows a rates increase exceeding limit, this is by a margin of 0.3% due to lower water by meter rates billed, which was based on water consumption.

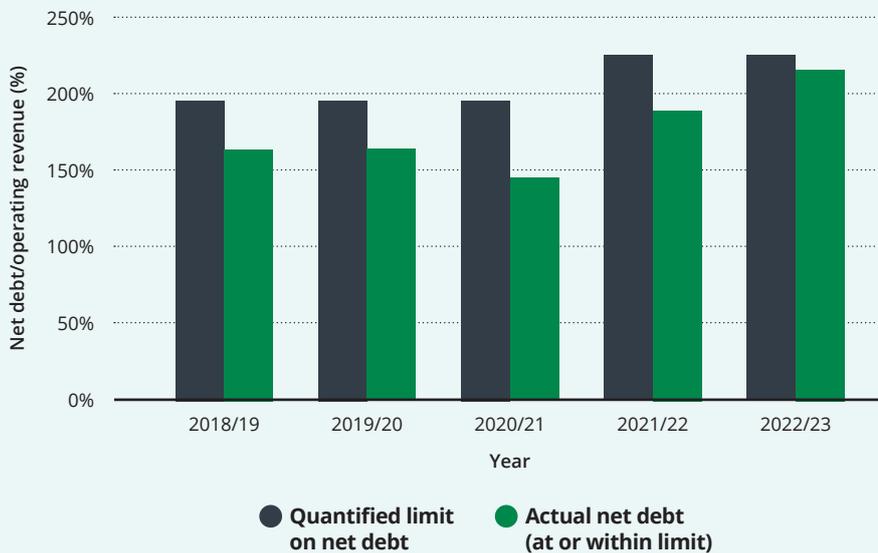
DEBT AFFORDABILITY BENCHMARK

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

1. NET DEBT TO OPERATING REVENUE

The following graph compares Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limits are net debt to operating revenue should be below 225%, this was increased from 175% to 195% in the 2018/38 LTP and subsequently to 225% in the 2021/41 LTP.

NET DEBT TO OPERATING REVENUE

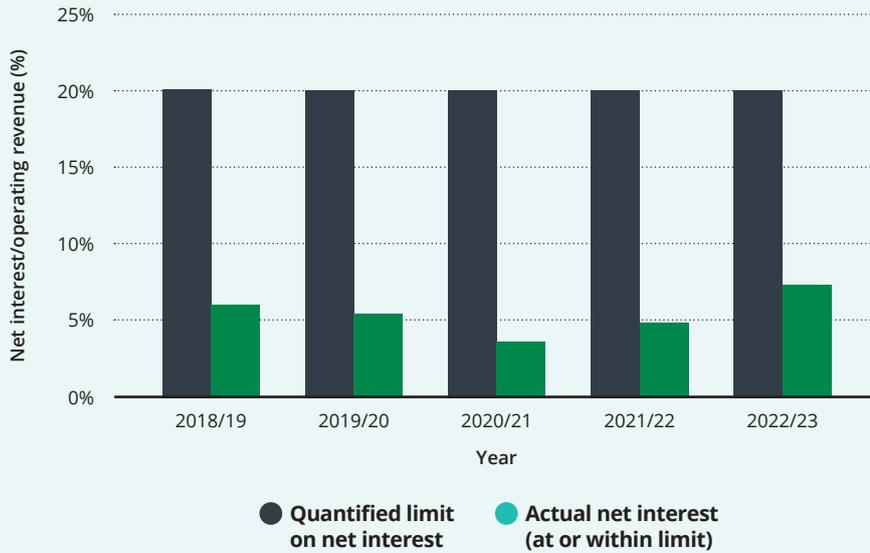


Total revenue is defined as cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets). Net debt is defined as total debt less liquid financial assets and investments.

2. NET INTEREST TO OPERATING REVENUE

The following graph compares Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limits are net interest to operating revenue should be below 20%.

