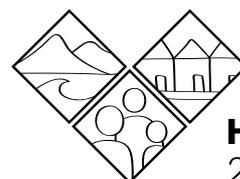


Summary Annual Report

For the year ended 30 June 2019

Te Pūrongo Whakarāpopoto ā-Tau
a Te Kaunihera ā-Rohe o Horowhenua

Mō te tau ki te 30 o Pipiri 2019



Horowhenua
2040 Vision





About This Summary

Mō tēnei pūrongo whakarāpopoto

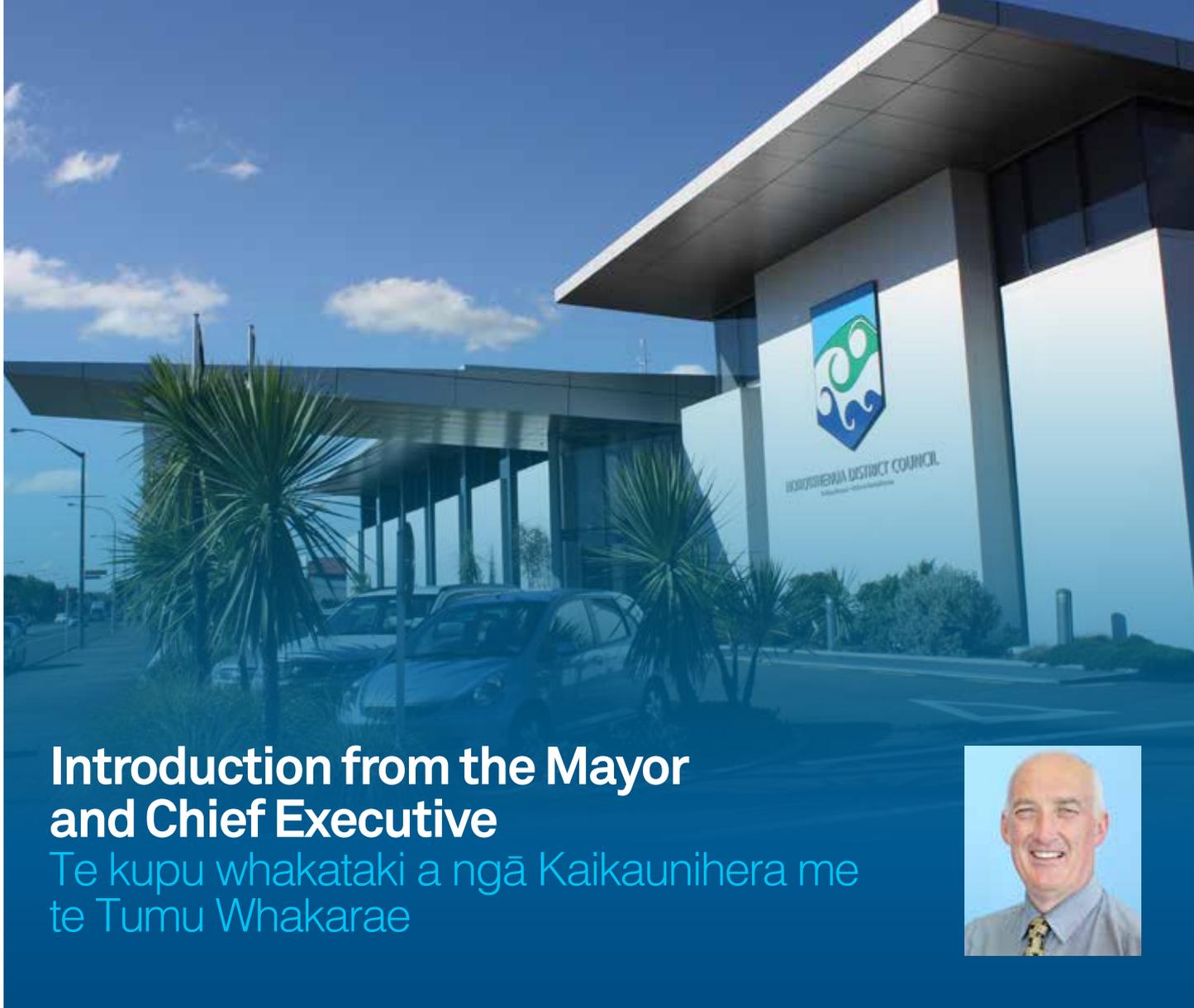
The Council adopted the audited annual report for 2018/19 on 31 October 2019 and authorised it for issue.

The report details Council's achievements against the measures and budgets for the year. The full report received an unmodified audit opinion. Copies are available from the Council on request (refer to back page for contact details).

This summary provides the key points extracted from the full annual report. As a summary it cannot be expected to provide a complete understanding of the performance of the Council for the year.

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Introduction from the Mayor and Chief Executive

Te kupu whakataki a ngā Kaikaunihera me te Tumu Whakarae



Horowhenua is now in a period of sustained growth at levels higher than official estimates.

Our district is home to more than 33,200 people, up by more than 10% since the 2013 census. If growth continues at this pace, we will reach 40,000 people by 2028.

The value for building consents has exceeded \$100m for the first time and we are heartened that our compliance team, while under pressure, has held up well in terms of performance.

Council's investment in infrastructure and planning in years past means that we already have the infrastructure to meet the growth. The Horowhenua 2040 Growth Strategy and the growth infrastructure projects in the 2018-2038 Long Term Plan will help guide future growth.

In the past year, Council has undertaken some significant work on Master Plans for:

- Gladstone Green – proposal to re-zone 400 hectares of land so it can be developed into a community of 2,500 homes.
- Foxton Beach Lakes / Te Wharangi – proposal to create a community around a series of small lakes on an area of pastoral and forestry land, 30 hectares of which is owned by Council.
- Waitārere Beach – proposal to extend the community to the east of the existing residential area to the east and west of Forest Road and to the north of Waitārere Beach Road by the dune lake.

In the coming financial year, community engagement will occur on these transformative projects before District Plan Changes are considered.



Key Achievements



Partnership
with Tangata Whenua

- Agreement with Ngāti Raukawa ki te Tonga about removing the treated wastewater discharge from the Manawatū River Loop and moving to a land-based irrigation discharge.
- Agreement with Ngāti Pareraukawa about the management of our landfill and looking at options for closing it earlier than planned.
- Support for Waitangi Day commemorations at Lake Horowhenua and weeklong Matariki celebrations in Taitoko and Te Awahou.
- Introduction of bilingual public signs as they are renewed.
- More than 23 engagements and consultations about projects, plans and strategies.



Vibrant
cultures

- Supporting events throughout our district from the Horowhenua Taste Trail, Christmas festivities, the Foxton Spring Fling, Chinese New Year, Pacific Celebration Day, SPY Fusion, Age on the Go, and numerous exhibitions at Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom.
- Creating Shared Pathways – the Arapaepae Road Shared Pathway in Levin was completed at the start of the financial year and by the end of the year an eight kilometre shared pathway was completed at Foxton Beach.
- Pump Tracks – the newly created Foxton Beach Pump Track won the Active Park of the Year Award and around the same time another pump track was opened in Solway Park in Levin thanks to the generosity of the police.



