Horowhenua
DISTRICT COUNCIL

Annual Report

2020-2021

WELCOME TO HOROWHENUA

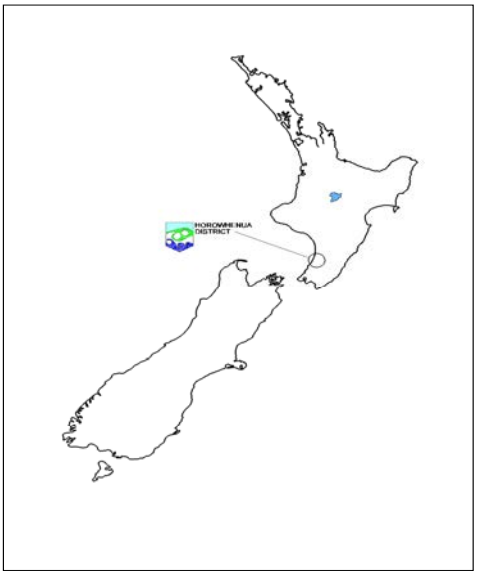
Horowhenua is located near the southern end of the North Island and is the southernmost district in the Manawatū-Whanganui region. With an area of 1,064 square kilometres, Horowhenua stretches from the mountains to the sea – it has the Tararua Ranges to the east and the Tasman Sea to the west, and spans from just north of Foxton and Tokomaru to just south of Manakau. It is within commuting distance of Wellington and Palmerston North and will become even more accessible with the expected completion of the Ōtaki to North of Levin Expressway (Ō2NL) in 2029.

The district's convenient location, as well as the attractive lifestyle it offers, is contributing to its rapid growth. It has a current estimated population of around 35,000, which is expected to grow to over 62,000 by 2041.

Growth is shaping the district's communities. Horowhenua contains several small coastal communities, the largest of which – Foxton Beach and Waitārere Beach – are expected to grow significantly over the next 20 years. Levin, the district's largest town, is also set to expand, with draft plans in place for an additional 2,500 homes in a major new subdivision Tara-Ika. Horowhenua also has several inland communities, including the heritage town of Foxton; Shannon; Ōhau and Manakau; and other smaller settlements.

While growth has brought new economic opportunities, farming, forestry and horticulture remain the backbone of the district's prosperity. These industries are supported by productive soils and a favourable climate that offers an average of 1,880 hours of sunshine per year and average annual rainfall of 1,120 millimetres.

Horowhenua has a variety of natural features, including the Tararua Ranges, Lake Horowhenua (Waipunahau), Lake Papaitonga (Waiwiri), other small dune lakes, the Manawatū River, the Ohau River, an extensive coastal dune system and a number of west coast beaches.



Contents

SECTION A: SUMMARY 4
Vision Statement 5
Introduction from the Mayor and Chief Executive 6
SECTION B: FINANCIAL STATEMENTS 7
Audit Report 8
Statement of Compliance 13
Statement of Comprehensive Revenue and Expense 14
Statement of Changes in Ratepayers' Equity 16
Statement of Financial Position 17
Statement of Cash Flows 19
Funding Impact Statement for Whole of Council 20
Reconciliation between the Funding Impact Statement for the Whole of Council and the Statement of Comprehensive Revenue and Expense 21
Reserve Funds 22
Reserve Funds 24
Council's Interest in Other Entities 26
Notes to the Financial Statements 27
Benchmarks Disclosure Statement 60
Accounting Policies 65
SECTION C: SIGNIFICANT ACTIVITIES, SERVICE PERFORMANCE, AND FUNDING IMPACT STATEMENTS 78
Regulatory Services 80
Community Facilities and Services 93
Land Transport 106
Stormwater 113
Water Supply 120
Wastewater 133
Solid Waste 142
Community Support 151
Property 166
Representation and Community Leadership 172
Report on Contribution of Māori to Decision-making 180
SECTION D: APPENDICES 183
Mayor and Councillors 184
Management Structure 186
Directory and Contacts 187
Glossary 188
Statistics 190

SECTION A: SUMMARY

Section A sets the scene for the annual report by setting out some of the highlights of the year.

Introduction from the Elected Members and Chief Executive

The Elected Members and the Chief Executive, David Clapperton, highlight some of the big issues and review the year, commenting on the finances and achievements of the Council during the year.

Vision Statement

Horowhenua District Council
Vision Statement

"Working together to take Horowhenua from good to great."

Introduction from the Mayor and Chief Executive

Tēnā koutou katoa

Despite the ongoing threat of COVID-19, the Horowhenua has had an impressive year. Once a sleepy collection of towns, our region is thriving as more New Zealanders recognise the lifestyle benefits of living here.

Last year, projections from Sense Partners suggested our population could reach over 62,000 by 2041. Preparing for this growth was already a key focus of the Council in 2020 and many of the plans for new facilities, roading and other infrastructure have already been completed or commenced in the last year.

As one of the first movers to access the government's Provincial Growth Fund, we were able to upgrade the Manawatū River Loop. Three Pasifika churches in Horowhenua benefitted from renovations under the Fale Lotu Connections Project to make their buildings warmer and better equipped, and we repaired or added to roads around the region, including the realignment of Gladstone Road – work that has been eagerly anticipated by residents.

Council has been working with Waka Kotahi NZTA on the designation and design of the Ōtaki to North of Levin expressway, with construction commencing in 2025.

Water is also on the mind in Horowhenua. A new pond at Foxton's wastewater treatment plant will improve efficiency and we're already looking into designs for Levin's Alternate Water Source.

Our leisure facilities have been water-focussed too. Repairs and updates to the Levin Aquatics Centre hydroslide and Shannon Pool's plant room were completed, and feasibility studies for Foxton Pools, Levin Aquatic Centre and Jubilee Park paddling pool are already underway.

Housing, of course, is a key concern of any growing region, with a predicted 500 new dwellings needed each year. That's what we set out to achieve while protecting the character and the Green-Flags-rated natural beauty of the Horowhenua.

We considered where we could welcome our new residents and saw strong engagement from our communities. We signed off funding and loan agreements with Crown Infrastructure Partners to provide the infrastructure enabling homes to be built in Tara-Ika, while planning in Foxton Beach, Ōhau and Manakau will also boost development. Development has begun in Tara-Ika, and the council processed and lodged more building consents in 2020 than ever before.

With these increased investments in capital projects, the supporting grants from the Crown, together with additional revenue from higher building activity, we have had the best financial result in 15 years. This is, in part, thanks to the additional funding secured via the Provincial Growth Fund for shovel-ready projects. The significantly higher surplus was due to grants received for capital projects and was used to help fund capital projects completed this year.

These new projects and the impacts of COVID-19 created growing demand on the Council, but we still saw service levels well maintained.

While financial performance and infrastructure development are the most visible signs of progress in Horowhenua, the true mark of success is the health and wellbeing of our people.

Again this year, we've seen communities in good heart, resilient and engaged.

Here is just some of what we achieved together.

SECTION B: FINANCIAL STATEMENTS

Section B provides information on the financial outcomes for the year ended 30 June 2021.

Audit Report

This is a report from the Council's auditors outlining the scope of the audit and their audit opinion.

Statement of Compliance and Responsibility

Confirmation from senior Council officials that Council's systems comply with statutory requirements and that Council accepts responsibility for the information in the Annual Report.

Statement of Comprehensive Revenue and Expense

Effectively a profit and loss statement, this shows the summarised operating revenues and operating costs of the Council in 2020/21, and the operating surplus.

Statement of Movements in Ratepayers' Equity

This shows the sources of the movement in the net worth of the Council during 2020/21 (primarily the net surplus and changes to asset valuations).

Statement of Financial Position

Also known as the balance sheet, this shows the financial position of the Council as at 30 June 2021. It summarises what the Council owns (its assets) and what the Council owes (its liabilities). The equity of the Council is the difference between the two and represents the net community ownership.

Statement of Cash Flows

This shows the source of the movements in and out of Council's cash and bank resources during 2020/21.

Effects on the social, economic, environmental, or cultural wellbeing of the community

This describes any identified effects that any activity within the group of activities has had on the social, economic, environmental, or cultural wellbeing of the community.

Funding Impact Statement

This shows the Council's operating and capital funding received and how it was applied during 2020/21.

Accounting Policies

These set out the accounting policies that the financial statements are based on, covering such matters as: when revenue is recognised, what depreciation rates are used and how assets are valued. These policies reflect generally accepted accounting practice.

Notes to the Accounts

The notes to the accounts are a series of notes that are referred to in the main body of the financial statements. The notes give further details on the numbers given in the accounts. The importance of these numbers should not be underestimated.

Audit Report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Horowhenua District Council's annual report for the year ended 30 June 2021

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, Stephen Lucy, 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 16 December 2021. This is the date at which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the statements of service performance

In our opinion:

- the financial statements on pages 14 to 19, 27 to 59 and pages 65 to 77:
    - present fairly, in all material respects:
        - the District Council and Group's financial position as at 30 June 2021;
        - 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 Standards;
- the funding impact statement on page 20, 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 91 to 178, 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 91 to 178, 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 statements of service performance

In our opinion, except for the possible effects of the matter described in the "Basis for our opinion" section of our report, the statements of service performance on pages 78 to 179:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, 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 60 to 64, which represent a complete list of required disclosures and accurately reflects the information drawn from the District Council's audited information and, where applicable, the District Council's long-term plan and annual plans.

Basis for our opinion on the audited information

Our work was limited with respect to the verification of the number of complaints for some services

The District Council is required to report against the 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 performance for each activity contained within Section C *Significant Activities, Service Performance and Funding Impact Statements*.

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.

These measures are important because the number of complaints is indicative of the quality of services received by ratepayers.

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 the District Council has not been counting complaints in accordance with this guidance and that the District Council's method of counting was likely to have understated the actual number of complaints received both in the current year and in the comparative year to 30 June 2020.

Complete records for all complaints made to the District Council were not available and we were unable to determine whether the District Council's reported results for these performance measures were materially correct. As a result, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the number of complaints reported against these performance measures.

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 – The Government's three waters reform programme announcement

Without further modifying our opinion, we draw attention to note 27 on page 51, which outlines that subsequent to year-end, the Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities from 1 July 2024. The impact of these reforms, once legislated, will mean that the District Council will no longer deliver three waters services.

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 and long-term 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 statements of service performance, 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 audit 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 entities or business activities within the Group to express an opinion on the consolidated audited information.

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.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 7, 21 and 183 to 190, but does not include the audited information, 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.

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 issued by the New Zealand Auditing and Assurance Standards Board.

In addition to our audit and our report on the disclosure requirements, we have audited the District Council's 2021-2041 long-term plan and performed a limited assurance engagement related to the District Council's debenture trust deed. These engagements 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.

S B Lucy
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Compliance

Horowhenua District Council hereby confirms that all statutory requirements relating to the annual report, as outlined in the Local Government Act 2002, have been complied with.