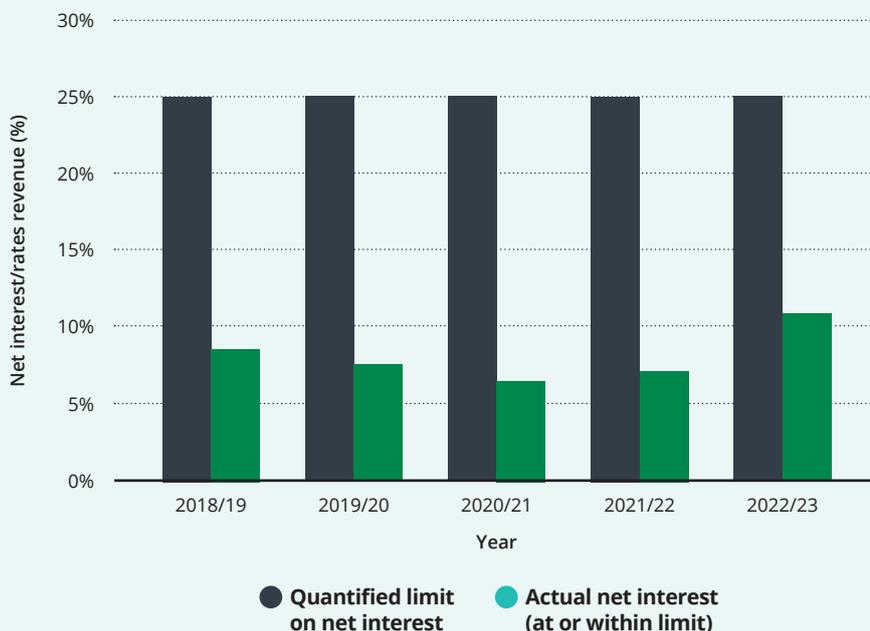
NET INTEREST TO OPERATING REVENUE



3. NET INTEREST TO RATES REVENUE

The following graph compares Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limits are net interest to annual rates revenue should be below 25%.

NET INTEREST TO RATES REVENUE

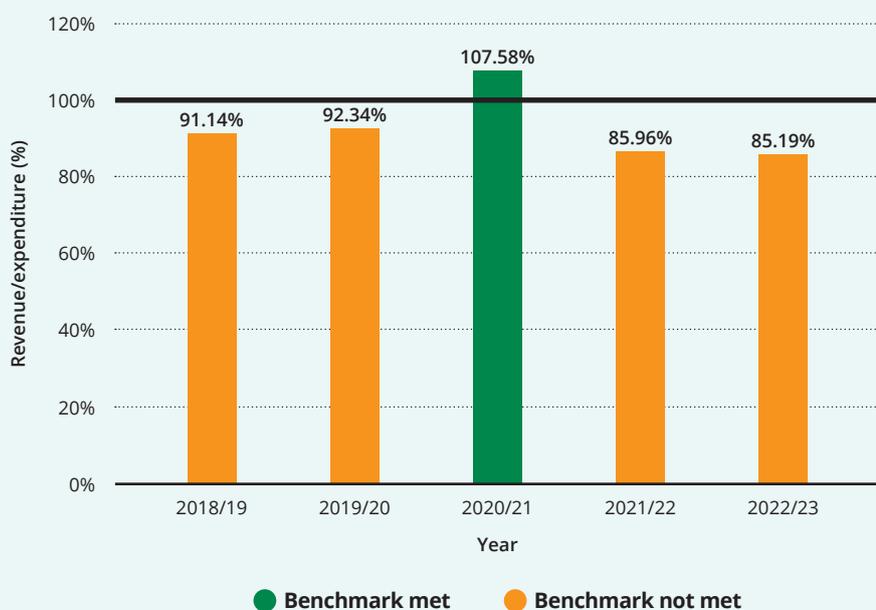


BALANCED BUDGET BENCHMARK

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

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

BALANCED BUDGET



EXPLANATION ON BALANCED BUDGET BENCHMARK

In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only in the short term. Council has been progressively increasing the funding of depreciation since the 2009/10 financial year. The major cause of Council's above inflation rate increases has been the need to increase depreciation funding. The underfunding of depreciation is the major reason for Council not meeting this benchmark exacerbated by the above budget expenditure variances described under the Comprehensive Revenue and Expenditure statement on pages 172 and 173. The benchmark was met in the 2020/21 year due to the significant increase in external capital funding from the Crown.