Stunning
environment

- Receiving a Green Flag award for our beautiful Thompson House Gardens was a significant achievement. We are one of the few Council's in New Zealand to have a park of this standard.
- Engagement with the community was held for our Waste Minimisation and Management Policy which was adopted by Council. As a direct result we now have a vastly improved recycling service in the district on par with many cities around New Zealand.
- Dune plantings at Waitārere Beach.



Thriving communities

- The Horowhenua 2040 Vision engagement process achieved the largest community voice reach for an engagement project ever undertaken by Council. We held workshops with targeted audiences, forums, drop-in sessions, attended expos, visited two primary schools and undertook engagement online supported by pop-up events. Everyone who took part in developing our district's vision should feel very proud of their contribution.
- We have started to create community plans for Waitārere Beach, Manakau and Ōhau. Each community plan will set out the vision and key goals of that community as well as a list of actions that contribute to reaching these.
- The Rural Road Speed Limit Review was carried out and Council approved speed reductions on rural roads to improve safety on rural roads.
- The Pathways Horowhenua study was completed through funding from the Provincial Growth Fund. We hope to secure further funding to support its ambition to address the district's skill shortage and high unemployment, and drive engagement between our young people and employers.
- Adopting District Plan Changes

aimed at enabling growth and protecting heritage buildings.

- Establishing the Horowhenua Housing Forum to develop a shared understanding of the housing challenges and opportunities facing Horowhenua and discuss potential solutions to improve housing supply, its affordability and access to social and emergency housing.



Enabling Infrastructure

- We found a solution to the Gladstone Road slip issue which included purchasing land and rerouting the road. The road is important for locals and the wider community who regularly use the Makahika Outdoor Pursuits Centre and Civil Defence and is a vital access to the Tararua Forest Park.
- Horowhenua Integrated Transport Strategy. Engagement was carried out and now the strategy is being finalised. It will oversee the direction of transportation related infrastructure for the next 20 years.
- The Horowhenua Recreational Feasibility Study was agreed to which will help us focus on what the district requires from its aquatic facilities.
- A clear progression of options regarding the Manawatū River Loop at Foxton have been presented through the Provincial

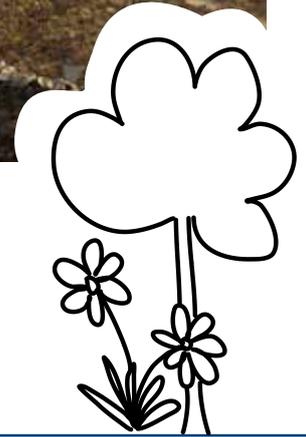
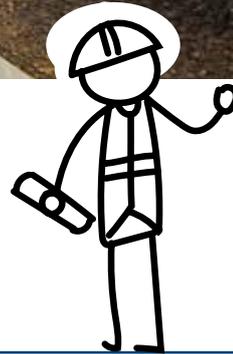
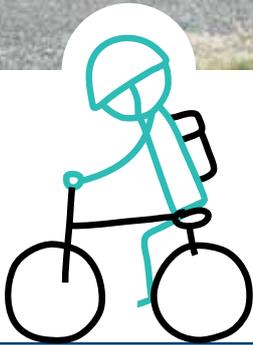
Growth Fund. If this project goes ahead it will have a major transformative effect on Foxton Te Awahou.

- The move to have all treated waste-water discharges moved to land based systems is nearing completion.
- The introduction of online building consents has helped improve our service for builders and developers.
- We have identified the need for significant investment in stormwater infrastructure in the future.



An exuberant economy

- Our economy exceeded the \$900M mark, a significant achievement for industry and the primary sector in our district. We are now heading towards a \$1B economy.
- Council's decision to sell non-core unused industrial land to the newly created Horowhenua New Zealand Trust has attracted new industry to the district.
- Destination management study carried out for Greater Foxton Te Awahou, through the Provincial Growth Fund.
- Adopting Earthquake Prone Building priority areas in Levin.
- Value of Building Consents exceeded \$100m for first time.



Our financials

The 2018/19 financial result shows an operating deficit of \$5.714m against a budgeted operating surplus of \$1.655m.

Some of the reasons are outside of Council's control while others are directly related to project delays. These include:

- Our recycling costs grew while the price we received for recyclables fell, adding nearly \$1m to our costs.
- The delay of \$2.14m of capital projects, particularly roading projects, that would have attracted NZTA funding of \$1.35m.

- Horizons Regional Council's decision to bring forward a review of the resource consent for the Levin Landfill.
- Unbudgeted costs to cover intergenerational growth projects \$0.81m.
- Depreciation \$0.89m
- Landfill Aftercare \$1.30m

However, the deficit is less than the \$7.05m we had anticipated earlier this year.

The good news is we have retained our credit rating of A+ from Standard and Poors and we're committed to achieving an optimal balance between rates and debt funding and moving towards a balanced budget.

Thank you for taking the time to read our Annual Report. We have much to do and we want to leave you with our vision as it is our driver for all that we do:

With many hands the threads which weave our neighbourhoods and communities together will be strengthened from the Tararua Ranges to the sea. He rau ringa e pakari ai ngā taura whiri i ō tātou kāinga noho me ō tātou hapori – mai i te pae maunga o Tararua ki te moana.



Regulatory Services

Ngā Ratonga Whakariterite ā-Ture

A delivery arm of Council that provides advice, consenting services, assessment, education, compliance, and enforcement. As well as the implementation and enforcement of plans, bylaws, and policies needed to protect the health and safety of the community and the environment we live in.

Capital Expenditure	Operating Expenditure
\$0k	\$4,916k
0% of total	12% of total



Community Facilities and Services

Ngā Taiwhanga ā-Rēhia me ngā Ratonga Hapori

We provide assets and support for locals and visitors to the District to enjoy our open spaces. These assets support activities that are largely passive or active leisure based pursuits which involve the community from causal participation through to clubs and associations organised on a national level.

Capital Expenditure	Operating Expenditure
\$1,471k	\$11,405k
6% of total	27% of total



Our Performance at a Glance

Hei Rarapa atu ki ā Mātou Mahi

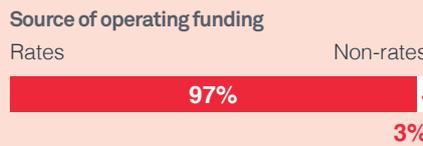
Community Support

Te Tautāwhi i te Hapori



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

Capital Expenditure	Operating Expenditure
\$24k	\$2,514k
0% of total	6% of total



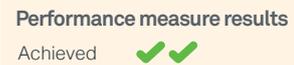
Property

Ngā Rawa



Supports all activities of Council that are dependent on physical land and buildings. Council holds a selection of property assets to support the delivery of Council's activities which also contribute to the wellbeing of the Community. This ranges from direct support e.g. provision of a community centre, to indirect support e.g. through investment and endowment property which contributes revenue to rates or facilities.