Bernie Wanden
District Mayor
16 December 2021

David Clapperton
Chief Executive
16 December 2021

Statement of Comprehensive Revenue and Expense

HOROWHENUA DISTRICT COUNCIL
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Council Actual $ 30 June 2021 $000	Council Budget $ 30 June 2021 $000	Council Actual $ 30 June 2020 Restated* $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 Restated* $000
Revenue						
Rates	1	39,268	39,684	40,386	39,268	40,386
Finance revenue	2a	107	200	370	114	380
Grants and subsidies	2b	19,650	12,780	5,038	19,650	5,038
Fees and charges	2c	4,341	4,551	4,858	4,341	4,858
Other revenue	2d	4,246	3,197	4,005	4,246	4,005
Vested assets	2e	2,612	–	730	2,612	730
Development contributions	2f	–	–	–	–	–
Gain on derivative financial instruments	19	1,517	–	–	1,517	–
Other gains	3	360	–	847	360	847
Total revenue		**72,101**	**60,412**	**56,234**	**72,108**	**56,244**
Expenditure						
Employee benefit expenses	4	15,709	15,771	15,197	15,709	15,197
Depreciation and amortisation	11, 12 & 34	15,399	14,848	14,516	15,399	14,516
Finance costs	6	2,565	3,202	3,343	2,565	3,343
Loss on derivative financial instruments	19	–		1,318	–	1,318
Other losses	3	955	–	99	955	99
Increase / (decrease) in landfill provision	16	(1,044)	–	1,614	(1,044)	1,614
Other expenses	5	29,596	23,892	25,341	29,603	25,343
Total expenses		**63,180**	**57,713**	**61,428**	**63,187**	**61,430**
Operating surplus / (deficit) before tax		**8,921**	**2,699**	**(5,194)**	**8,921**	**(5,186)**
Income tax expense	37	–	–	36	–	36
Operating surplus / (deficit) after tax		**8,921**	**2,699**	**(5,230)**	**8,921**	**(5,222)**
Surplus / (deficit) attributable to: Horowhenua District Council		**8,921**	**2,699**	**(5,230)**	**8,921**	**(5,222)**
Other comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations		16,451	5,472	106,629	16,451	106,629
Gain / (loss) on operational assets revaluation		–	–	4,731	–	4,731
Gain / (loss) on restricted assets revaluation		–	–	13,849	–	13,849
Total other comprehensive revenue and expense for the year		**16,451**	**5,472**	**125,209**	**16,451**	**125,209**
Total comprehensive revenue and expense (deficit) for the year		**25,372**	**8,171**	**119,979**	**25,372**	**119,987**
Total comprehensive revenue and expense attributable to Horowhenua District Council		**25,372**	**8,171**	**119,979**	**25,372**	**119,987**
Net Interest as percentage of operating revenue		4%	5%	6%	4%	6%
Net Interest to rates		7%	8%	8%	7%	8%

Explanations of major variances against budget are provided on page 15

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.
*Certain amounts shown here do not correspond to the 2020 financial statements and reflects adjustments made. Refer to Note 38.

Explanations of significant variances between the Council's actual results and the Council's budget for 2020/21

Revenue

Grants and subsidies
The additional $6.8m revenue received primarily relates to additional unbudgeted operational PGF funding received on behalf of Fale Lotu Connections for local church upgrades that Council is managing on behalf of the local churches ($1.4m), and capital funding for the Queen St upgrades ($1.7m), Three Waters Stimulus funding ($2.2m), and Crown funding towards the Tara-Ika Growth projects ($2.0m).

Finance income
The lower income of $93k is due to not prefunding our loans as planned. This is offset by lower finance costs.

Other revenue
The additional income of $1.049m is to higher planning and consenting income ($500k) due to higher than forecast growth, additional revenue in Community Facilities and Services ($150k), correction of prior year ($237k) and other items across the business.

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 those cash payments are made.

Vested assets
The vested assets income of $2.6m relates to infrastructure assets vested to the Council as part of the subdivision process due to growth.

Expenditure

Depreciation
The additional depreciation expense of $551k is due to the higher than forecast increase in the value of the three waters assets following the independent revaluation completed as of 1 July 2020.

Finance costs
The lower finance costs of $637k relates to lower interest rates than planned.

Other losses
This is due to the sale of some industrial land owned by Council in Roe Street Levin to the Horowhenua NZ Trust (HNZT) for economic development purposes.

Decrease in landfill provision
This reduced expenditure reflecting the reassessment of the landfill provision. The decrease is due to the increase in discount rate published by the Reserve Bank of New Zealand.

Other expenses
The additional expenditure of $5.7m includes:

- $1.4m in spending for the grant received from the Provincial Growth Fund on behalf of the Free Church of Tonga, Samoan Methodist Church, and the Congregational Christian Church of Samoa received as part of the Fale Lotu Connections Project. This project was fully funded.
- The solid waste activity has incurred additional spending of $751k which relates to consulting fees and Project Management Group (PMG) expenses to meet the conditions of the Hōkio Environmental Kaitiaki Alliance (HEKA) landfill agreement, including the robust analysis required to inform the PMG on the decision of whether the landfill should close early and related requirements for remediation of the site. It also includes Consultancy fees for the preparation of a business case for the future of the landfill and its operations that include scanning wider aspects that affect Council and the community.
- $2.0m of expenditure for the Provincial Growth Fund (PGF) funded phase 1 of the shovel ready Manawatū River Loop at Foxton project. This project was originally budgeted as a capex project however $2.0m of the work is treated as operational as it related to work along the river which is not owned by Council.
- Lower labour recoveries for capital projects unfavourable variance of $833k reflecting the lower staff time allocated to projects.

Statement of Changes in Ratepayers' Equity

HOROWHENUA DISTRICT COUNCIL
FOR THE YEAR ENDED 30 JUNE 2021

	Note	Council Actual $ 30 June 2021 $000	Council Budget $ 30 June 2021 $000	Council Actual $ 30 June 2020 Restated* $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 Restated* $000
Balance at 01 July		591,064	469,543	471,085	591,440	471,453
Total comprehensive revenue and expense for the year		25,372	8,171	119,979	25,372	119,987
Balance at 30 June	**21**	**616,436**	**477,714**	**591,064**	**616,811**	**591,440**

Explanations of major variances against budget are provided on page 18.

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.
*Certain amounts shown here do not correspond to the 2020 financial statements and reflects adjustments made. Refer to Note 38.

Statement of Financial Position

HOROWHENUA DISTRICT COUNCIL
AS AT 30 JUNE 2021

	Note	Council Actual $ 30 June 2021 $000	Council Budget $ 30 June 2021 $000	Council Actual $ 30 June 2020 Restated* $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 Restated* $000
Assets						
Current assets						
Cash and cash equivalents	7	9,402	13,049	15,892	9,426	15,916
Debtors and other receivables	8	7,587	6,766	6,593	7,587	6,593
Other financial assets	9	371	–	375	371	375
Non-current assets held for sale	10	1,090	5,360	4,011	1,090	4,011
Total current assets		**18,450**	**25,175**	**26,871**	**18,474**	**26,895**
Non–current assets						
Plant, property and equipment						
– Operational assets	11	57,170	49,908	56,727	57,170	56,727
– Infrastructural assets	11	605,275	481,592	574,118	605,275	574,118
– Restricted assets	11	63,835	51,466	60,177	63,835	60,177
Intangible assets	12	1,463	811	1,479	1,463	1,479
Forestry assets	13	1,248	942	1,090	1,248	1,090
Commercial property	14	–	–	–	–	–
Other financial assets:						
– Investments CCO's & similar entities	9	204	220	204	204	204
– Investments in associates	9	37	–	16	37	16
– Other	9	1,772	1,585	1,691	1,772	1,691
Total non–current assets		**731,004**	**586,524**	**695,502**	**731,004**	**695,502**
Total assets		**749,454**	**611,699**	**722,373**	**749,478**	**722,397**
Liabilities						
Current liabilities						
Payables and deferred revenue	15	15,948	9,643	13,846	15,597	13,494
Provisions	16	30	30	30	30	30
Employee benefit liabilities	17	1,422	899	1,186	1,422	1,186
Derivative financial instruments	19	702	378	465	702	465
Borrowings and other financial liabilities	18	28,000	24,000	35,000	28,000	35,000
Total current liabilities		**46,102**	**34,950**	**50,527**	**45,751**	**50,175**
Non-current liabilities						
Provisions	16	5,381	4,811	6,425	5,381	6,425
Employee benefit liabilities	17	256	167	207	256	207
Borrowings and other financial liabilities	18	80,000	92,062	71,000	80,000	71,000
Derivative financial instruments	19	1,296	1,819	3,050	1,296	3,050
Other	20	(17)	176	100	(17)	100
Total non-current liabilities		**86,916**	**99,035**	**80,782**	**86,916**	**80,782**
Total liabilities		**133,018**	**133,985**	**131,309**	**132,667**	**130,957**
Net assets		**616,436**	**477,714**	**591,064**	**616,811**	**591,440**
Equity						
Retained earnings	21	254,154	257,132	245,387	254,529	245,763
Revaluation reserves	21	352,517	210,531	336,066	352,517	336,066
Other reserves	21	9,765	10,051	9,611	9,765	9,611
Total equity		**616,436**	**477,714**	**591,064**	**616,811**	**591,440**

Explanations of major variances against budget are provided on page 18

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.
*Certain amounts shown here do not correspond to the 2020 financial statements and reflects adjustments made. Refer to Note 38.

Explanations of significant variances between the Council's actual results and the Council's budget for 2020/21

Assets

Cash and cash equivalents – The lower cash budget is due to more capital spending during 2020/21 than estimated when the annual plan was set.

Debtors and other receivables – The debtors and other receivables budget is based on previous year balances.

Other financial assets – The budget relates to inventories held and a term deposit. Any term deposits at year end are classified as cash and cash equivalents.

Non-current assets for sale – Sale of properties delayed until a report on surplus properties could be presented to Council.

Plant, property and equipment assets – The significant increase in value of the assets relates to the three waters and roading asset revaluation. This was higher than originally forecast in the Annual Plan. The unbudgeted vested assets also contributed to the increase in plant, property and equipment assets to a lesser extent.

Forestry assets – The increase is due to the forestry revaluation and additional planting around the wastewater treatment facility in Levin.

Liabilities

Payables and deferred revenue – The increase is due to additional payables resulting from the significant capital programme completed near year-end.

Total borrowings – The overall lower borrowings is due to a higher payables balance at year end.

Derivative financial instruments – The lower derivative liability is due to the increase in long term interest rates.

Equity

Revaluation Reserves – The significant increase in value of the assets relates to the three waters asset revaluation being higher than forecast. This is due to significant market increases after the budget was set.