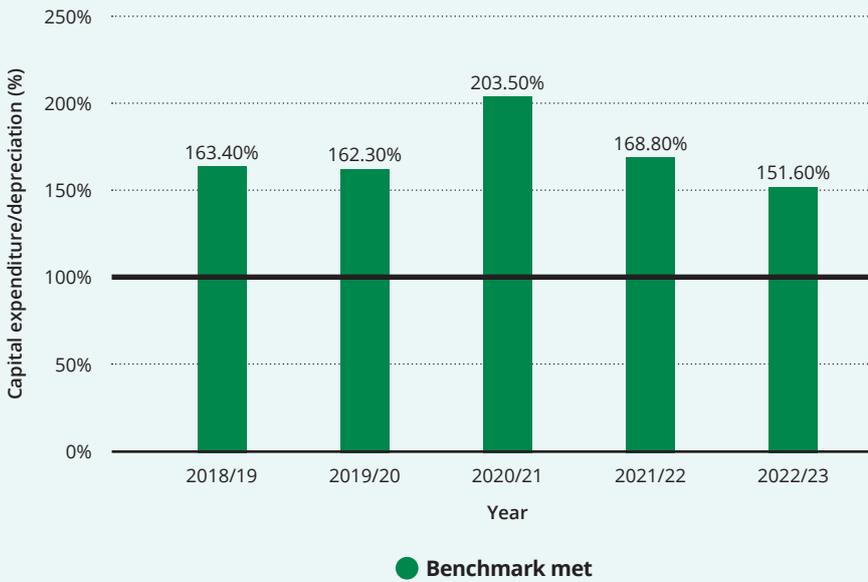
ESSENTIAL SERVICES BENCHMARK

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

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

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

ESSENTIAL SERVICES



DEBT SERVICING BENCHMARK

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

DEBT SERVICING



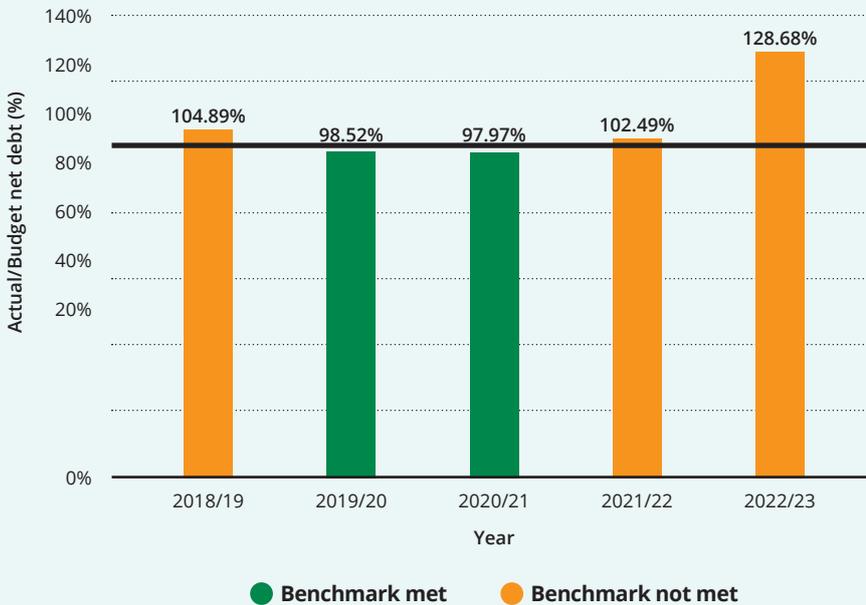
Because Statistics New Zealand projects the Horowhenua population will grow more quickly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 15% of its revenue, (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment). During the 2021/22 financial year the rohe grew faster than the national population growth rate so a 15% limit has been used.

DEBT CONTROL BENCHMARK

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

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

DEBT CONTROL



EXPLANATION ON DEBT CONTROL BENCHMARK

The benchmark was not met in the 2021/2022 and 2022/23 year as planned asset proceeds did not occur as planned.

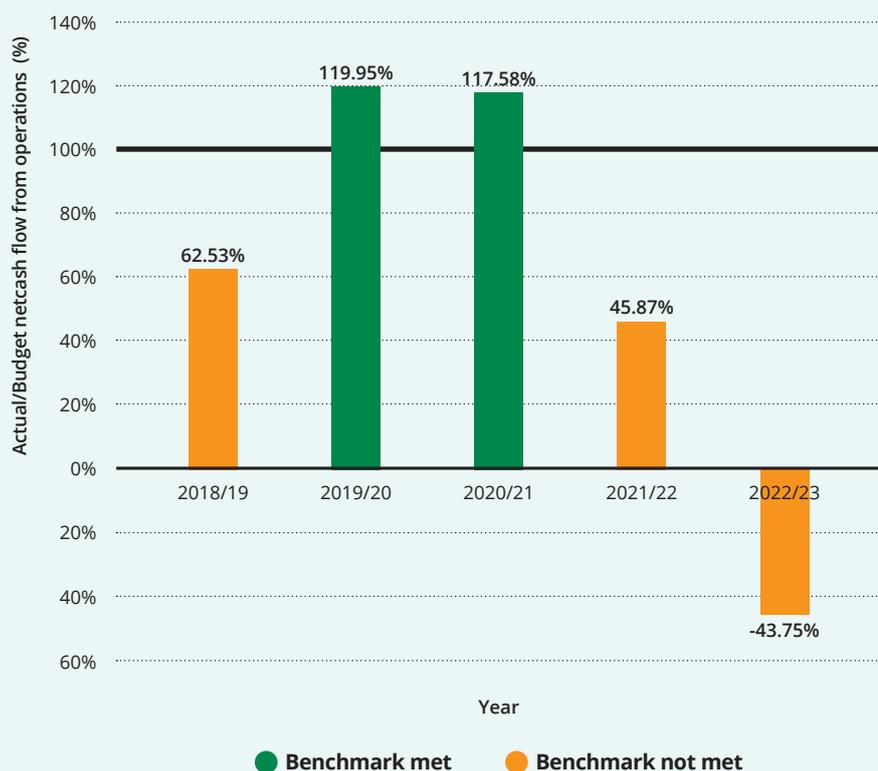
The benchmark was not met in the 2018/19 year as the LTP year 1 (2018/19) had anticipated the \$7M sale of surplus assets being used to decrease borrowing. The sales envisaged in the LTP did not occur until the 2019/20 year. In addition, operational expenditure on the District Plan, Growth Response planning and Solid Waste were loan funded.