Capital Expenditure	Operating Expenditure
\$1,408k	\$1,719k
6% of total	4% of total



Representation and Community Leadership

Te Whakakanohi me te Hautū i te Hapori

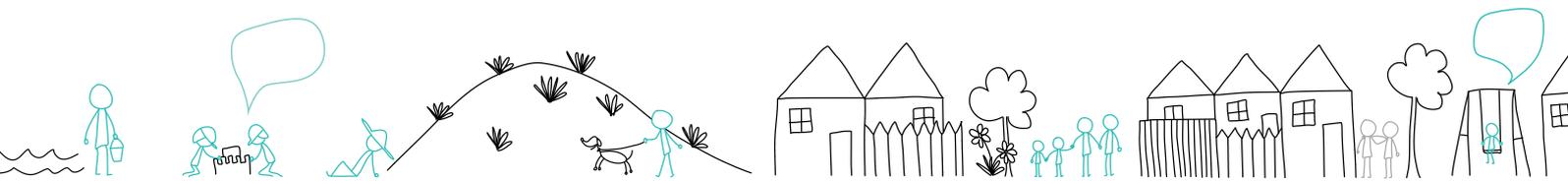


How Council meets its responsibility to represent the community as well as to provide leadership for the community and to involve it in decision-making processes and long-term strategic planning.

Capital Expenditure	Operating Expenditure
\$3k	\$5,417k
0% of total	13% of total



Did not measure - LTP adopted in previous financial year.



Land Transport

Ngā Ara Whenua



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

Capital Expenditure	Operating Expenditure
\$5,740k	\$4,102k
25% of total	10% of total

Source of operating funding	
Rates	Non-rates
66%	34%

Performance measure results

Achieved

Not achieved

Solid Waste

Te Para Totoka



We collect and safely dispose of residential and commercial solid waste. Council also provides education to the community on how to reduce total solid waste output.

Capital Expenditure	Operating Expenditure
\$106k	\$3,143k
0% of total	7% of total

Source of operating funding	
Rates	Non-rates
15%	85%

Performance measure results

Achieved

Not achieved

Unable to measure level of recycling split between kerbside and transfer stations.

Treasury and Support

Te Ahumoni me te Mahi Whakahaere



Administrative, management and support functions that are necessary to keep Council running.

Capital Expenditure	Net Surplus
\$501k	\$-32k
2% of total	0% of total

Source of operating funding	
Rates	Non-rates
86%	14%

External borrowing costs were lower than internal borrowing charges and the surplus was used to offset rates.

Stormwater

Te Pūnaha Wai Ua



Stormwater is collected from roads and is diverted into natural water courses or piped drain systems. The provision of stormwater disposal helps to prevent the occurrence of flooding in urban areas during rainfall events by draining water from roads and private property and conveying it to larger natural water courses.

Capital Expenditure	Operating Expenditure
\$1,113k	\$610k
5% of total	1% of total

Source of operating funding	
Rates	Non-rates
95%	5%

Performance measure results

Achieved

Not achieved

Water Supply

Te Whakarato Wai Māori



A safe and reliable supply of water to residential, industrial and commercial properties (primarily in urban areas). This supply also provides fire-fighting capability. An uninterrupted water supply ensures that residential areas have access to clean domestic water essential for basic health and hygiene.

Capital Expenditure	Operating Expenditure
\$5,919k	\$4,581k
26% of total	11% of total

Source of operating funding	
Rates	Non-rates
97%	3%

Performance measure results

Achieved

Not achieved

Wastewater

Te Pūnaha Wai Para



The collection of wastewater from residential, industrial and commercial properties (primarily in urban areas), Council then treats the wastewater, and discharges the treated (i.e. clean) wastewater onto land or into waterways. The collection, transportation, treatment, and safe discharge of wastewater from urban properties ensures a basic level of health; by continually removing potentially hazardous waste from populated urban environments and cleaning this waste before discharging it into a receiving environment.

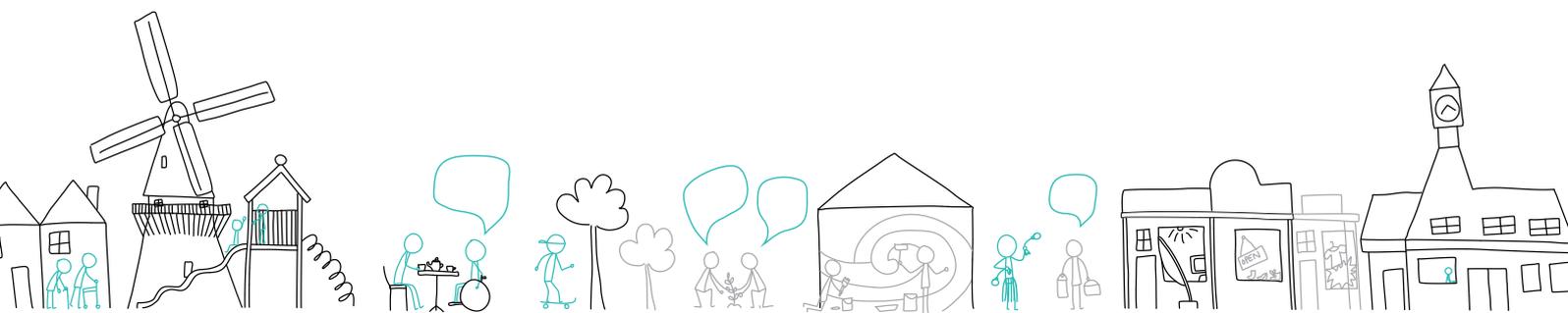
Capital Expenditure	Operating Expenditure
\$6,328k	\$4,350k
28% of total	10% of total