Statement of Cash Flows

HOROWHENUA DISTRICT COUNCIL
AS AT 30 JUNE 2021

	Note	Council Actual $ 30 June 2021 $000	Council Budget $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Cashflow from operating activities						
Cash was provided from:						
Revenue from rates		38,644	39,684	40,985	38,644	40,985
Other revenue		29,285	20,528	15,613	29,285	15,613
Interest received		89	200	373	89	379
Net GST movement		–	–	226	–	226
Total cash provided		**68,018**	**60,412**	**57,197**	**68,018**	**57,203**
Cash was disbursed to:						
Suppliers, services and employees		44,426	39,663	39,544	44,426	39,544
Interest paid		2,745	3,202	3,455	2,745	3,455
Net GST movement		215	–	–	215	–
Total cash disbursed		**47,386**	**42,865**	**42,999**	**47,386**	**42,999**
Net cashflow from operating activity	**32**	**20,632**	**17,547**	**14,198**	**20,632**	**14,204**
Cashflows from investing activities						
Cash was provided from:						
Proceeds from asset sales		2,038	5,000	5,301	2,038	5,301
Proceeds from investments		–	–	–	–	–
Total cash provided		**2,038**	**5,000**	**5,301**	**2,038**	**5,301**
Cash was disbursed to:						
Purchases of investments		102	–	120	102	120
Purchase of assets		31,058	30,607	21,968	31,058	21,968
Total cash disbursed		**31,160**	**30,607**	**22,088**	**31,160**	**22,088**
Net cashflow from investing activity		**(29,122)**	**(25,607)**	**(16,787)**	**(29,122)**	**(16,787)**
Cashflows from financing activities						
Cash was provided from:						
Loans raised		53,000	23,325	67,000	53,000	67,000
Total cash provided		**53,000**	**23,325**	**67,000**	**53,000**	**67,000**
Cash was disbursed to:						
Repayment of public debt		51,000	14,000	57,000	51,000	57,000
Total cash disbursed		**51,000**	**14,000**	**57,000**	**51,000**	**57,000**
Net cashflow from financing activity		**2,000**	**9,325**	**10,000**	**2,000**	**10,000**
Net increase (decrease) in cash held		**(6,490)**	**1,265**	**7,411**	**(6,490)**	**7,417**
Add opening cash bought forward		15,892	11,770	8,481	15,916	8,499
Closing cash balance		**9,402**	**13,035**	**15,892**	**9,426**	**15,916**
Closing balance made up of cash and cash equivalents	**7**	**9,402**	**13,049**	**15,892**	**9,426**	**15,916**

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 2021

	Annual Plan Forecast 2020 $000	Annual Report Actual 2020 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	10,456	10,501	10,379	10,305	(74)
Targeted rates	29,644	29,886	29,305	28,964	(341)
Subsidies and grants for operating purposes	1,773	1,998	2,104	6,778	4,674
Fees and charges	5,011	4,857	4,551	4,341	(210)
Interest and dividends from investments	209	370	206	111	(95)
Local authorities fuel tax, fines, infringement fees, and other receipts	4,026	4,006	3,191	4,240	1,049
Total operating funding (A)	**51,119**	**51,618**	**49,736**	**54,739**	**5,003**
Applications of operating funding					
Payments to staff and suppliers	40,102	40,536	39,663	45,305	(5,642)
Finance costs	3,870	3,343	3,202	2,565	637
Other operating funding applications	–	–	–	–	–
Total applications of operating funding (B)	**43,972**	**43,879**	**42,865**	**47,870**	**(5,005)**
Surplus (deficit) of operating funding (A–B)	**7,147**	**7,739**	**6,871**	**6,869**	**(2)**
Sources of capital funding					
Subsidies and grants for capital expenditure	4,689	3,039	10,676	12,873	2,197
Development and financial contributions	–	–	–	–	–
Increase (decrease) in debt	13,813	10,000	9,325	2,000	(7,325)
Gross proceeds from sale of assets	7,000	5,302	5,000	2,040	(2,960)
Lump sum contributions	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–
Total sources of capital funding (C)	**25,502**	**18,341**	**25,001**	**16,913**	**(8,088)**
Applications of capital funding					
Capital expenditure					
– to meet additional demand	2,112	1,079	2,000	2,616	(616)
– to improve the level of service	15,987	9,219	16,182	18,211	(2,029)
– to replace existing assets	14,550	7,596	12,425	10,872	1,553
Increase (decrease) in reserves	–	12,985	1,265	(7,994)	9,259
Increase (decrease) of investments	–	(4,799)	–	77	(77)
Total applications of capital funding (D)	**32,649**	**26,080**	**31,872**	**23,782**	**8,090**
Surplus (deficit) of capital funding (C–D)	**(7,147)**	**(7,739)**	**(6,871)**	**(6,869)**	**2**
Funding balance ((A–B)+(C–D))	**–**	**–**	**–**	**–**	**–**
Depreciation	14,448	14,516	14,848	15,399	(551)

Loans	External $000
Loans as at 1/07/2020	106,000
Raised during year	53,000
Repaid during year	(51,000)
Loans as at 30/06/2021	**108,000**
Interest expense	2,565

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 2021

	Annual Report Actual 2020 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Revenue				
Statement of comprehensive revenue and expense				
Total operating revenue	**56,234**	**60,412**	**72,101**	**11,689**
Summary funding impact statement				
Sources of operating funding				
Total operating funding	51,618	49,736	54,739	5,003
Add sources of capital funding				
Subsidies and grants for capital expenditure	3,039	10,676	12,873	2,197
Development and financial contributions	–	–	–	–
Gain on derivative financial instruments	–	–	1,517	1,517
Other gains	847	–	360	360
Vested assets	730	–	2,612	2,612
Total revenue	**56,234**	**60,412**	**72,101**	**11,689**
Expenditure				
Statement of comprehensive revenue and expense				
Total operating expenditure	**61,428**	**57,713**	**63,180**	**5,467**
Summary funding impact statement				
Total application of operating funding	43,881	42,865	47,870	5,005
Loss on derivative financial instruments	1,318	–	–	–
Other losses	99	–	955	955
Increase / (decrease) in landfill provision	1,614	–	(1,044)	(1,044)
Add depreciation and amortisation expense	14,516	14,848	15,399	551
Total expenditure	**61,428**	**57,713**	**63,180**	**5,467**

The financial statements should be read in conjunction with the statement of accounting policies and the notes to the accounts.

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 5 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 the 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 the 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:

2021 RESERVE FUNDS	Opening Balance 1 July 2020 $000s	Deposits for the period of the year $000s	Withdrawals For the period of the year $000s	Closing Balance 30 June 2021 $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.	5,713	399	438	5,674
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.	189	9	–	198
Road Upgrade Reserve (Roading Activity) To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	802	34	–	836
Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream.	56	2	–	58
Total restricted reserves	**6,760**	**444**	**438**	**6,766**
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.	88	4	–	92
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.	582	25	–	607
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.	144	6	–	150
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.	672	29	–	701

2021 RESERVE FUNDS	Opening Balance 1 July 2020 $000s	Deposits for the period of the year $000s	Withdrawals For the period of the year $000s	Closing Balance 30 June 2021 $000s
Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election.	24	2	–	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.	889	38	–	927
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.	285	37	–	322
Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	136	6	–	142
Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station.	27	1	–	28
Total Council created reserves	**2,851**	**148**	**–**	**2,999**
Total all reserve funds	**9,611**	**592**	**438**	**9,765**

Reserve Funds

2020 RESERVE FUNDS	Opening Balance 1 July 2019 $000s	Deposits for the period of the year $000s	Withdrawals For the period of the year $000s	Closing Balance 30 June 2020 $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.	5,570	341	199	5,713
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.	185	4	–	189
Road Upgrade Reserve (Roading Activity) To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	783	19	–	802
Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream.	54	1		56
Total restricted reserves	**6,592**	**366**	**199**	**6,760**
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.	86	2	–	88
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.	568	14	–	582
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.	141	3	–	144
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.	656	16	–	672
Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election.	85	2	63	24
Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last $250,000 as a disaster relief working capital fund.	868	21	–	889
Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton.	4	–	–	4

2020 RESERVE FUNDS	Opening Balance 1 July 2019 $000s	Deposits for the period of the year $000s	Withdrawals For the period of the year $000s	Closing Balance 30 June 2020 $000s
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.	254	31	–	285
Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	133	3	–	136
Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station.	26	1	–	27
Total Council created reserves	**2,822**	**94**	**63**	**2,851**
Total all reserve funds	**9,413**	**460**	**261**	**9,611**

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, educational activities, including scholarships for educational 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, as it has not been established for the purposes of making a profit and is not intended to be a Council Controlled Organisation 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 2021.

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 the 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 MW LASS LtdManawatū-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 2021

INDEX OF NOTES TO THE FINANCIAL STATEMENTS

1. RATES REVENUE
2. FINANCE REVENUE AND OTHER REVENUE
3. OTHER GAINS/(LOSSES)
4. EMPLOYEE BENEFIT EXPENSES
5. OTHER OPERATING EXPENSES
6. FINANCE COSTS
7. CASH AND CASH EQUIVALENTS
8. DEBTORS AND OTHER RECEIVABLES
9. OTHER FINANCIAL ASSETS
10. NON-CURRENT ASSETS HELD FOR SALE
11. PROPERTY, PLANT AND EQUIPMENT (PPE)
12. INTANGIBLE ASSETS
13. FORESTRY ASSETS
14. INVESTMENT PROPERTY
15. PAYABLES AND DEFERRED REVENUE
16. PROVISIONS
17. EMPLOYMENT BENEFIT LIABILITIES
18. BORROWINGS
19. DERIVATIVE FINANCIAL INSTRUMENTS
20. OTHER NON-CURRENT LIABILITIIES
21. EQUITY
22. CAPITAL COMMITMENTS AND OPERATING LEASES
23. CONTINGENCIES
24. RELATED PARTY TRANSACTIONS
25. REMUNERATION
26. SEVERANCE PAYMENTS
27. EVENTS AFTER BALANCE SHEET DATE
28. FINANCIAL INSTRUMENTS
29. RESTATED BUDGETS FOR THE YEAR ENDED 30 June 2021
30. EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET
31. FINANCE LEASES
32. RECONCILIATION OF SURPLUS WITH CASHFLOWS FROM OPERATING ACTIVITIES
33. CAPITAL MANAGEMENT
34. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY
35. INSURANCE OF ASSETS
36. REPLACEMENT COST OF INFRASTRUCTURAL ASSETS
37. TAX
38. PRIOR YEAR ERROR CORRECTION
39. COVID-19 IMPACT DISCLOSURE

1. RATES REVENUE	Council and Group Actual $ 30 June 2021 $000	Council and Group Budget $ 30 June 2021 $000	Council and Group Actual $ 30 June 2020 $000
Gross rates			
General rates			
Uniform annual general charge	–	–	–
Differential general rates	10,322	10,359	10,467
Penalties	330	390	384
Total general–purpose rates	**10,652**	**10,749**	**10,851**
Targeted rates			
Solid waste rates	1,232	1,232	447
Roading rate	3,621	3,627	3,887
Library services and Community Centres rate	4,518	4,517	4,076
Representation and Community Leadership rate	3,565	3,564	3,567
Aquatic centre (Swimming pool) rate	2,058	2,056	2,396
Stormwater rate	1,389	1,386	1,257
Wastewater Disposal rate	6,327	6,323	7,296
Total targeted rates excluding water rates	**22,710**	**22,705**	**22,926**
Water rates			
District wide	4,590	4,588	4,990
Foxton Beach	449	449	506
Metered water supply	1,214	1,563	1,463
Total targeted water rates	**6,253**	**6,600**	**6,959**
Total rates revenue (gross of remissions)	**39,615**	**40,054**	**40,736**
Net rates			
Total rates revenue (gross)	39,615	40,054	40,736
Rates remissions:			
Remissions under the Council remission policy	(347)	(370)	(350)
Penalty remissions			–
Total rate remissions	**(347)**	**(370)**	**(350)**
Total rates revenue net of remissions	**39,268**	**39,684**	**40,386**
Exchange transaction	–	–	–
Non exchange transaction	39,268	39,684	40,386
Total transactions	**39,268**	**39,684**	**40,386**

Total rates revenue include $187,344 (2020 $463,534) for rates paid by HDC on properties owned by Council.

Rateable properties	30 June 2021	30 June 2020
Total properties	18,396	18,203
Total land value	$4,972,927,950	$4,940,453,400
Total capital value	$9,677,052,250	$9,490,402,300

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.