OPERATIONS CONTROL BENCHMARK

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

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

OPERATIONS CONTROL



EXPLANATION ON OPERATIONS CONTROL BENCHMARK

In the 2018/19 financial year the benchmark was not met due to a combination of less revenue and more expenditure than budget. The reason for not meeting the benchmark in the 2021/22 financial year is due to not receiving capital grant funding for the Tara-Ika project as a result of it being moved out to future years. The reason for not meeting the benchmark in the 2022/2023 financial year is due to not receiving capital grant funding for the Tara-Ika project and more expenditure than budget in professional services and asset maintenance contracts.

Accounting Policies

REPORTING ENTITY

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

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

The primary objective of Horowhenua District Council is the provision of local authority services, including infrastructure, regulatory, resource management, recreation and cultural services.

The financial statements of Horowhenua District Council and its controlled entities (collectively the Group) are for the year ended 30 June 2023. The financial statements were authorised for issue by Council on 25th October 2023.

BASIS OF PREPARATION

The financial statements have been prepared on the going concern basis, and the accounting policies which materially affect the measurement of results and financial position set out below have been applied consistently to all periods presented in these financial statements. Council has the plan and the resources to continue to operate into the foreseeable future.

Statement of compliance

The financial statements of Horowhenua District Council have been prepared in accordance with the requirements of the Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations

2014 (LG(FRP)R), which requires compliance with generally accepted accounting practice in New Zealand (NZ GAAP).

As the primary objective of Horowhenua District Council is to provide local infrastructure, local public service, and performs regulatory functions for the community for social benefit rather than making a financial return. Accordingly, Council is a public benefit entity (PBE) for financial reporting purposes.

These financial statements and service performance information comply with PBE Standards and have been prepared in accordance with Tier 1 PBE accounting standards.

MEASUREMENT BASE

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies.

PRESENTATION CURRENCY AND ROUNDING

The financial statements are presented in New Zealand dollars. The functional currency of Horowhenua District Council is New Zealand Dollars. All values are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Note 25 & 26 and the related party transaction disclosure in Note 24. The remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

JUDGEMENT

To comply with PBE accounting standards, the financial statements require certain judgements and assumptions. The estimates and associated assumptions are

based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in the following specific notes:

Note 10 Impairment of non-current assets held for sale
Note 14 Revaluation and impairment of investment properties
Note 11 Revaluation, impairment, useful lives and residual values of property, plant and equipment
Note 4 Employee entitlements
Note 16 Provisions

THREE WATERS REFORM PROGRAMME

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new public entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

There have been no changes in the accounting policies of the Group in the year ended 30 June 2023, other than the adoption of new PBE Standards and amendments to PBE Standards as disclosed below. Other than the changes disclosed below, all accounting policies and disclosures are consistent with those applied by the Group in the previous financial year.

New accounting standards and interpretations Standards issued and adopted

The group and Council applied for the first time certain standards and amendments which were effective for the year ending 30 June 2023.

PBE IPSAS 1 GOING CONCERN DISCLOSURES

Changes to PBE IPSAS 1 with specific relation to Going Concern disclosures came into effect on 1 January 2022. The Group has assessed these changes and there are no impacts on the financial statements as the Group remains a Going Concern.