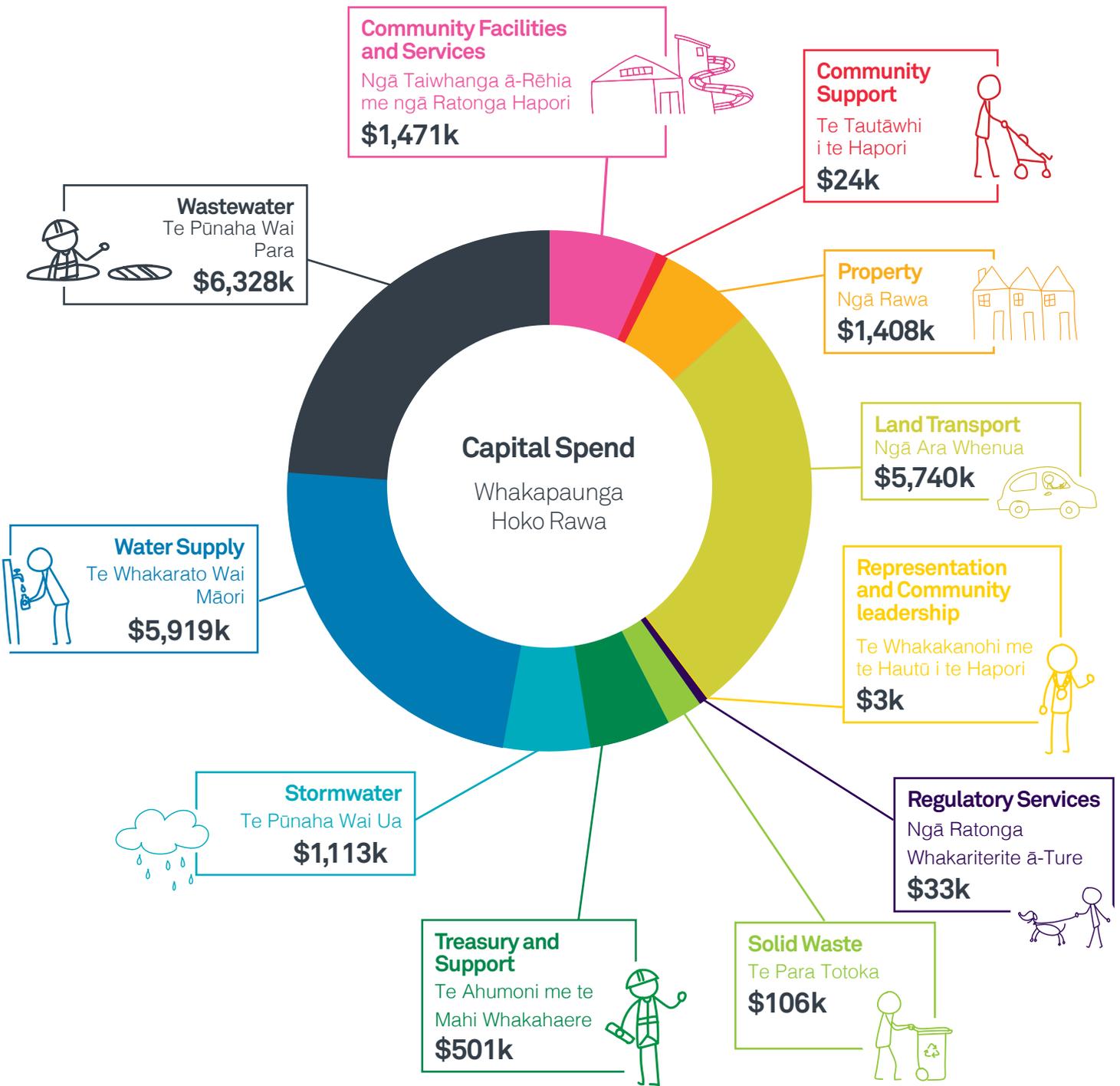
Source of operating funding	
Rates	Non-rates
82%	18%

Performance measure results

Achieved

Not achieved





Summary of the Financial Statements

Whakarāpopoto Tauākī Ahumoni

These summary statements cover the Horowhenua District Council (Council) and the Horowhenua District Council Group comprising the Council and Shannon Community Development Trust (Group).

The primary objective of Horowhenua District Council is to provide local infrastructure, local public service, and perform regulatory functions for the community for social benefit rather than making a financial return.