2. FINANCE REVENUE AND OTHER REVENUE	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
2a. Finance revenue				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	48	329	55	339
Borrower notes	59	41	59	41
Total finance revenue	**107**	**370**	**114**	**380**
Exchange transactions	107	370	114	380
Non exchange transactions	–	–	–	–
Total finance revenue transactions	**107**	**370**	**114**	**380**
2b. Subsidies and grants				
Waka Kotahi/NZTA Government grants	7,205	4,899	7,205	4,899
3 Waters stimulus fund	2,174	–	2,174	–
Private sector grants	807	48	807	48
Provincial Growth Fund	7,092	–	7,092	–
Other Government grants	2,372	91	2,372	91
Total subsidies and grants	**19,650**	**5,038**	**19,650**	**5,038**
Exchange transactions	–	–	–	–
Non exchange transactions	19,650	5,038	19,650	5,038
Total subsidies and grants transactions	**19,650**	**5,038**	**19,650**	**5,038**
2c. Fees and charges				
User charges	4,195	4,542	4,195	4,542
Rental revenue from commercial properties	146	316	146	316
Total fees and charges	**4,341**	**4,858**	**4,341**	**4,858**
Exchange transactions	191	350	191	350
Non exchange transactions	4,150	4,508	4,150	4,508
Total fees and charges transactions	**4,341**	**4,858**	**4,341**	**4,858**
2d. Other revenue				
Infringements and fines	281	392	281	392
Rendering of services	658	617	658	617
Petrol tax	231	210	231	210
Dividend revenue	4	134	4	134
Insurance recoveries:				
– buildings	–	–	–	–
Regulatory revenue	3,007	2,594	3,007	2,594
Donations	65	58	65	58
Total other revenue	**4,246**	**4,005**	**4,246**	**4,005**
Exchange transactions	442	543	442	543
Non exchange transactions	3,804	3,462	3,804	3,462
Total other revenue transactions	**4,246**	**4,005**	**4,246**	**4,005**

2. FINANCE REVENUE AND OTHER REVENUE (cont.)	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
2e. Vested assets	2,612	730	2,612	730
2f. Development contributions	–	–	–	–
Total vested assets and development contributions	**2,612**	**730**	**2,612**	**730**
Exchange transactions	–	–	–	–
Non exchange transactions	2,612	730	2,612	730
Total vested assets and development contributions transactions	**2,612**	**730**	**2,612**	**730**

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 23.

3. OTHER GAINS/(LOSSES)	Note	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Non–financial instruments					
Gain/(loss) on changes in fair value of forestry assets	**13**	139	121	139	121
Gain/(loss) on changes in fair value of carbon credits		162	124	162	124
Gain on disposal of property, plant and equipment		19	595	19	595
Loss on disposal of property, plant and equipment		(955)	(99)	(955)	(99)
Gain/(loss) on changes in fair value of investment property	**14**	–	–	–	–
Total non–financial instruments		**(635)**	**741**	**(635)**	**741**
Financial instruments					
Gain/(loss) on revaluation of financial liabilities		–	–	–	–
Gain/(loss) on revaluation of financial assets		40	7	40	7
Total financial instruments		**40**	**7**	**40**	**7**
Total gains/(losses)		**(595)**	**748**	**(595)**	**748**

4. EMPLOYEE BENEFIT EXPENSES	Note	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Salaries and wages		14,828	14,196	14,828	14,196
Increase/(decrease) in employee entitlements		211	201	211	201
Other employee benefit expenses		280	441	280	441
Employer contributions to superannuation schemes		390	359	390	359
Total employee benefit expenses		**15,709**	**15,197**	**15,709**	**15,197**

5. OTHER OPERATING EXPENSES	Note	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Fees to auditors					
Fees to Audit NZ for audit of the financial statements and performance information		174	155	174	155
Fees to Audit NZ for audit of the Long-term plan for 2021-41		94	4	94	4
Fees to Audit NZ for other services		–	–	–	–
Fees to Assurance CA firm for audit of the Council's subsidiaries' financial statement		–	–	–	–
Total fees to auditors		**268**	**159**	**268**	**159**
Donations		–	–	–	–
Debtors written off	8	–	263	–	263
Impairment of receivables	8	–	(147)	–	(147)
Impairment of non-current assets for sale		315	–	315	–
Minimum lease payments under operating leases		210	186	210	186
Professional services		5,800	4,547	5,800	4,547
Asset maintenance contract expenditure		16,117	15,679	16,117	15,679
General grants		2,082	594	2,082	594
Expenditure on utilities		1,019	1,005	1,019	1,005
Other		3,785	3,055	3,792	3,057
Total other operating expenses		**29,596**	**25,341**	**29,603**	**25,343**

6. FINANCE COSTS	Note	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Interest on borrowings		2,399	3,136	2,399	3,136
Interest rate swaps (presented net)		166	207	166	207
Total finance costs		**2,565**	**3,343**	**2,565**	**3,343**

7. CASH AND CASH EQUIVALENTS	Note	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Cash at bank and in hand		4,402	7,892	4,426	7,916
Term deposits with maturities less than three months at acquisition		5,000	8,000	5,000	8,000
Total cash and cash equivalents		**9,402**	**15,892**	**9,426**	**15,916**
Cash and cash equivalents for the purpose of the statement of cash flows					
Cash at bank and in hand		4,402	7,892	4,426	7,916
Term deposits with maturities less than three months at acquisition		5,000	8,000	5,000	8,000
Bank overdrafts		–	–	–	–
Total cash and cash equivalents for the purpose of the statement of cash flows		**9,402**	**15,892**	**9,426**	**15,916**

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 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Gross debtors and other receivables					
Rates receivables		2,904	3,168	2,904	3,168
Related party receivables	24	–	–	–	–
Prepayments		380	313	380	313
GST receivable		1,049	800	1,049	800
Other receivables		4,356	3,414	4,356	3,414
Total gross debtors and other receivables		**8,689**	**7,695**	**8,689**	**7,695**
Less provision for impairment of receivables		(1,102)	(1,102)	(1,102)	(1,102)
Net debtors and other receivables		**7,587**	**6,593**	**7,587**	**6,593**
Less non-current portion:		–	–	–	–
Total current portion debtors and other receivables		**7,587**	**6,593**	**7,587**	**6,593**
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.		7,413	6,515	7,413	6,515
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.		174	78	174	78
Total debtors and other receivables transactions		**7,587**	**6,593**	**7,587**	**6,593**

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 2021 and 2020 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.

The status of receivables as at 30 June 2021 and 2020 are detailed below:

	2021 Gross $000	2021 Impairment $000	2021 Net $000	2020 Gross $000	2020 Impairment $000	2020 Net $000
Council						
Not past due	5,777	–	5,777	4,483	–	4,483
Past due < 1 year	2,892	1,102	1,790	3,009	1,102	1,907
Past due > 1 year	185	–	185	203	–	203
Total	**8,854**	**1,102**	**7,752**	**7,695**	**1,102**	**6,593**
Group						
Not past due	5,777	–	5,777	4,483	–	4,483
Past due < 1 year	2,892	1,102	1,790	3,009	1,102	1,907
Past due > 1 year	185	–	185	203	–	203
Total	**8,854**	**1,102**	**7,752**	**7,695**	**1,102**	**6,593**

The impairment provision has been calculated based on expected losses for Horowhenua District Council's pool of debtors. Expected losses have been determined based on an analysis of Horowhenua District Council's losses in previous periods, and review of specific debtors as detailed below:

IMPAIRMENT PROVISION	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Individual impairment	1,102	1,102	1,102	1,102
Collective impairment	–	–	–	–
Total provision for impairment	**1,102**	**1,102**	**1,102**	**1,102**

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor. An analysis of these individually impaired debtors is as follows:

Individual impairment				
Past due < 1 year	–	1,102	–	1,102
Past due > 1 year	1,102	–	1,102	–
Total individual impairment	**1,102**	**1,102**	**1,102**	**1,102**

Movements in the provision for impairment of receivables are as follows:

At 01 July	1,102	1,218	1,102	1,218
Additional provisions made during the year	–	147	–	147
Debtors written off during period	–	(263)	–	(263)
Increase in infringement provision	–	–	–	–
At 30 June	**1,102**	**1,102**	**1,102**	**1,102**

The Council and Group holds no other collateral as security or other credit enhancements over receivables that are either past due or uncollectable.

9. OTHER FINANCIAL ASSETS	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Current portion				
Inventories	21	15	21	15
Loans and receivables:				
Short-term deposits with maturities of 4–12 months	350	350	350	350
Community loans	–	10	–	10
Total loans and receivables	**350**	**360**	**350**	**360**
Total current portion	**371**	**375**	**371**	**375**
Non–current portion				
Investment in CCO's and similar entities:				
Unlisted shares in NZLGIC Limited	104	104	104	104
Unlisted shares in LGFA	100	100	100	100
Total investment in CCO's and similar entities	**204**	**204**	**204**	**204**
Investment in associates:				
MW LASS	37	16	37	16
Total investment in associates	**37**	**16**	**37**	**16**
Other:				
LGFA borrower notes	1,772	1,620	1,772	1,620
Deposits with maturities of over 12 months	–	–	–	–
Investments carried at cost:				
Community loans	–	71	–	71
Total other	**1,772**	**1,691**	**1,772**	**1,691**
Total non-current portion	**2,013**	**1,911**	**2,013**	**1,911**
Total other financial assets	**2,384**	**2,286**	**2,384**	**2,286**

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.

Maturity analysis and effective interest rates:	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Short-term deposits with maturities 3 months or less	5,000	8,000	5,000	8,000
Average maturity	91 Days	90 Days	91 Days	90 Days
Weighted average effective interest rate	0.43%	1.13%	0.43%	1.13%
Short-term deposits with maturities of 4–12 months	350	350	350	350
Average maturity	214 Days	305 Days	214 Days	305 Days
Weighted average effective interest rate	0.95%	2.34%	0.95%	2.34%

Impairment

There were no impairment provisions for other financial assets. None of the financial assets are past due date or impaired.

Community loans	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
At 01 July	81	74	81	74
Amount of new loans granted during the year	–	–	–	–
Fair value adjustment on initial recognition	–	–	–	–
Loans repaid during the year (principle and interest)	(81)	–	(81)	–
Unwind of discount and interest charge during the year	–	7	–	7
At 30 June	**–**	**81**	**–**	**81**

10. NON-CURRENT ASSETS HELD FOR SALE	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Land & Buildings	1,090	4,011	1,090	4,011
Total assets held for sale	**1,090**	**4,011**	**1,090**	**4,011**

The Focal Point Cinema was approved for sale by Council on 06 March 2019, the sale has not been completed by 30 June 2021. The sale is expected to be completed by the end of the next financial year. The value recognised has been written down and the loss of $315,000 is shown in comprehensive revenue and expense.