PBE IPSAS 41 FINANCIAL INSTRUMENTS

With an initial application date of 1 July 2022. As it is not required by the standard, the Group has not restated comparative information, which continues to be reported under PBE IPSAS 29. There an opening adjustment difference arising from the adoption of PBE IPSAS 41 that would have been recognised directly in accumulated comprehensive revenue and expense and other components of net assets/equity. As a result of adopting PBE IPSAS 41 as at 1 July 2022 there were no changes to the value of assets or liabilities, rather a change in the measurement category of the assets. The nature of adjustments are described below:

i. Classification and Measurement of financial assets and liabilities

Under PBE IPSAS 41, financial assets are subsequently measured at fair value through surplus or deficit (FVTSD), amortised cost or fair value through other comprehensive revenue and expense (FVOCI). Financial liabilities are subsequently measured at fair value through surplus or deficit (FVTSD) or amortised cost. Financial instruments measured at amortised cost replaces the previous measurement category: loans and receivables, the change in category is outlined in the below table. The classification is based on two criteria: (1) the Group's business model for managing the assets; and (2) whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. The assessment of the Group's business model was made as at date of initial application namely 1 July 2022. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets. Receivables from exchange and non-exchange transactions, term deposits and loans to related parties were classified as Loans and Receivables as at 30 June 2022 and are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as Debt instruments at amortised cost beginning on 1 July 2023

Upon the adoption of PBE IPSAS 41, the Group had the following required or elected reclassifications as at 1 July 2022.

ii. Impairment

The adoption of PBE IPSAS 41 has changed the Group's accounting for impairment losses of financial assets by replacing PBE IPSAS 29's incurred loss approach with a forward-looking expected credit loss (ECL) approach. PBE IPSAS 41 requires the Group to recognise an allowance for ECL's for all debt instruments not held at fair value through surplus and deficit. Upon the adoption of IPSAS 41 on 1 July 2022, the Group did not recognise any additional impairment.

iii. Hedge accounting

At the date of initial application, all of the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships.

PBE FRS 48 SERVICE PERFORMANCE REPORTING

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with earlier adoption permitted. Council has determined the main impact of the new standard is that additional information will need to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of consolidation

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

STANDARD ISSUED BUT NOT YET EFFECTIVE

The group will adopt the following accounting standard in the reporting period after the effective date.

2022 Omnibus Amendments to PBE Standards, issued June 2022

- The 2022 Omnibus Amendments include several general updates and amendments to several Tier 1 and Tier 2 PBE accounting standards. The revised PBE standards are effective from the year ending 30 June 2024. They are not expected to have any significant impact on the group financial statements.
- PBE IFRS 17 Insurance Contracts (sub-heading) PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. The group has not assessed in detail the effect of the new standard.

SUBSIDIARIES

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

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

REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to Council and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable.

Revenue is from exchange and non-exchange transactions. Exchange transaction revenue arise when the group and the council provide goods or services directly to a third party and receive approximately equal value in return. Non-exchange transactions revenue arise when the group and the council receive value from another party without having to directly provide goods or services of equal value. Non-exchange revenue comprises rates and transfer revenue. Transfer revenue includes grants, subsidies, fees and user charges derived from activities that are partially funded by rates.

RATES

The following policies for rates have been applied:

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

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

Development contribution levies are recognised as revenue when the development in respect of which the contribution was received is completed, and it is no longer probable that the contributions will be refunded to the developer. Until that time, they are recognised as a liability

Development contributions are disclosed separately.

INFRINGEMENT FEES REVENUE

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

SUBSIDISED REVENUE

Council receives revenue from Waka Kotahi NZTA, which subsidises part of the costs in maintaining the local roading infrastructure, and is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

GRANTS REVENUE

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

RENDERING OF SERVICES REVENUE

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

Need to separate subsidised “rendering of services” from full cost recovery “rendering of services”

SALE OF GOODS- FULL COST RECOVERY

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

VESTING OF ASSETS REVENUE

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

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

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

INTEREST AND DIVIDENDS REVENUE

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

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

RENTAL REVENUE

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

BORROWING COSTS

All borrowing costs are recognised as an expense in the period in which they are incurred, except borrowing costs directly attributable to the construction of a qualifying asset which are capitalised as part of the cost of that asset

INCOME TAX

All Council's sources of income are exempt from Income Tax under the provisions of the Income Tax Act 2007, and therefore no charge for income tax has been provided for.

GRANT EXPENDITURE

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

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

LEASES

Finance leases

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

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

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

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

Operating leases

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

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

PERSONNEL COSTS

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Financial Instruments

Council is party to financial instrument arrangements as part of its everyday operations. Revenue and expenses relating to financial instruments are recognised in the Statement of Comprehensive Income.

Financial instruments are comprised of:

- Financial assets – cash and cash equivalents, trade and other receivables, available for sale investments, derivative financial instruments
- Financial liabilities – trade creditors, borrowings, derivative financial instruments.