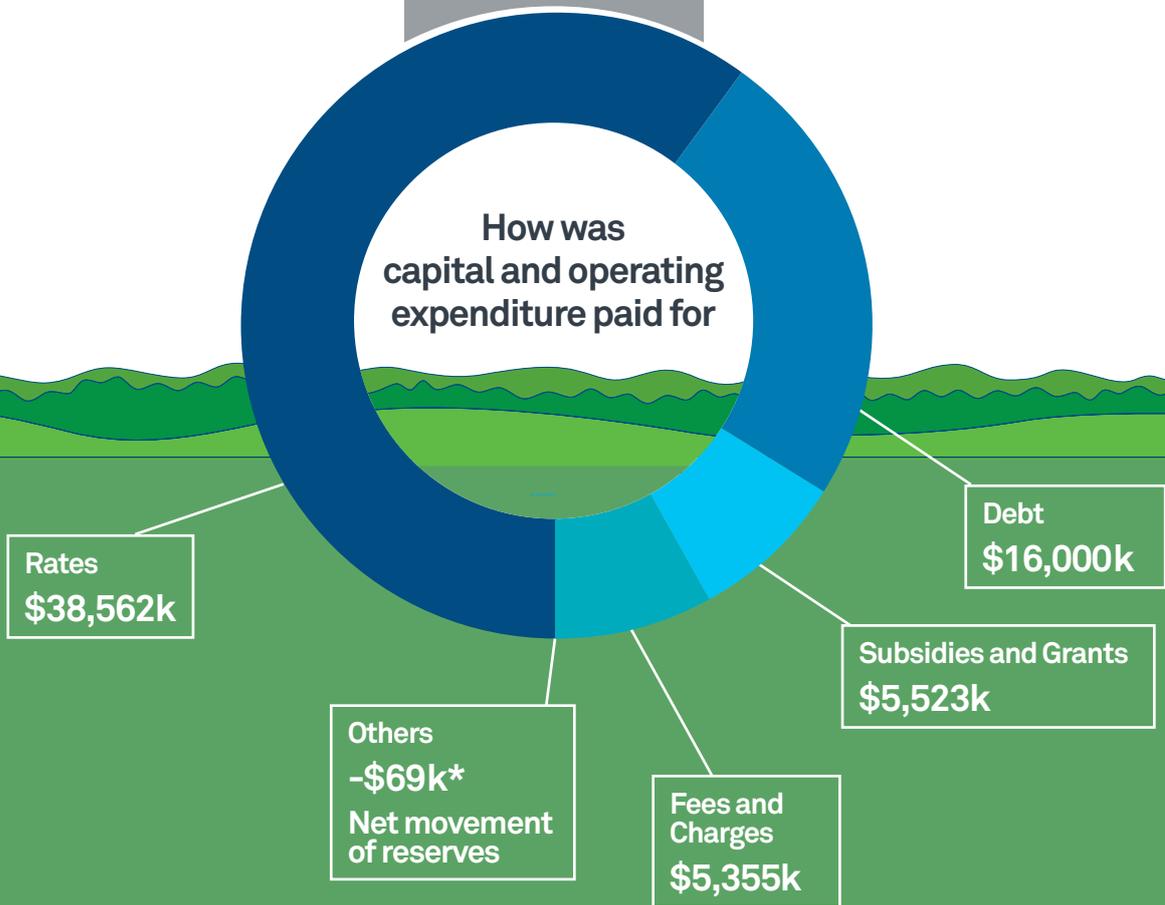
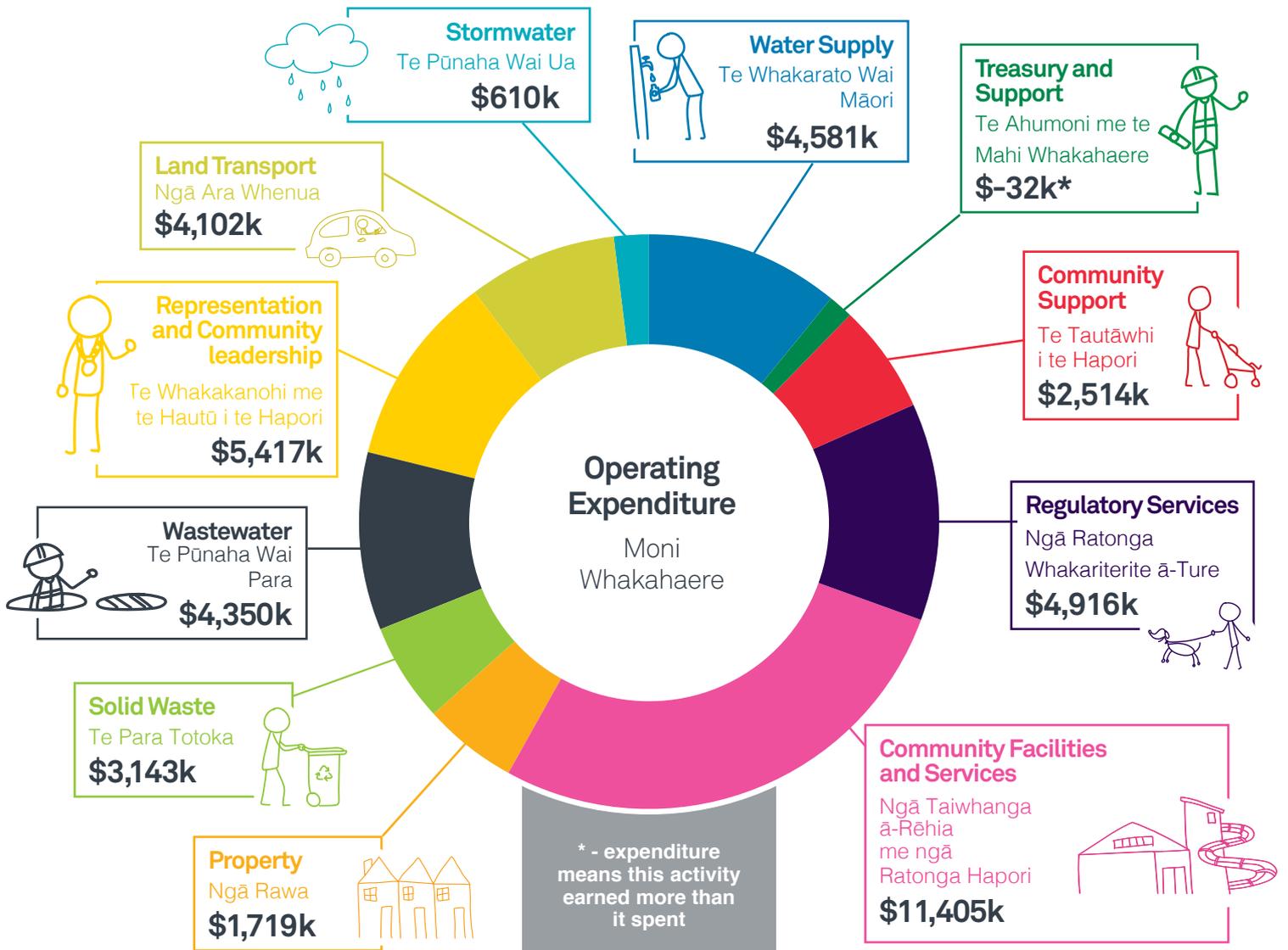
Accordingly, Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The full financial statements of Council and the Group have been prepared in accordance with and are fully compliant with Tier 1 PBE accounting standards.

Council's summary annual report complies with PBE FRS 43 Summary Financial Statements.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000's).

The summary financial statements of Council are for the year ended 30 June 2019. The full annual report was authorised for issue by Council on 31 October 2019.



Summary Statement of Comprehensive Revenue and Expense

Te Tauākī Whakarāpopoto Whānui mō te Moni Whiwhi me te Moni Whakapau

For the year ended 30 June 2019

	Note	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Revenue						
Rates revenue		38,562	38,362	36,381	38,562	36,381
Other revenue	1	15,332	16,009	16,050	15,344	16,063
Total revenue		53,894	54,371	52,431	53,906	52,444
Expenditure						
Finance costs		3,607	3,800	3,291	3,607	3,291
Other expenses	2	56,001	48,916	51,290	56,015	51,299
Total expenses		59,608	52,716	54,581	59,622	54,590
Operating surplus / (deficit) before tax		(5,714)	1,655	(2,150)	(5,716)	(2,146)
Income tax expense		-	-	-	-	-
Operating surplus / (deficit) after tax		(5,714)	1,655	(2,150)	(5,716)	(2,146)
Write back of revaluation losses on land and buildings						
Surplus / (deficit) attributable to: Horowhenua District Council		(5,714)	1,655	(2,150)	(5,716)	(2,146)
Other Comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations	3	9,613	9,353	7,713	9,613	7,713
Gain / (loss) on operational assets revaluation		-	-	60	-	60
Gain / (loss) on restricted assets revaluation		-	-	19	-	19
Total other comprehensive revenue and expense for the year		9,613	9,353	7,792	9,613	7,792
Total Comprehensive revenue and expense for the year		3,899	11,008	5,642	3,897	5,646

Statement of Changes in Ratepayers' Equity

Ngā Panonitanga Whaipānga Kaiutu Reiti

For the year ended 30 June 2019

	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Balance at 1 July	467,186	467,026	461,544	467,556	461,910
Total Comprehensive Income	3,899	11,008	5,642	3,897	5,646
Balance at 30 June	471,085	478,034	467,186	471,453	467,556
Equity is represented by:					
Retained earnings	250,815	260,215	256,775	251,183	257,145
Revaluation reserve	210,857	209,464	201,312	210,857	201,312
Reserves and Special Funds	9,413	8,355	9,099	9,413	9,099
Total equity	471,085	478,034	467,186	471,453	467,556

Statement of Financial Position

Tauākī Ahumoni

The assets and liabilities as at 30 June 2019

	Note	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Assets						
Current	3	21,559	17,196	12,444	21,577	12,455
Non-current	4	563,451	569,610	551,370	563,451	551,370
Total assets		585,010	586,806	563,814	585,028	563,825
Liabilities and ratepayers' equity						
Current	5	30,951	17,246	31,551	30,601	31,192
Non-current	6	82,974	91,526	65,077	82,974	65,077
Total liabilities		113,925	108,772	96,628	113,575	96,269
Ratepayers' equity		471,085	478,034	467,186	471,453	467,556
Total liabilities and ratepayers' equity		585,010	586,806	563,814	585,028	563,825