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2021 – Council & Group

2021	Cost / revaluation 1–Jul–20 $000	Accumulated depreciation and impairment charges 1–Jul–20 $000	Carrying amount 1–Jul–20 $000	Additions 2020/21 $000	Vested assets 2020/21 $000	Disposals at cost 2020/21 $000	Depreciation on disposals 2020/21 $000	Depreciation 2020/21 $000	Reversal of accumulated depreciation 2020/21 $000	Revaluation 2020/21 $000	Impairment 2020/21 $000	Cost transfers 2020/21 $000	Accumulated depreciation transfers 2020/21 $000	Cost / revaluation 30–Jun–21 $000	Accumulated depreciation and impairment charges 30–Jun–21 $000	Carrying amount 30–Jun–21 $000
Council operational assets																
Land	17,117	–	17,117	1,368	–	–	–	–	–	–	–	(450)	–	18,035	–	18,035
Buildings	35,235	(4)	35,231	522	–	–	–	(749)	–	–	–	13	(39)	35,770	(792)	34,978
Library books and other lending stock	1,535	(810)	725	225	–	(237)	125	(103)	–	–	–	–	–	1,648	(913)	735
Plant and equipment	7,236	(3,582)	3,654	428	23	(32)	39	(723)	–	–	–	94	(22)	7,749	(4,327)	3,422
Total operational assets	**61,123**	**(4,396)**	**56,727**	**2,543**	**23**	**(269)**	**164**	**(1,575)**	**–**	**–**	**–**	**(343)**	**(61)**	**63,202**	**(6,032)**	**57,170**
Council infrastructural assets																
Wastewater treatment	44,301	(185)	44,116	6,794	–	–	–	(1,155)	141	867	–	–	–	51,821	(1,199)	50,622
Wastewater other	114,353	–	114,353	2,967	1,159	–	–	(2,697)	–	–	–	–	–	118,479	(2,697)	115,782
Water supply treatment	26,744	(222)	26,522	631	–	–	–	(987)	172	895	–	–	–	28,098	(1,037)	27,061
Water supply other	102,277	(8)	102,269	2,493	760	–	–	(2,492)	–	–	–	–	–	105,530	(2,500)	103,030
Stormwater drainage	45,465	(57)	45,408	2,013	670	–	–	(741)	–	94	–	–	–	48,242	(798)	47,444
Solid waste	6,244	(23)	6,221	121	–	–	–	(422)	–	–	–	–	–	6,365	(445)	5,920
Roads	176,209	(3,972)	172,237	6,550	–	–	–	(3,293)	3,972	14,044	(2,500)	–	–	190,331	(3,293)	187,038
Footpaths	39,647	(940)	38,707	2,974	–	–	–	(639)	940	3,051	–	–	–	44,732	(639)	44,093
Land under roads	24,285	–	24,285	–	–	–	–	–	–	–	–	–	–	24,285	–	24,285
Total infrastructural assets	**579,525**	**(5,407)**	**574,118**	**24,543**	**2,589**	**–**	**–**	**(12,426)**	**5,225**	**18,951**	**(2,500)**	**–**	**–**	**617,883**	**(12,608)**	**605,275**
Council restricted assets																
Cemeteries	1,445	–	1,445	72	–	–	–	(19)	–	–	–	–	–	1,517	(19)	1,498
Parks and reserves	48,241	(5)	48,233	3,178	–	–	–	(1,020)	–	–	–	289	(365)	51,708	(1,390)	50,318
Endowment properties	10,499	–	10,499	1,229	–	(170)	–	(71)	–	–	–	532	–	12,090	(71)	12,019
Total restricted assets	**60,185**	**(5)**	**60,177**	**4,479**	**–**	**(170)**	**–**	**(1,110)**	**–**	**–**	**–**	**821**	**(365)**	**65,315**	**(1,480)**	**63,835**
Total council PPE	**700,833**	**(9,808)**	**691,022**	**31,565**	**2,612**	**(439)**	**164**	**(15,111)**	**5,225**	**18,951**	**(2,500)**	**478**	**(426)**	**746,400**	**(20,120)**	**726,280**

Work in progress

Work in progress at 30 June 2021 was $438,818 in buildings (2020: $471,866), $15,637,369 in wastewater (2020: $10,575,484), $439,888 in water (2020: $432,877), $68,314 in parks (2020: $64,084), $107,175 in plant and equipment (2020: $113,138), $0 in solid waste (2020: $0) and $836,705 in stormwater (2020: $813,492), $49 in cemeteries (2020: $9,719). They are included in the above assets.

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.
No items of any properties, plant or equipment were impaired, lost or given up.

Valuation

Operational land and buildings:
At "fair value" was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 30 June 2020.

Restricted land and buildings: Parks, cemeteries and endowment land:
At "fair value" was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 30 June 2020.

Infrastructural asset classes: Roading:
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 most recent independent valuation with an effective date of 1 July 2020 was performed by GHD.

Infrastructural asset classes: Water reticulation, sewerage reticulation and stormwater systems:
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. Three waters reticulation and treatment plants were independently valued with an effective date of 30 June 2020 which was performed by WSP New Zealand.

Infrastructural asset classes: Land and building portion of treatment plants:
At "fair value" was determined from market-based evidence by an independent valuer. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 1 July 2020.

Land under the roads is no longer revalued; it is valued at deemed cost.

The landfill infrastructure was valued in two parts. The land and buildings were valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates as at 30 June 2020. The remainder of the asset was valued as at 31 March 2020 by Phil Landmark (BScEng (Civil) CP Eng) of MWH New Zealand Ltd and reviewed by Brian Smith (BCom (Acc & Eco.), CA) of MWH New Zealand Limited.

11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2020 – Council & Group

2020	Cost / revaluation 1–Jul–19 $000	Accumulated depreciation and impairment charges 1–Jul–19 $000	Carrying amount 1–Jul–19 $000	Additions 2019/20 $000	Vested assets 2019/20 $000	Disposals at cost 2019/20 $000	Depreciation on disposals 2019/20 $000	Depreciation 2019/20 $000	Reversal of accumulated depreciation 2019/20 $000	Revaluation 2019/20 $000	Impairment 2019/20 $000	Cost transfers 2019/20 $000	Accumulated depreciation transfers 2019/20 $000	Cost / revaluation 30–Jun–20 $000	Accumulated depreciation and impairment charges 30–Jun–20 $000	Carrying amount 30–Jun–20 $000
Council operational assets																
Land	15,578	–	15,578	108	–	(15)	–	–	–	4,046	–	(2,600)	–	17,117	–	17,117
Buildings	36,146	(1,334)	34,812	407	–	–	–	(668)	1,998	685	–	(5)	–	35,235	(4)	35,231
Library books and other lending stock	1,407	(708)	699	212	–	(179)	95	(102)	–	–	–	–	–	1,535	(810)	725
Plant and equipment	6,158	(3,078)	3,080	1,297	–	(219)	145	(649)	–	–	–	–	–	7,236	(3,582)	3,654
Total operational assets	**59,289**	**(5,120)**	**54,169**	**2,024**	**–**	**(413)**	**240**	**(1,419)**	**1,998**	**4,731**	**–**	**(2,605)**	**–**	**61,123**	**(4,396)**	**56,727**
Council infrastructural assets																
Wastewater treatment	40,094	(1,219)	38,875	6,120	–	–	–	(960)	1,994	81	–	–	–	44,301	(185)	44,116
Wastewater other	68,849	(2,046)	66,803	2,172	486	–	–	(2,126)	4,172	47,018	–	–	–	114,353	–	114,353
Water supply treatment	26,389	(992)	25,397	811	–	–	–	(844)	1,614	1,158	–	–	–	26,744	(222)	26,522
Water supply other	55,802	(1,770)	54,032	2,975	244	–	–	(1,922)	3,684	46,940	–	–	–	102,277	(8)	102,269
Stormwater drainage	37,913	(638)	37,275	992	–	–	–	(673)	1,254	7,814	–	–	–	45,465	(57)	45,408
Solid waste	5,258	(561)	4,697	989	–	–	–	(356)	894	891	–	–	–	6,244	(23)	6,221
Roads	171,994	(4,114)	167,880	4,868	–	–	–	(3,972)	4,114	3,461	–	–	–	176,209	(3,972)	172,237
Footpaths	40,700	(924)	39,776	605	–	–	–	(940)	924	(734)	–	–	–	39,647	(940)	38,707
Land under roads	24,285	–	24,285	–	–	–	–	–	–	–	–	–	–	24,285	–	24,285
Total infrastructural assets	**471,284**	**(12,264)**	**459,020**	**19,532**	**730**	**–**	**–**	**(11,793)**	**18,650**	**106,629**	**–**	**–**	**–**	**579,525**	**(5,407)**	**574,118**
Council restricted assets																
Cemeteries	1,506	(33)	1,473	142	–	–	–	(28)	61	(142)	–	–	–	1,445	–	1,445
Parks and reserves	40,083	(1,600)	38,483	1,126	–	–	–	(874)	2,466	9,498	–	–	–	48,241	(5)	48,233
Endowment properties	6,133	(87)	6,046	100	–	(85)	–	(55)	142	4,493	–	–	–	10,499	–	10,499
Total restricted assets	**47,722**	**(1,720)**	**46,002**	**1,368**	**–**	**(85)**	**–**	**(957)**	**2,266**	**13,849**	**–**	**–**	**–**	**60,185**	**(5)**	60,177
Total council PPE	**578,295**	**(19,104)**	**559,191**	**22,924**	**730**	**(498)**	**240**	**(14,169)**	**23,317**	**125,209**	**–**	**(2,605)**	**–**	**700,833**	**(9,808)**	**691,022**

Work in progress

Work in progress at 30 June 2020 was $471,866 in buildings (2019: $457,497), $10,575,484 in wastewater (2019: $2,918,134), $432,877 in water (2019: $177,384), $64,084 in parks (2019: $33,247), $113,138 in plant and equipment (2019: $31,499), $0 in solid waste (2019: $0) and $813,492 in stormwater (2019 $247,856), $9,719 in cemeteries (2019: $11,564). They are included in the above assets.

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.
No items of any properties, plant or equipment were impaired, lost or given up.

12. INTANGIBLE ASSETS 2021 – Council & Group

2021	Cost / revaluation 1–Jul–20 $000	Accumulated amortisation and impairment charges 1–Jul–20 $000	Carrying amount 1–Jul–20 $000	Additions 2020/21 $000	Vested Assets 2020/21 $000	Disposals at Cost 2020/21 $000	Amortisation on Disposals 2020/21 $000	Amortisation 2020/21 $000	Revaluation 2020/21 $000	Cost transfers 2020/21 $000	Accumulated depreciation transfers 2020/21 $000	Cost / revaluation 2020/21 $000	Accumulated amortisation and impairment charges 30–Jun–21 $000	Carrying amount 30–Jun–21 $000
Council intangible assets														
Easements	239	–	239	21	–	0	–	–	–	4	–	265	–	265
Carbon credits	447	–	447	–	–	–	–	–	162	–	–	609	–	609
Computer software	4,419	(3,627)	792	184	–	–	–	(288)	–	258	(357)	4,861	(4,272)	589
Total council intangible assets	**5,106**	**(3,627)**	**1,479**	**205**	**–**	**0**	**–**	**(288)**	**162**	**262**	**(357)**	**5,735**	**(4,272)**	**1,463**

12. INTANGIBLE ASSETS 2020 – Council & Group

2020	Cost / revaluation 1–Jul–19 $000	Accumulated amortisation and impairment charges 1–Jul–19 $000	Carrying amount 1–Jul–19 $000	Additions 2019/20 $000	Vested Assets 2019/20 $000	Disposals at Cost 2019/20 $000	Amortisation on Disposals 2019/20 $000	Amortisation 2019/20 $000	Revaluation 2019/20 $000	Cost transfers 2019/20 $000	Accumulated depreciation transfers 2019/20 $000	Cost / revaluation 2019/20 $000	Accumulated amortisation and impairment charges 30–Jun–20 $000	Carrying amount 30–Jun–20 $000
Council intangible assets														
Easements	239	–	239	–	–	–	–	–	–	–	–	239	–	239
Carbon credits	324	–	324	123	–	–	–	–	–	–	–	447	–	447
Computer software	4,246	(3,280)	966	173	–	–	–	(347)	–	–	–	4,419	(3,627)	792
Total council intangible assets	**4,809**	**(3,280)**	**1,529**	**296**	**–**	**–**	**–**	**(347)**	**–**	**–**	**–**	**5,106**	**(3,627)**	**1,479**

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 2021 $000	Council and Group Actual $ 30 June 2020 $000
Balance at 01 July		1,090	942
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	3	139	121
Purchase of trees		19	-
Harvest of trees at the POT		-	28
Total forestry assets		**1,248**	**1,090**

Council owns 113.6 hectares of pinus radiata forest and other harvestable trees, which are at varying stages of maturity ranging from 1 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 been harvested and the net stocked area of the forest is currently 33.5 ha with plans to replant another 19.6 ha.