CASH AND CASH EQUIVALENTS

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

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

TRADE AND OTHER RECEIVABLES

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

DERIVATIVE FINANCIAL INSTRUMENTS

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

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

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

FINANCIAL ASSETS

Refer to Note 27a on page 223.

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through surplus or deficit (FVTSD).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

The Group's financial assets include: cash and term deposits, receivables from exchange and non-exchange transactions, loans, investments in joint ventures and related parties, loans to related parties, unquoted financial instruments and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified into three categories:

- financial assets at amortised cost (debt instruments)
- financial assets at FVOCI with recycling of cumulative gains or losses (debt instruments)
- financial assets at fair value through surplus or deficit.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired. The Group's financial assets at amortised cost includes trade receivables from exchange transactions, receivables from non-exchange transactions, investments in related parties, term deposits and a loan to an associate included under other noncurrent financial assets.

Financial assets at FVOCI (debt instruments)

For debt instruments at FVOCI, interest income and impairment losses or reversals are recognised in the statement of financial performance and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income (OCI). Upon derecognition, the cumulative fair value change recognised in OCI is recycled to surplus or deficit.

The Group's debt instruments at FVOCI are derivative financial instruments.

Financial assets at fair value through surplus or deficit

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense. Financial

assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of financial performance.

This category includes derivative instruments, investments in related parties, investment in joint ventures, and other investments which are held for trading and which the Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognised as revenue from exchange transactions in the statement of financial performance when the right of payment has been established.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment

PBE IPSAS 41 requires the Group to record expected credit losses on all of its debt instruments classified at amortised cost or FVOCI. The Group recognises loss allowances for expected credit losses (ECLs) on financial assets at amortised cost, the allowances for receivables of exchange and non-exchange transactions are measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measured using the general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on historical experience, informed credit assessments, and including forward looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group; or
- the financial asset is more than 90 days old.

The Group considers writing off a financial asset primarily when the debt is older than a year and there has been no response after six months of being sent to debt collectors, however this is treated on a case by case basis.

The Group considers fixed interest and term deposit financial instruments to have low credit risk when its credit rating is equivalent to a credit rating of A+ or higher.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to the credit risk.

Financial assets at fair value through surplus or deficit include investments in managed funds. Fair values of these units are determined by reference to published price quotations in an active market. Also included is investments in equity shares of unquoted companies, namely Liquium, Ferronova, and Medical Kiwi. The group holds non-controlling interests in these companies.

Debt instruments at amortised cost are held to maturity and may generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

FINANCIAL LIABILITIES

Refer to Note 27a on page 223.

Initial recognition and measurement

Financial liabilities at amortised cost are classified, at initial recognition and include loans and borrowings, or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include payables under exchange transactions and loans and borrowings.

Subsequent measurement

After initial recognition, interest-bearing loans and borrowings or payables are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of financial performance.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

NON-CURRENT ASSETS HELD FOR SALE

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

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

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

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

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of:

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

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

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

stations and infrastructure land and buildings.

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

ADDITIONS

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

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

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

DISPOSALS

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

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

SUBSEQUENT COSTS

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

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

DEPRECIATION

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

	Useful Life	Depreciation Rate
Operational assets		
Land	N/A	N/A
Buildings:		

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

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

REVALUATION

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

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

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

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

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

ECONOMIC & REMAINING LIVES

The economic life of an asset is the period of time beyond which it is economically worthwhile to replace rather than to continue to repair or maintain. The economic life varies for each asset. These have been calculated in accordance with the NZIAMM guidelines and then further modified if local knowledge and experience suggests this is appropriate.

There are assets within the asset register that have already exceeded their assumed base life. Therefore, to account for these assets it has been assumed that each asset has a minimum remaining useful life of five years for long life assets and two years for short life span assets. Pipe assets have been given a minimum useful life of 10% of their expected useful life.

There have been no changes in useful lives for reticulation and non-reticulation assets. Useful lives for the treatment plant asset dataset are however revised and in line with the assets identified during the data set update process.

Resource consents are included and valued using the term of the consent. Where a consent has expired, we have assumed it has been rolled over.

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.

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

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

Software-as-a-Service (SaaS) arrangements

SaaS arrangements are service contracts providing the Council with the right to access the cloud provider's application software over the contract period.

Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

EASEMENTS

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

CARBON CREDITS

Purchased carbon credits are recognised at cost on acquisition and revalued to the market value annually at 30 June. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

AMORTISATION

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

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

Computer software: 10 years, 10%.