Statement of Cash Flows

Tauākī Kapewhiti Moni

The inflows and outflows of cash for the Year Ended 30 June 2019

	Note	Council Actual \$ 30 June 2019 \$000	Council Budget \$ 30 June 2019 \$000	Council Actual \$ 30 June 2018 \$000	Group Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2018 \$000
Net cash flows from:						
Operating activities		9,394	15,023	14,066	9,401	14,051
Investing activities		(17,873)	(27,517)	(21,180)	(17,873)	(21,180)
Financing activities		16,000	12,494	3,000	16,000	3,000
Net increase in cash and bank		7,521	0	(4,114)	7,528	(4,129)
Cash and cash equivalents at the beginning of the year		960	11,024	5,074	971	5,100
Cash and cash equivalents at the end of the year		8,481	11,024	960	8,499	971

Funding Impact Statement for Whole of Council

Te Tauāki Pānga Tahua mō te Katoa o te Kaunihera

For the year ended 30 June 2019

	Annual Plan Forecast 2018 \$000	Annual Report Actual 2018 \$000	Annual Plan Forecast 2019 \$000	Actual 2019 \$000	Variance 2019 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	9,635	9,374	9,533	9,547	14
Targeted rates	27,155	27,006	28,828	29,015	187
Subsidies and grants for operating purposes	1,585	1,454	1,688	1,984	296
Fees and charges	5,155	5,601	5,664	5,355	(309)
Interest and dividends from investments	70	161	205	423	218
Local authorities fuel tax, fines, infringement fees, and other receipts	3,293	3,209	3,660	3,522	(138)
Total operating funding (A)	46,893	46,805	49,578	49,846	268
Applications of operating funding					
Payments to staff and suppliers	34,680	34,842	35,426	39,118	3,692
Finance costs	3,658	3,291	3,800	3,607	(193)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	38,338	38,133	39,226	42,725	3,499
Surplus (deficit) of operating funding (A-B)	8,555	8,672	10,352	7,121	(3,231)
Sources of capital funding					
Subsidies and grants for capital expenditure	5,641	4,870	4,672	3,539	(1,133)
Development and financial contributions	-	197	-	-	-
Increase (decrease) in debt	8,310	3,000	12,494	16,000	3,506
Gross proceeds from sale of assets	6,890	7,306	7,000	791	(6,209)
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	20,841	15,373	24,166	20,330	(3,836)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	4,425	2,359	3,933	765	(3,168)
- to improve the level of service	10,583	9,318	14,882	9,214	(5,668)
- to replace existing assets	14,308	12,495	15,703	12,667	(3,036)
Increase (decrease) in reserves	-	(375)	-	9,604	9,604
Increase (decrease) of investments	80	248	-	(4,799)	(4,799)
Total applications of capital funding (D)	29,396	24,045	34,518	27,451	(7,067)
Surplus (deficit) of capital funding (C-D)	(8,555)	(8,672)	(10,352)	(7,121)	3,231
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	11,604	13,860	13,489	14,383	894

Loans	External \$000
Loans as at 1/07/2018	80,000
Raised during year	78,000
Repaid During Year	(62,000)
Loans as at 30/06/2019	96,000
Interest expense	3,607

Explanations for variances between the Council's actual results and the Council's budget for 2018-19

Hei whakamārama i ngā tangongitanga i waenga i ngā hua tahua tūturu a te Kaunihera me tana mahere pūtea mō te tau 2018-2019

Statement of Comprehensive Revenue and Expense

Te tauākī whānui mō ngā moni whiwhi me ngā whakapaunga

1. Other revenue

A breakdown of the revenue included under this heading is provided in Note 2 along with explanations of variances in section C in the full annual report.

Grants and subsidies lower than budget due to;

Roading subsidies are lower by \$1.54m due to delays for the following projects:

- Poads Road Bridge Replacement: \$408k.
- Queen Street Cambridge Street Roundabout: \$376k.
- Road improvements delayed by lack of progress on O2NL Expressway: \$450k.
- Rail Crossings due to delay in KiwiRail design concepts: \$487k.

However, these delays were offset to some degree by:

- Higher subsidy revenue on operational Rooding expenditure: \$185k.
- Higher than budgeted capital subsidies for wastewater: \$370k.

2. Other Expenditure

Employee Benefit expenses – Employee Benefit expenses were \$686k higher due to wage increases, recruitment in a skills shortage, new roles due to growth which has increased pressure on the compliance and regulatory areas of Council, and increased levels of service at Te Awahou Nieuwe Stroom.

Depreciation and amortisation – Depreciation was \$894k higher than budgeted due to:

- Under budgeted depreciation for Infrastructure assets due to revaluation changes: \$346k.
- Te Awahou Nieuwe Stroom – new development depreciation: \$299k.
- All other operational assets underestimated depreciation of new assets: \$246k.

Note: Depreciation is a non-cash expenditure. It recognises a loss to service potential over the length of the life the asset.

Other Expenses – Professional services were higher by \$1.93m due to the following reasons:

- Council's Economic Development Activity is now contracted out and therefore accounted for in professional services: \$394k.
- Growth response projects: \$809k.
- Solid Waste consultancy over new strategic direction and new operational contract for refuse/recycling collection and Council-owned Waste Transfer stations: \$305k.

Maintenance costs were \$878k higher than budgeted for due to:

- Changes to the international recycling market meant Council had to reconfigure its service delivery arrangements for Solid Waste. Recycling has become more expensive however the communities desire was for a higher level of service: \$775k.
- Three Waters maintenance was \$181k higher than budgeted for.

Loss on derivatives was \$975k. This has occurred because of the historically low level of interest rates.

Landfill aftercare provision increase of \$1.3m. This cost is recalculated annually and again is a non-cash item. It represents the future costs for aftercare following closure of the landfill in 2032. The increase has come about due to changes to the consent conditions.



Statement of financial position

Tauākī Ahumoni

3. Current assets

The \$4.3m budget variance is due to Commercial Properties being reclassified from non-current Commercial Properties to Assets Held for Sale, which is classified as a current asset. The budget did not have this reclassification.

4. Non-current assets

The \$6.1m budget variance is due to a combination of the reclassification of Commercial Properties and less capital expenditure than budgeted.

5. Current liabilities

Higher than budget due to Council continuing to use short-term borrowing to take advantage of the historically low interest rates at the short-term end of the bond market.

6. Non-current liabilities

Overall borrowing is higher from financing assets and growth projects as well as increased costs relating to the increase in levels of service in the Solid Waste recycling activity.

7. Equity

Is lower due to the deficit for the year and also some movements to 'Other Reserves'.

Contingent liabilities

Contingent liabilities are dependent on future events and are summarised as:

- Joint guarantor with other shareholder councils for all New Zealand Local Government Funding Agency borrowing of \$9,531m.
- 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 the Council is open to is \$5.219m.
- Several on-going legal proceedings with maximum financial exposure of less than \$50,000 .
- Lease provisions: Buyback of fixtures and improvements included in leases with Waitāreke Beach Motor Camp and Levin Holiday Park estimated at \$945,000 .
- Weathertight home claims: Council has one live claim. While the claim has been accepted and Council is liable for 25% of costs the actual costs are not yet quantified.