Independent registered valuers, Forme Consulting Ltd, have valued the forestry assets as at 30 June 2021. Valuation assumptions adopted in determining the fair value of the forestry assets include:

* a pre-tax discount rate of 7.9% (2020: 8%) 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 2021 $000	Council and Group Actual $ 30 June 2020 $000
Balance at 01 July		–	–
Additions from acquisitions		–	–
Additions from subsequent expenditure		–	–
Transfer from/(to) assets held for sale		–	–
Disposals		–	–
Fair value gains/(losses) on valuation	3	–	–
Total Commercial property		**–**	**–**

The Council's commercial property is currently classified as held for sale.

REVENUE AND EXPENSE FROM COMMERCIAL PROPERTY	Council and Group Actual $ 30 June 2021 $000	Council and Group Actual $ 30 June 2020 $000
Rental revenue	92	249
Direct operating expenses from commercial property generating revenue	(59)	(104)
Direct operating expenses from commercial property not generating revenue	–	–
Contractual obligations for capital expenditure	–	–
Contractual obligations for operating expenditure	–	–
Surplus/(deficit) from investment property	**33**	**145**

15. PAYABLES AND DEFERRED REVENUE	Note	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Trade payables		9,166	7,662	9,165	7,660
Amounts due to related parties	24	–	–	–	–
Deposits and bonds		2,599	797	2,599	797
Accrued expenses		1,233	945	1,233	945
Rates and other revenue in advance		1,888	2,742	1,888	2,742
Rates instalment		–	–	–	–
Other		712	1,347	712	1,347
Term deposit held for Shannon Community Trust		350	350	–	–
Total payables and deferred revenue		**15,948**	**13,843**	**15,597**	**13,491**
Exchange transactions		11,803	9,979	11,452	10,941
Non exchange transactions		4,145	3,864	4,145	2,550
Total payables and deferred revenue transactions		**15,948**	**13,843**	**15,597**	**13,491**

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 2021 $000	Council and Group Actual $ 30 June 2020 $000
Current provisions are represented by:		
Landfill aftercare	30	30
Total current provisions	**30**	**30**
Non–current provisions are represented by:		
Landfill aftercare	5,381	6,425
Total non-current provisions	**5,381**	**6,425**
Total provisions	**5,411**	**6,455**
Landfill aftercare		
Opening balance	6,455	4,841
Additional provisions made during the year	(1,044)	1,614
Unwinding of discount	–	–
Amounts used during the year	–	–
Closing landfill aftercare balance	**5,411**	**6,455**

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 2021 (30 June 2020: $Nil). Refer to Note 23.

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 2021 and 2065). 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 0.38% to 3.55% (2020: 0.22% to 2.14%). The inflation factor is the Treasury's CPI assumption with rates ranging from 1.88% to 1.93% (2020: 0.83% to 1.62%). The gross provision before discounting was $11.43m (2020: $9.74m).

The provision was estimated by an independent engineer, P Landmark of Montgomery Watson, as at 30 June 2021 (2020: P. Landmark of Montgomery Watson).

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.

The remaining capacity of the consented landfill is approximately 562,900 cubic metres (2020: 472,180), net volume (total volume less capping volume).

The estimated remaining life is approximately 14 years (2020: 13 years).

17. EMPLOYMENT BENEFIT LIABILITIES	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Accrued pay	200	129	200	129
Annual leave	1,222	1,060	1,222	1,060
Long service leave	256	207	256	207
Retirement gratuities	–	–	–	–
Total employee benefit liabilities	**1,678**	**1,396**	**1,678**	**1,396**
Comprising:				
Current	1,422	1,189	1,422	1,189
Non-current	256	207	256	207
Total employee benefit liabilities	**1,678**	**1,396**	**1,678**	**1,396**

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.

18. BORROWINGS	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Current				
Bank overdraft	–	–	–	–
Secured loans	28,000	35,000	28,000	35,000
Total current borrowings	**28,000**	**35,000**	**28,000**	**35,000**
Non–current				
Secured loans	80,000	71,000	80,000	71,000
Total non–current borrowings	**80,000**	**71,000**	**80,000**	**71,000**
Total borrowings	**108,000**	**106,000**	**108,000**	**106,000**

Horowhenua District Council manages its borrowings in accordance with its funding and financial policies, including a liability management policy, a revised policy has been adopted in June 2021.

Fixed rate debt

Horowhenua District Council's secured debt of $52,000,000 (2020: $67,000,000) is issued at rates of interest fixed at time of issue.

Floating rate debt

Horowhenua District Council has $56,000,000 on current floating rate (2020: $39,000,000). The interest rate is reset quarterly based on the 90 day bill rate plus a margin for credit risk.

Overdraft

Horowhenua District Council no longer has a bank overdraft facility (2020: Nil).

Committed cash advance facility

Horowhenua District Council has a CCAF (Committed Cash Advance Facility) of $10m with BNZ and a standby credit facility of $20m with LGFA (New Zealand Local Government Funding Agency Limited) that LGFA that has not been included in the financial statements.

Credit card

Horowhenua District Council has a $50,000 MasterCard facility that has not been included in the financial statements.

Security

All Horowhenua District Council's secured loans are secured under the terms of the Debenture Trust Deed between HDC and Covenant Trustee Services Ltd as Trustee. Security is by a charge over the 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 $142m to secure the various bank loan facilities and guarantees issued on behalf of Horowhenua District Council and other general banking facilities. An additional $14,420m 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 Actual $ 30 June 2021 $000	Secured Loans Actual $ 30 June 2020 $000	Bank Overdraft Actual $ 30 June 2021 $000	Bank Overdraft Actual $ 30 June 2020 $000
Less than one year	28,000	35,000	–	–
Effective weighted average interest rate	0.63%	2.72%	–	–
Later than one year but not more than five years	49,000	52,000	–	–
Effective weighted average interest rate	3.80%	2.94%	–	–
Later than five years	31,000	19,000	–	–
Effective weighted average interest rate	2.25%	2.80%	–	–
Total borrowings	**108,000**	**106,000**	**–**	**–**

Fair value of borrowings

The carrying amounts and the fair values of borrowings are as follows:

Council and Group	Carrying amounts Actual $ 30 June 2021 $000	Carrying amounts Actual $ 30 June 2020 $000	Fair values Actual $ 30 June 2021 $000	Fair values Actual $ 30 June 2020 $000
Secured Loans	108,000	106,000	108,000	106,000
Total borrowings	**108,000**	**106,000**	**108,000**	**106,000**

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 0.5600% to 5.5000% (2020: 0.5550% to 5.9852%).

Internal borrowings

Information about internal borrowings per activity is provided on the activity funding impact statements on pages 91–129.

LGFA COVENANT COMPLIANCE	Council limits	LGFA lending policy	Actual 30 June 2021	Actual 30 June 2020
Net debt to total operating revenue	< 195%	< 300%	146%	165%
Net interest to total operating revenue	< 20%	< 20%	4%	5%
Net interest to annual rates revenue	< 25%	< 25%	6%	7%
Available financial accommodation to external indebtedness	> 110%	> 110%	120%	111%

The net debt to total operating revenue Council limit and LGFA lending policy limit are different because a 175% limit is for councils without a credit rating and the 300% limit are for councils that do. Council has reset its limit to 195% in the 2018/38 LTP and has an A+ credit rating from Standard and Poor's.

On 30 June 2020, a Special General Meeting of Shareholders approved a change to the Net Debt/Total Revenue covenant contained within the Foundation Policy Covenants. For the financial year ending June 2020 a covenant limit of 250% applied. This increases to 300% for the June 2021 and June 2022 years and then reduces by 5% for each of the subsequent years until 280% applies from the June 2026 year.

19. DERIVATIVE FINANCIAL INSTRUMENTS	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Current liability				
Interest rate swaps – cashflow hedges	702	465	702	465
Non-current liability				
Interest rate swaps – cashflow hedges	1,296	3,050	1,296	3,050
Total derivative financial instrument liability	**1,998**	**3,515**	**1,998**	**3,515**
Gain or loss on derivative financial instruments				
Opening balance	3,515	2,197	3,515	2,197
Closing balance	1,998	3,515	1,998	3,515
Derivative gain/(loss)	**1,517**	**(1,318)**	**1,517**	**(1,318)**

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 $26m (2020: $26m and for the Horowhenua District Council group were $26m (2020: $26m). At 30 June 2021, the fixed interest rate of the cash flow hedge interest rate swaps varied from 2.150% and 4.750% (2020 2.150% and 4.750%).

20. OTHER NON–CURRENT LIABILITIES	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Development contributions	–	–	–	–
LGFA amortisations	(17)	100	(17)	100
Total other non-current liabilities	**(17)**	**100**	**(17)**	**100**

21. EQUITY	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Retained earnings				
As at 01 July	245,387	250,815	245,763	251,183
Transfers to:				
Special funds	(592)	(460)	(592)	(460)
Transfers from:				
Special funds	438	262	438	262
Asset revaluation reserve on disposals	–	–	–	–
Surplus/(deficit) for the year	8,921	(5,230)	8,921	(5,222)
As at 30 June	**254,154**	**245,387**	**254,529**	**245,763**
Other reserve funds (refer to separate schedule on page 22)				
As at 01 July	9,611	9,413	9,611	9,413
Transfers to:				
Retained earnings	(438)	(262)	(438)	(262)
Transfers from:				
Retained earnings	592	460	592	460
As at 30 June	**9,765**	**9,611**	**9,765**	**9,611**
Asset revaluation reserves				
As at 01 July	336,066	210,857	336,066	210,857
Revaluation gains/(losses)	16,451	125,209	16,451	125,209
Transfers to:				
Retained earnings on disposal of property, plant and equipment	–	–	–	–
As at 30 June	**352,517**	**336,066**	**352,517**	**336,066**
Asset revaluation reserves consist of:				
Operational assets				
Land and Buildings	15,868	15,867	15,868	15,867
Infrastructural assets				
Sewerage system	96,935	96,069	96,935	96,069
Water system	83,205	82,310	83,205	82,310
Stormwater drainage system	28,804	28,710	28,804	28,710
Solid waste	1,845	1,845	1,845	1,845
Roading network	96,252	81,657	96,252	81,657
Restricted assets				
Cemeteries	94	94	94	94
Parks and reserves	22,359	22,359	22,359	22,359
Endowment property	7,155	7,155	7,155	7,155
Total asset revaluation reserves	**352,517**	**336,066**	**352,517**	**336,066**
Total equity	**616,436**	**591,064**	**616,811**	**591,440**

Refer to reserve funds statement, pages 22–24, for details on restricted reserves and Council created reserve funds.