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

Kete Software – 4 years, 60%

Koha Software – 8 years, 30%

Other Software – 60% diminishing value

FORESTRY ASSETS

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

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

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

INVESTMENT PROPERTY

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

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

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

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

IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

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

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

VALUE IN USE FOR NON-CASH-GENERATING ASSETS

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

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

EMPLOYEE BENEFITS

Employee benefit liabilities are calculated based on estimate of individual staff members reaching the long service leave milestones based on current salaries.

SHORT-TERM BENEFITS

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

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

LONG-TERM BENEFITS

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

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

SUPERANNUATION SCHEMES

Defined contribution schemes

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

DEFINED BENEFIT SCHEMES

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

CREDITORS AND OTHER PAYABLES

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

PROVISIONS

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

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

FINANCIAL GUARANTEE CONTRACTS

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

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

Financial guarantees are subsequently measured at the higher of:

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

BORROWINGS

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

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

EQUITY

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

1. retained earnings;
2. asset revaluation reserves; and
3. other reserves.

RESTRICTED RESERVES

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Horowhenua District Council. The details of the reserve funds are on pages 199 to 203.

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

Also included in restricted reserves are reserves restricted by Council decision. 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.

GOODS AND SERVICES TAX

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

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

The net GST paid to or received from 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.

BUDGET FIGURES

The budget figures are those approved by Council in the the 2022/23 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Horowhenua District Council for the preparation of the financial statements.

COST ALLOCATION

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

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

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

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

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

Land (operational, restricted and infrastructural)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

Restrictions on the Council's ability to sell land would not normally impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2022 valuation include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of modern equivalent assets and property institute of New Zealand cost information.
- There are no significant asbestos issues associated with the buildings.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset

Please refer to the revaluation schedule on page 203 for further information.

LANDFILL AFTERCARE PROVISION

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

INFRASTRUCTURAL ASSETS

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

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

Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location.

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

Appendices

MAYOR AND COUNCILLORS

For the financial year ending 30 June 2023:

Mayor Bernie Wanden

Deputy Mayor David Allan

Councillors

Ross Brannigan
Sam Jennings
Piri-Hira Tukapua
Mike Barker
Rogan Boyle
Clint Grimstone
Nina Hori Te Pa
Paul Olsen
Jonathan Procter
Justin Tamihana
Alan Young

Glossary

Provides short definitions of the jargon that may appear in local authority documents.

Advocate	Council acts as an advocate when it represents the views and interests of the community to a range of organisations including Government Agencies and the Regional Council.
Asset	An asset is an item of value owned by Council on behalf of the people of Horowhenua. Examples are bank accounts, amounts owing by debtors, parks, roads, land, buildings, vehicles, computers and the water, wastewater and stormwater networks.
Asset Management Plan (Amp)	This is a long-term plan for managing an asset to ensure that capacity to provide a service is kept up, and that costs over the life of the asset are kept to a minimum. Council has such plans for all of its major assets including roading, water supply, wastewater disposal, parks and solid waste assets. The plans cover things like service standards, maintenance regimes and future developments.
Capital Expenditure	Money spent with effect on the long term rather than the short term. Examples are to buy or build a new asset, or to improve the potential of an existing asset. Capital expenditure is generally expected to lead to a higher level of service to the community.
Community Outcomes	Statements of the community's vision and goals for the future of the district. It is intended that these outcomes inform and coordinate the activities and planning of all sectors of the community (including Council).
Council Controlled Organisation (Cco)	An organisation that manages facilities and/or provides services on behalf of the Horowhenua community, in which Council directly or indirectly controls more than 50% of either the votes or the appointments of directors or trustees.
Debt	The amount owed for borrowed funds.
Depreciation	The allocation of the cost of an asset over its estimated useful life.
District Plan	The plan prepared by Council under the Resource Management Act that manages, through rules, potential adverse impacts of subdivisions and land use on the environment.
Financial Year	Council's financial year starts on 01 July and ends on 30 June of the following year.
Projected Financial Statement	The 10-year plan for Council's revenue and expenditure, cash flows and borrowing.
Funding Impact Statement	An explanation of how Council's funding requirements are planned to be met through various mechanisms including rates.
Governance	The way in which Council engages with the community, how it makes decisions and the ways in which citizens can influence these processes.
Hapori	Community