Contingent assets

- 24 facilities owned by sports clubs and community groups (third parties) across the District are on land owned by Council. The third parties control the use of the facility. However, Council will gain control of the asset in the event of the third party vacating the facility. The assets are not recognised as Council assets until they are vacated by the third party and as of 30 June 2019 the 24 facilities were valued at \$18.7m.



Key Performance Measures Overview

Tirohanga Whānui ki ngā Paetohu Aromatawai Mātāmua

Regulatory Services Ngā Ratonga Whakariterite ā-Ture		
	Target	Achieved/ Not achieved
Applications under the Resource Management Act will be processed within statutory timeframes.	100%	 233 applications. 228 approved within time. 5 processed outside of timeframe, three due to workflow issues and two due to administrative errors.
Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to and appropriate action will be taken.	100% responded to within two working days	 58 complaints were received.
Noise complaints services are provided all year round and 90% of complaints will be responded to within 60 minutes.	90% of complaints	 1,122 complaints received. 95% responded to within 60 minutes.
All parking restricted areas in Levin are monitored each working day.	100% of all restricted car parks	 Enforcement occurred each working day through a mix of physical and remote monitoring.
Reported cases of illegal building work will be responded to within five working days.	100% of cases	 16 reported instances were received by Council. 100% have been responded to within three working days.
Percent of private swimming pools on register inspected annually for compliance.	33% of private swimming pools are inspected	 284 pools are on the register. 36% were inspected.
Council will maintain its accredited status as a Building Consent Authority.	Achieved	 Council is an accredited BCA. The latest assessment was held 15-18 April 2017 and accreditation was achieved. However, six general non-compliances were raised, two were resolved during the audit and the remaining three were resolved by 27 September 2019.
Food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015.	100%	 100% of businesses operating under the Food Act 2014 have been verified as required by regulation.
Percent of premises that are inspected annually to check for compliance with their licence conditions.	100%	 70 licensed premises. 71 operative licences exist. 100% were inspected.
Percent of reported instances of non-compliance and dog nuisance will be responded to.	100%	 1,108 complaints were received. 100% were responded to.
Public safety bylaws: Percent of reported non compliances and complaints that are responded to within five working days.	100%	 78 complaints were received. 100% were responded to within five working days.



Community Facilities and Services Ngā Taiwhanga ā-Rēhia me ngā Ratonga Hapori

	Target	Achieved/ Not achieved	
Playground facilities comply with relevant standards.	100%	✓	100% of playground facilities complied.
Number of uses per fortnight for the Levin, Foxton and Shannon Halls.	10	✓	Total = 368 times (an average of 14.15 times per fortnight).
Percent of time that sport grounds are available for use during their opening hours.	95%	✓	100% of sports grounds were available for use during their opening hours.
High quality Swim School operates at Levin and Foxton Aquatic Centres.	≥400 participants per term	✓	Term Three 2018: 437(Foxton offseason) Term Four 2018: 416 Levin and 76 Foxton Term One 2019: 459 Levin and 76 Foxton Term Two 2019: 485 (Foxton offseason).
Compliance with relevant standards including Pool Safe Accreditation.	100%	✓	Both Foxton and Levin pools have received Pool Safe Accreditation.
Percent of customers satisfied, based on the Annual Customer Satisfaction Survey.	90% satisfied	✓	Satisfaction rates are: 92% Aquatics Horowhenua. 91% Levin Aquatic Centre 93% Foxton Aquatic Centre.
Percent of residents and non-residents satisfied with library and community services.	≥90%	✓	90.4% of residents and non-residents were satisfied.
Number of booking counts for community facilities.	≥1,200	✓	1,497 bookings.
Number of programmes delivered in Levin, Foxton and Shannon that enhance wellbeing.	Levin: ≥60 Foxton: ≥30 Shannon: ≥10	✓	Levin: 306 Foxton: 157 Shannon: 163

Property Ngā Rawa

	Target	Achieved/ Not achieved	
All buildings with compliance schedules will have current building warrant of fitness (BWOFF).	Achieved	✓	All Council buildings with Compliance Schedules have current BWOFF's. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.
Facilities availability (hrs) and hire charges by annual review.	8 hours per day and reviewed annually	✓	Council had three Memorial Hall facilities available for hire. As at 30 of June 2018, all were available for at least eight hours per day.

Community Support Te Tautāwhi i te Hapori

Target

Achieved/
Not achieved



Number of Community Wellbeing Executive meetings per year.	≥5	✓	5 Community Wellbeing Committee meetings were held.
Number of Education Horowhenua meetings per year.	≥4	✓	7 Education Horowhenua meetings were held.
Annual visitor numbers to Council's two i-Site centres	≥10,000	✓	10,387 Te Awahou Nieuwe Stroom. 7,578 Te Takeretanga o Kura-hau-pō.
Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	≥85%	✓	96% satisfied.
Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	≥150 people	✓	344 individuals have participated in Capacity and Capability Building Programme workshops or training.
The Horowhenua New Zealand Trust is charged with providing economic development and services.	≥10 meetings per year	✓	10 meetings were held.
Percent of the District's business community that are satisfied or more than satisfied with the Council's overall performance in the economic development activity.	>75%	✗	59.1% of the district's business community were satisfied with the performance of Economic Development Activity.

Representation and Community Leadership Te Whakakanohi me te Hautū i te Hapori

Target

Achieved/
Not achieved



Number of successful challenges to Council's decision making processes.	0	✓	There have been no successful challenges to Council's decision making processes.
Percent of residential and non-residential ratepayers who are satisfied with the way the Council involves the public in its decision making.	>50%	✗	42.8% are satisfied.
Local Government Official Information and Meetings Act (LGOIMAs) requests and response.	All are responded to within 20 working days	✗	154 LGOIMAs were received, of these: <ul style="list-style-type: none"> • 3 were withdrawn • 104 were responded to on time • 33 were responded to after 20 working days • 5 are yet to be responded to after 20 working days • 9 are still open within 20 working days.
The Annual Report will include an unmodified audit opinion.	Achieved	✓	The 2017/18 Annual Report Received an unmodified audit opinion on 24 October 2018.

Land Transport Ngā Ara Whenua

	Target	Achieved/ Not achieved	
A safe road network.	0% change or less from previous year	✓	The number of fatal or serious injury crashes decreased by six Crashes. In the 2018/19 year the crashes were made up of: <ul style="list-style-type: none"> District Road network: 12 serious crashes and no fatal crashes.
The average quality of ride on a sealed local road network measured by smooth travel exposure.	85% minimum	✓	91% of travel on roads smoother than the threshold for all traffic groupings.
The percentage of the sealed local road network that is resurfaced annually.	5% minimum of total area	✗	4.47% of the sealed local road network that was resurfaced in the 2018/19 Annual Reseal Programme.
Target footpath condition rating (% compliant with Councils standards).	30% minimum in excellent condition and maximum of 10% in poor condition	✗	13.3% of footpaths in the district are in excellent condition. 5.8% are in poor condition.
The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.	>95%	✓	1,896 Customer service requests were received. 96% of requests responded to within 15 working days.