22. CAPITAL COMMITMENTS AND OPERATING LEASES	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
PPE capital commitments				
Wastewater treatment	873	–	873	–
Water treatment	–	–	–	–
Wastewater other	–	–	–	–
Water other	–	–	–	–
Stormwater	–	–	–	–
Buildings	–	–	–	–
Parks	389	–	389	–
Total PPE capital commitments	**1,262**	**–**	**1,262**	**–**

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:

OPERATING LEASES AS LESSEE	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Non-cancellable operating leases as lessee				
Less than one year	137	171	137	171
Later than one year but not more than five years	47	190	47	190
Later than five years	–	–	–	–
Total non-cancellable operating leases	**184**	**361**	**184**	**361**

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:

OPERATING LEASES AS LESSOR	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Non–cancellable operating leases as lessor				
Less than one year	248	553	248	553
Later than one year but not more than five years	860	1,171	860	1,171
Later than five years	701	1,008	701	1,008
Total non–cancellable operating leases	**1,808**	**2,732**	**1,808**	**2,732**

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.

23. CONTINGENCIES	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
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 the Council is open to is $5.219m.

Contingent liability

Horowhenua District Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability Risk Pool. The 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 have advised that further calls may be made to the Council for past pool periods. Horowhenua District Council has budgeted monies in its current Long Term Plan (LTP) to cover these calls.

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 $200,000-$300,000.

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+.

Horowhenua District Council is one of 30 local authority shareholders and 54 local authority guarantors of the LGFA. In that regard it has uncalled capital of $1m. 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 LGFA's borrowings. At 30 June 2021, LGFA had borrowings totalling $13,610m (2020: $11,908m).

Financial reporting standards require Horowhenua District Council to recognise the guarantee liability at fair value. However, the Council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. The Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- Council are 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 Waitārere Beach Motor Camp and Levin Holiday Park include provisions for Council to buy–back the lessee's fixtures and improvements in certain circumstances totalling $1,145,000. This estimate has been based on district rating valuations.

Personal grievances claims represents amounts claimed by employees for personal grievances cases. There are no open personal grievances claims as at 30 June 2021 (2020: 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 one live claim 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 are not known. Horowhenua District Council is not expected to be covered under its insurance policies. Horowhenua District Council is also exposed to potential claims which have not been advised. The amount of these claims and any potential liability are not able to be reliably measured and are therefore not quantifiable.

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 2021 there were 24 facilities having an approximate value of $20.56m (2020: 24 facilities, $20.56m). This estimate has been based on district rating valuations.

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.

24. 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 2020/21 and 2019/20.

RELATED PARTY TRANSACTIONS	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000
Total MW LASS related party transactions	**124**	**94**

Shannon Community Development Trust

The Council holds $350,000 (2020: $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:

TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000
Wayne Bishop Builder Limited – in which Cr Wayne Bishop is a director / shareholder.	20	–
The George Café 2018 Limited – in which Cr Wayne Bishop is a director / shareholder.	–	–
Brady Electrical and Control Ltd – in which Nicki Brady is a director / shareholder.	15	3
Arohamai Aotearoa Literacy Inc. – in which Cr David Allan is a director / shareholder	–	12
Nua Bins Limited – in which Cr Todd Isaacs is a director / shareholder.	–	1
McLeods Book Centre (1965) Limited – in which Mayor Bernie Wanden is a director / shareholde.	11	8
Total transactions with key management personnel	**45**	**24**

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2020: $Nil).

Foxton Beach Community Board members

The following transactions were carried out with related parties were within normal supplier or client/recipient relationship on normal terms and conditions:

RELATED PARTY TRANSACTIONS	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000
Foxton Beach Community Board members		
Mastermix Packaging Ltd (in which Tricia Metcalf is a shareholder)	–	9
Total transactions with Foxton Beach Community Board members	**–**	**9**

KEY MANAGEMENT PERSONNEL COMPENSATION	Council Actual $ 30 June 2021	Council Actual $ 30 June 2020
Remuneration		
Councillors	558,846	512,563
Senior management team, including the Chief Executive	1,518,841	1,229,592
Total key management personnel remuneration	**2,077,687**	**1,742,155**
Full–time equivalent key management personnel		
Councillors*	11	11
Senior management team, including the Chief Executive	6	6
Total full–time equivalent key management personnel	**17**	**17**

*Due to the difficulty in determining the full-time equivalent for councillors, the full-time equivalent figure is taken as the number of councillors.

25. REMUNERATION

	Council Actual $ 30 June 2021	Council Actual $ 30 June 2020
Chief Executive		
Salary	309,985	313,128
Vehicle (FBT value)	15,000	15,000
Total Chief Executive remuneration	**324,985**	**328,128**

	Council Actual $ 30 June 2021		Council Actual $ 30 June 2020	
Elected representatives	**Remuneration**	**Other Allowances**	**Remuneration**	**Other Allowances**
Mayor				
B Wanden	125,695	3,013	89,814	1,273
M Feyen	–	–	35,245	6,543
Councillors:				
D Allan	38,332	2,317	25,982	1,216
W Bishop	38,332	808	38,539	230
R Brannigan	38,332	1,503	34,877	230
R Campbell	–	–	9,005	1,676
N Gimblett	–	–	9,996	73
T Isaacs	38,332	966	25,981	157
S Jennings	38,332	987	25,981	157
B Judd	–	–	9,996	73
V Kaye-Simmons	45,998	808	39,596	230
R Ketu	38,332	1,538	25,981	470
J Mason	68,998	808	55,732	634
C Mitchell	42,165	808	37,237	230
P H Tukapua	45,998	808	39,596	230
B Wanden	–	–	9005	73
Total elected representatives remuneration	**558,846**	**14,364**	**512,563**	**13,495**
Foxton Beach Community Board				
D Roache (Chair)	12,518	808	12,528	230
D Allan	–	–	1,902	73
T Chambers	6,259	808	4,392	157
J Girling	6,259	998	6,269	530
J Lundie	–	–	1,902	73
P Metcalf	6,259	808	6,269	230
N Newland	6,259	808	4,392	157
Total Foxton Beach Community Board remuneration	**37,554**	**4,230**	**37,654**	**1,450**

	Council Actual $ 30 June 2021	Council Actual $ 30 June 2020
Council employees		
Total annual remuneration by band		
<60,000	113	125
$60,000 – $79,999	51	53
$80,000 – $99,999	29	34
$100,000 – $119,999	14	12
$120,000 – $139,999	10	8
$140,000 – $259,999	7	7
$260,000 – $339,999	1	1
Total Council employee remuneration	**225**	**240**

At balance date, the Council employed 139 (2020: 144) full–time employees, with the balance of staff representing 49 (2020: 57) full-time equivalent employees. A full-time employee is determined on the bases of a 40-hour working week.

26. SEVERANCE PAYMENTS

For the year ended 30 June 2021 Horowhenua District Council made 0 severance payments to employees totalling $0 (2020: $0).

27. EVENTS AFTER THE BALANCE SHEET DATE

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach. The three waters reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024.

Council is currently reviewing the future of the Levin Landfill. By way of resolution of Council on 10 November 2021, Council resolved that the preferred option for the Future of the Levin Landfill for the purpose of Public Consultation was that Council closes the Levin Landfill in 2022. Council formally adopted the statement of proposal on 24 November 2021 so that public consultation can begin. The agreed consultation period is from 30 November 2021 to 31 January 2022.

28. FINANCIAL INSTRUMENTS

28a. FINANCIAL INSTRUMENT CATEGORIES	Note	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Financial assets					
Loans and receivables					
Cash and cash equivalents	7	9,402	15,892	9,426	15,916
Debtors and other receivables	8	7,587	6,593	7,587	6,593
Other financial assets:					
– Term deposits	9	350	350	350	350
– Community loan	9	–	81	–	81
Total loans and receivables		**17,339**	**22,916**	**17,363**	**22,940**
Fair value through other comprehensive revenue and expense					
Unlisted shares in NZLGIC Limited	9	104	104	104	104
Unlisted shares in MW LASS	9	37	16	37	16
Unlisted shares in LGFA	9	100	100	100	100
LGFA borrower notes	9	1,772	1,620	1,772	1,620
Total fair value through other comprehensive revenue and expense		**2,013**	**1,840**	**2,013**	**1,840**
Total financial assets		**19,352**	**24,756**	**19,376**	**24,780**
Financial Liabilities					
Fair Value through surplus or deficit – held for trading					
Derivative financial instrument liabilities	19	1,998	3,515	1,998	3,515
Financial liabilities at amortised cost					
Creditors and other payables	15	15,948	13,843	15,597	13,491
Borrowings:					
– bank overdraft	7	–	–	–	–
– secured loans	18	108,000	106,000	108,000	106,000
Total financial liabilities at amortised cost		**123,948**	**119,843**	**123,597**	**119,491**
Total financial liabilities		**125,946**	**123,358**	**125,595**	**123,006**

28b. 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.

28c. 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 measure at fair value in the statement of financial position:

Council 2021	Total $000	Quoted market price $000	Observable inputs $000	Significant non–observable inputs $000
Financial assets				
Shares	220	–	–	220
LGFA borrower notes	1,772	–	–	1,772
Financial liabilities				
Swap derivatives	1,998	–	1,998	–
Group 2021				
Financial assets				
Shares	220	–	–	220
LGFA borrower notes	1,772	–	–	1,772
Financial liabilities				
Swap derivatives	1,998	–	1,998	–
Council 2020				
Financial assets				
Shares	220	–	–	220
LGFA borrower notes	1,620	–	–	1,620
Financial liabilities				
Swap derivatives	3,515	–	3,515	–
Group 2020				
Financial assets				
Shares	220	–	–	220
LGFA borrower notes	1,620	–	–	1,620
Financial liabilities				
Swap derivatives	3,515	–	3,515	–

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 (2020: $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 23.

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 Group 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 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Cash at bank and term deposits	7	9,402	15,892	9,426	15,916
Debtors and other receivables	8	7,587	6,593	7,587	6,593
Total credit risk		**16,989**	**22,485**	**17,013**	**22,509**

Credit quality of financial assets

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 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Cash at bank and term deposits:					
AA–	7	9,402	15,892	9,426	15,916
Total cash at bank and term deposits		**9,402**	**15,892**	**9,426**	**15,916**

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 the Horowhenua District Council's LTP.

The maturity profiles of the Horowhenua District Council's interest bearing investments and borrowings are disclosed in Notes 9 and 18 respectively.

The Council is exposed to liquidity risk as a guarantor of all of 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 23.