Infrastructure	Assets that form inalienable physical links between or within communities. Examples are roading, water supply systems, wastewater disposal systems and stormwater drainage systems.
Land Value	The value of land, excluding any improvements. For rating purposes, Council contracts Quotable Value New Zealand to assess the land value of all properties every three years.
Liability	Present obligation arising from past events. Current liabilities are those due for payment within one financial year, and non-current liabilities are those due in the longer term.
Long Term Plan (LTP)	A long term (20-year) plan (reviewed every three years) that describes community outcomes and the activities of Council and provides a long term focus for the decisions and activities of Council.
Operating Costs	The costs of running Council in the short term. Examples are the costs of maintaining assets, employing staff and the interest costs of loans.
Performance Target	A measure that shows how well Council is doing in achieving the goals that it set for itself.
Rates	Property taxes collected by Council, which help fund the services that Council provides to the community.
Renewal Expenditure	The cost of replacing components of existing assets to restore them to their original condition. Examples are the replacement of old water mains and the resealing of roads.
Revenue	The amount earned from operations: Examples are rates, dog registration fees, building permit fees, subsidies, rental revenue and interest on investments.
Rohe	District
Significance	The degree of importance of an issue under consideration, as assessed by Council, in terms of its likely consequences for the current and future wellbeing of the community.
Stormwater	Rain that runs off properties and roads.
Sustainability	The use of natural, social and physical resources in such a way that takes care of current needs and allows for the ongoing use of those resources for future generations.
Targeted Rates	Any rate other than a general rate, targeted at users or beneficiaries of a particular service. Examples are rates for solid waste, water supply and wastewater.
Uniform Annual General Charge (UAGC)	A fixed-sum rate payable by all properties as part of their contribution to general rates. There are statutory rules whereby the UAGC is not payable on contiguous properties – where two or more properties are next to each other, owned by the same ratepayer, used for a common purpose.
Wastewater	The liquid waste from a property. Examples are sewage, grey water and trade waste.

Independent Auditor's Report

To the readers of Horowhenua District Council's annual report for the year ended 30 June 2023

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

We are also required to report on:

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

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

We completed our work on 25 October 2023. This is the date on which we give our report.

Opinion

Unmodified opinion on the audited information, excluding the statement of service provision

In our opinion:

- the financial statements on pages 170 to 180, 184 to 233 and 241 to 260:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2023;
 - the results of the operations and cash flows for the year ended on that date; and

- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on pages 181 to 182, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council’s annual plan;
- the statement about capital expenditure for each group of activities on pages 65, 75, 83, 91, 101, 111, 125, 132, 146, 159 and 168, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council’s annual plan; and
- the funding impact statement for each group of activities on pages 64, 74, 82 ,90, 100 110, 124, 131, 145,158, and 167, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council ’s Long-term Plan.

Qualified opinion on the statement of service provision

In our opinion, except for the possible effects of the matter described in the *Basis of opinion on the audited information section* of our report, the statement of service provision on pages 52 to 169:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2023, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the District Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 234 to 240, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council’s and Group’s audited information and, where applicable, the District Council’s long-term plan and annual plans.

The basis for our opinion is explained below and we draw attention to other matters. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Statement of service performance: Our work was limited in the prior year with respect to the verification of the number of complaints for some services

In the prior year, the District Council was unable to report a reliable number of complaints received against performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These performance measures are included in the statements of service provision for each activity.

These mandatory performance measures include the total number of complaints (per 1,000 connections) received about the following:

- drinking water clarity, taste, odour, pressure or flow, continuity of supply, and the District Council's response to any of these issues.
- wastewater odour, wastewater system faults and blockages, and the District Council's response to issues with the wastewater system.
- the performance of the stormwater system.

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including on how to count complaints. Our audit testing found that, up until January 2022, the District Council had not been counting complaints in accordance with this guidance issued by the Department of Internal Affairs and that the District Council's method of counting was likely to have understated the actual number of complaints received for the year ended 30 June 2022, reported as comparative information.

The issue has been resolved for the 30 June 2023 financial year following a change in business rules. As the issue cannot be resolved for 30 June 2022 year, the reported performance for each performance measure for the 30 June 2023 year may not be directly comparable to the 30 June 2022 performance information.

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

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

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

Emphasis of matter - uncertainty over the water services reform programme

Without further modifying our opinion, we draw attention to Note 38 on page 233, which outlines developments in the Government's water services reform programme.

The Water Services Entities Act 2022, as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023 and the Water Services Legislation Act 2023 on 31 August 2023, establishes ten publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. Water services entities' establishment dates are staggered, with all the water services entities becoming operational between 1 July 2024 and 1 July 2026. The financial impact of the water services reform on the District Council remains uncertain until the relevant water services entity's establishment date is known, and the allocation schedule of assets, liabilities, and other matters to be transferred is approved.

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the statement of service provision, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 51, 183 and 261 to 262 but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

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

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have carried out an audit of the District Council's Long Term Plan Amendment 2021-2041 and a limited assurance engagement related to the District Council's debenture trust deed which are compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the District Council or its subsidiaries and controlled entities.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Horowhenua

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