Solid Waste Te Para Totoka

	Target	Achieved/ Not achieved	
Quantity of waste going to landfill per person per year	≤400kg per person per year	✗	An average of 450.53kg of waste per person based on an estimated population of 33,261. In all 14,984.96 tonnes of waste was produced and disposed of by residents.
To ensure the number of odour complaints and reports of solid waste are minimal in or around the waste transfer stations and recycling stations.	Less than 4 a month	✓	1.58 per month (19 in total) – Waster Transfer stations. 1.75 per month (21 in total) – Recycling stations.
To ensure that all requests are responded to within three days.	100%	✗	1,089 service requests received. 442 (65%) of these were responded to within three days.
Solid waste management. The number of abatement and infringement notices, enforcement orders and convictions received from Horizons Regional Council.	0	✓	0 were received in this financial year. However, abatement notice 887 is still active from the previous financial year.
Complaints about non collection or kerbside recycling and refuse.	<6 6 per month	✗	9.08 complaints per month – Kerbside recycling. 13.67 complaints – Kerbside refuse During this financial year, a new refuse collector contractor took over the operation in October leading to a high number of complaints that month.
To ensure the percentage of customers satisfied with their recycling and refuse collections, based on the Annual Customer Satisfaction Survey is at least 80%.	≥80%	✗	75.1% satisfied with kerbside recycling. 80.3% satisfied with kerbside refuse collection.

Stormwater Te Pūnaha Wai Ua

	Target	Achieved/ Not achieved	
The number of flooding events that occur in the District is less than five per year.	5 or less a year	✓ 0	0 reported flooding events.
For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.	2 or less	✓ 0	0 habitable floors affected, which equates to 0 per 1,000 connections.
The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	<1 hour	✓	No flooding events were recorded during this period.
The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.	<10 a year	✓ 8	8 complaints were received, which equates to 0.63 per 1,000 connections regarding the performance of our stormwater system.
Percentage of customers satisfied with the stormwater service. As per the Annual Customer Satisfaction Survey.	≥80%	✗ 57.2%	57.2% satisfied.
To have 100% compliance with Horizons Regional Council's resource consents for discharge from its Stormwater system measured by receiving none of the below: <ul style="list-style-type: none"> • Abatement notices; • Infringement notices; • Enforcement orders; and Convictions. 	100%	✓	For the period 1st July to 30th June 2018: 0 Abatement Notices. 0 Infringement Notices. 0 Enforcement Orders. 0 Convictions.

Wastewater Te Pūnaha Wai Para

	Target	Achieved/ Not achieved	
To ensure the number of dry weather overflows from the wastewater system is less than two per 1,000 connections.	less than 2 per 1,000 connections	✓ 12,468	Total number of connection as of 30 June 2019. 10 Dry weather overflows. 0.8 Overflows per 1,000 connections.
To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel reach the site in responding to an overflow or wastewater blockage is less than one hour.	less than 1 hour	✓ 28 min	
To ensure the median time (hours) from the time that Council receives a notification to the time that services personnel confirm resolution of the blockage or other fault within the wastewater system will be no more than 12 hours.	no more than 12 hours	✓ 2:11hrs	
To ensure the total number of complaints received (expressed per 1,000 connections to the wastewater system) is less than 22.	less than 22 per 1000 connections	✓ 12,468	Total number of connections as of 30 June 2019. 100 Complaints. 8.02 Complaints per 1,000 connections.
To ensure Council's compliance in relation to Horizons Regional Council resource consents for discharge from its wastewater systems measured by receiving no abatement notices, infringement notices, enforcement orders; or convictions.	0	✓ 0	0 Abatement Notices. 0 Infringement Notices. 0 Enforcement Orders. 0 Convictions.

	Target	Achieved/ Not achieved	
To ensure the percentage in which the local authority's drinking water supply complies with: a) part 4 of the Drinking Water Standards for New Zealand 2005 (revised 2008) bacterial compliance criteria complies 100% of the time.	100%	✓	100% compliance. 1,009 of analysed samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli.
To ensure the percentage in which the local authority's drinking water supply complies with: b) part 5 of the Drinking Water Standards for New Zealand 2005 (revised 2008) protozoa compliance criteria complies 100% of the time.	100%	✓	100%
To ensure the average consumption of drinking water per day per resident within the water supply areas is 300lt per day (target based on One Plan Section 6.4.3.1).	within 350lt per day	✓	Average consumption is 323 L per person per day 409 l/day Levin. 325 l/day Foxton. 195 l/day Foxton Beach. 203 l/day Tokomaru. 510 l/day Shannon/Mangaore.
The total number of complaints received about, clarity, taste, odour, pressure, continuity of supply or response to these issues (expressed per 1,000 connections) is no more than 4 complaints.	Less than 6 per 1000 connections	✗	13,136 Total number of connections 80 Total number of complaints. 7.18 Complaints per 1,000 connections.
The median time from the time that Council received notification to the time that service personnel resolve the issue. 8 hours for urgent call outs and three days or less for non urgent call outs.	100%	✓	Received 21 urgent call outs (34mins) and 528 non-urgent call outs (4.56 hrs). Urgent – 20 resolved within 8 hours or less Non urgent – 496 resolved within 3 days of less.
Use the World Bank Institute Band for Leakage as the standard to measure water loss.	Band B	✗	Results from September 2018: C Levin D Shannon and Mangaore D Foxton A Foxton Beach C Tokomaru
To ensure 100% compliance with water take limits of resource consents.	100%	✓	100% of water take which complied with limits of resource consent.

Independent Auditor's Report

To the readers of Horowhenua District Council's summary of the annual report for the year ended 30 June 2019

The summary of the annual report was derived from the annual report of the Horowhenua District Council (the District Council) for the year ended 30 June 2019.

The summary of the annual report comprises the following summary statements on pages 8 to 23:

- the summary statement of financial position as at 30 June 2019;
- the summaries of the statement of comprehensive revenue or expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2019;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: Summary Financial Statements.

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2019 in our auditor's report dated 31 October 2019.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: Summary Financial Statements.

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: Summary Financial Statements.

Our opinion on the summary of the annual report is based on our procedures, which were carried out 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.

In addition to our audit of the summary annual report and full annual report, we have performed a limited assurance engagement related to the District Council's debenture trust deed. Other than this engagement, we have no relationship with, or interests in the District Council or its subsidiaries and controlled entities.



Debbie Perera,
Audit New Zealand
On behalf of the Auditor-General
Palmerston North, New Zealand
29 November 2019



Horowhenua
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