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 2021	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	15,948	15,948	15,948	–	–	–
Secured loans	18	108,000	115,270	29,886	15,700	38,108	31,576
Swap derivatives	19	1,998	2,028	704	561	760	3
Total		**125,946**	**133,246**	**46,538**	**16,261**	**38,868**	**31,579**
Group 2021							
Creditors and other payables	15	15,597	15,597	15,597	–	–	–
Secured loans	18	108,000	115,270	29,886	15,700	38,108	31,576
Swap derivatives	19	1,998	2,028	704	561	760	3
Total		**125,595**	**132,895**	**46,187**	**16,261**	**38,868**	**31,579**
Council 2020							
Creditors and other payables	15	13,843	13,843	13,843	–	–	–
Secured loans	18	106,000	113,202	35,751	12,187	43,143	22,121
Swap derivatives	19	3,515	3,543	465	776	2,213	89
Total		**123,358**	**130,588**	**50,059**	**12,963**	**45,356**	**22,210**
Group 2020							
Creditors and other payables	15	13,491	13,491	13,491	–	–	–
Secured loans	18	106,000	113,202	35,751	12,187	43,143	22,121
Swap derivatives	19	3,515	3,543	465	776	2,213	89
Total		**123,006**	**130,236**	**49,707**	**12,963**	**45,356**	**22,210**

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 2021	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	9,402	9,402	9,402	–	–	–
Debtors and other receivables	8	7,587	7,587	7,587	–	–	–
Other financial assets:							
Term deposits	9	350	351	351	–	–	–
Community loan	9	–	–	–	–	–	–
Total		**17,339**	**17,340**	**17,340**	**–**	**–**	**–**
Group 2021							
Cash and cash equivalents	7	9,426	9,426	9,426	–	–	–
Debtors and other receivables	8	7,587	7,587	7,587	–	–	–
Other financial assets:							
Term deposits	9	350	351	351	–	–	–
Community loan	9	–	–	–	–	–	–
Total		**17,363**	**17,364**	**17,364**	**–**	**–**	**–**
Council 2020							
Cash and cash equivalents	7	15,892	15,892	15,892	–	–	–
Debtors and other receivables	8	6,593	6,593	6,593	–	–	–
Other financial assets:							
Term deposits	9	350	351	351	–	–	–
Community loan	9	81	100	10	20	30	40
Total		**22,916**	**22,936**	**22,846**	**20**	**30**	**40**
Group 2020							
Cash and cash equivalents	7	15,916	15,916	15,916	–	–	–
Debtors and other receivables	8	6,593	6,593	6,593	–	–	–
Other financial assets:							
Term deposits	9	350	351	351	–	–	–
Community loan	9	81	100	10	20	30	40
Total		**22,940**	**22,960**	**22,870**	**20**	**30**	**40**

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 2021 –100bps	Council & Group 30 June 2021 +100bps	Council & Group 30 June 2020 –100bps	Council & Group 30 June 2020 +100bps
Financial assets				
Cash and cash equivalents	(94)	94	(159)	159
Financial liabilities				
Borrowings	560	(560)	550	(550)

Cash and cash equivalents include deposits at call totalling $9,402,000 (2020: $15,892,000) which are at floating rates. A movement of interest rates of plus or minus 1% has an effect on interest revenue of $94,020 (2020: $158,920).

Borrowings include total debt of $56,000,000 (2020: $55,000,000) on current floating rates.

29. BUDGETS FOR YEAR ENDED 30 June 2021

Budgets are as per the 2018/38 long term plan year 3, 2020/21.

30. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations on major variances against budget are disclosed within these financial statements and funding impact statements.

31. FINANCE LEASES

Council does not have any finance leases (2020: $Nil).

32. RECONCILIATION OF SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Surplus (deficit)	8,921	(5,230)	8,921	(5,222)
Add/(less) non-cash items:				
Depreciation and amortisation	15,399	14,516	15,399	14,516
Other including vested and donated assets	(2,612)	(730)	(2,612)	(730)
Net gains and losses and other non-current movements	(1,916)	2,067	(1,916)	2,067
Impairment of non-current assets	–	–	–	–
Add/(less) movements in working capital:				
Increase/(decrease) in accounts receivable	(984)	173	(984)	171
Increase/(decrease) in stock on hand	(6)	–	(6)	–
Increase/(decrease) in current liabilities	1,830	3,402	1,830	3,402
Net cash flows from operating activities	**20,632**	**14,198**	**20,632**	**14,204**

33. CAPITAL MANAGEMENT

The 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 the 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 the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, the 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 the 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 the 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 22–24 for Council created reserves.

34. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000
Community support	9	9
Regulatory services	85	70
Community facilities & services	1,878	1,692
Property	327	266
Roading	3,933	4,913
Solid waste	463	388
Stormwater	741	673
Wastewater	3,849	3,087
Water supply	3,476	2,760
Council operating assets	638	658
Total	**15,399**	**14,516**

35. INSURANCE OF ASSETS	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000
Total value of assets covered by insurance contracts	161,457	137,113
Maximum amount of insurance	258,008	218,330
Total value of assets covered by financial risk sharing arrangements	264,021	159,634
Maximum amount available under those arrangements	470,205	333,198
Total value of assets that are self-insured	303,141	292,560
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.

36. REPLACEMENT COST OF CORE INFRASTRUCTURAL ASSETS	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000
Water other	184,428	105,179
Water treatment plant and facilities	47,385	40,705
Wastewater treatment plant and facilities	62,426	51,221
Wastewater other	217,281	146,148
Stormwater	70,984	56,666
Solid waste	11,077	8,675
Roading and footpaths	385,394	376,844
Total replacement cost of core infrastructure assets	**978,974**	**785,438**

Refer to Note 11 for vested assets and additions.

37. TAX	Council Actual $ 30 June 2021 $000	Council Actual $ 30 June 2020 $000	Group Actual $ 30 June 2021 $000	Group Actual $ 30 June 2020 $000
Components of tax expense				
Current tax	–	36	–	36
Tax expense	**–**	**36**	**–**	**36**
Relationship between tax expense and accounting surplus				
Surplus/(deficit) before tax	8,921	(5,230)	8,921	(5,222)
Tax at 28%	2,498	(1,464)	2,498	(1,462)
Plus/(less) tax effect of:				
Non-deductible expense	-	-	-	-
Non-assessable revenue	(2,498)	1,464	(2,498)	1,462
Tax expense	**–**	**–**	**–**	**–**

38. PRIOR YEAR ERROR CORRECTION

There has been a restatement of the 2020 figures in respect of the carrying amount of property, plant and equipment at 30 June 2020. Council obtained valuation reports for its three waters asset infrastructure and roading assets at 1 July 2020 during the 2021 year which identified that the closing values at 30 June 2020 were materially different to their fair value. As a result, the comparative figures have been restated and the following table summarises the impact of the prior period error on the financial statements.

30 JUNE 2020	As Previously Reported $000	Adjusted $000	As Restated $000
Council			
Statement of comprehensive revenue and expense			
Other comprehensive revenue and expense			
Gain / (loss) on infrastructural assets revaluations	3,618	103,011	106,629
Total other comprehensive revenue and expense	**22,198**	**103,011**	**125,209**
Total comprehensive revenue and expense for the year	**16,968**	**103,011**	**119,979**
Statement of financial statement			
Assets			
Infrastructural assets	471,107	103,011	574,118
Total assets	**619,362**	**103,011**	**722,373**
Equity			
Revaluation reserves	233,055	103,011	336,066
Total equity	**488,053**	**103,011**	**591,064**
Statement of changes in ratepayers' equity			
Total comprehensive revenue and expense for the year	16,968	103,011	119,979
Equity as at 30 June 2020	**488,053**	**103,011**	**591,064**

The comparative figures in the corresponding notes for the financial line items noted above have also been restated.

38. PRIOR YEAR ERROR CORRECTION (cont.) 30 JUNE 2020	As Previously Reported $000	Adjusted $000	As Restated $000
Group			
Statement of comprehensive revenue and expense			
Other comprehensive revenue and expense			
Gain / (loss) on infrastructural assets revaluations	3,618	103,011	106,629
Total other comprehensive revenue and expense	**22,198**	**103,011**	**125,209**
Total comprehensive revenue and expense for the year	**16,976**	**103,011**	**119,987**
Statement of financial statement			
Assets			
Infrastructural assets	471,107	103,011	574,118
Total assets	**619,362**	**103,011**	**749,454**
Equity			
Revaluation reserves	233,055	103,011	336,066
Total equity	**488,429**	**103,011**	**591,440**
Statement of changes in ratepayers' equity			
Total comprehensive revenue and expense for the year	16,976	103,011	119,987
Equity as at 30 June 2020	**488,429**	**103,011**	**591,440**

The comparative figures in the corresponding notes for the financial line items noted above have also been restated.

There have also been adjustments made to the benchmarks disclosure statement below. The changes are outlined in the individual disclosures.

39. COVID-19 IMPACT DISCLOSURE

COVID-19 Disclosure Due to the unique circumstances that have faced New Zealand (and the world) over the past 18 months, the Council has continued to recover from COVID-19 and contribute to the district's economic and social recovery.

Whilst the impact of COVID-19 on some of Council's facilities revenue has been significant, as Council provides a wide range of services and facilities to residents, due to the nature of these services, there have been no noticeable impacts to service delivery results due to COVID-19 lockdown as the services continue to operate, despite lower numbers.

The financial statements presented in this report include the direct and indirect impact from the changes in alert levels due to the global coronavirus pandemic (COVID-19). The Council and its subsidiaries continued to be impacted to varying degrees both financially and non-financially due to on-going supply chain constraints, increased costs and border closures. There has also been an increase to the Council's credit rating from Standards and Poors to a positive outlook.

A summary of the COVID-19 impacts are as follows:

Impact on parent financial performance Council recorded lower revenue in its sports and recreation facilities but building consenting remained at an elevated level. Increased expenditure relates to additional cleaning required.

Financial position – The Council has seen an increase of 3% in the level of rates debtors, however we are working to ensure this level reduces.

Notes to the financial statements financial statements – notes to the financial statements non-financial performance as with its financial performance, service performance measures rebounded in the 2020/21 year.

Benchmarks Disclosure Statement

FOR THE YEAR ENDED 30 JUNE 2021

The purpose of this statement is to disclose the Council's financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The 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.

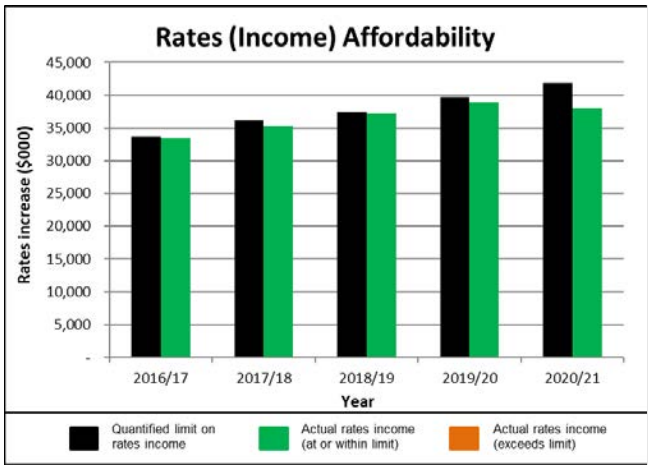
Rates affordability benchmarks

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.

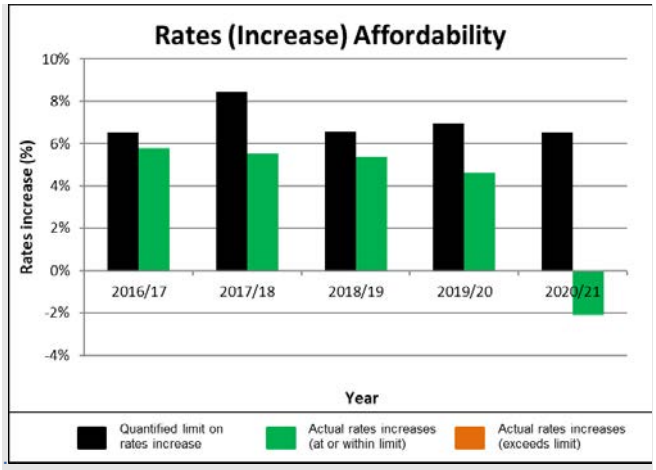
Rates (income) affordability

The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's Long Term Plan (LTP). The quantified limit is $33,619,000 (2016/17), $36,109,000 (2017/18), $37,457,000 (2018/19), $39,686,000 (2019/20) and $41,886,000 (2020/21).



Rates (increases) affordability

The following graph compares the Council's actual rate increase with a quantified limit on rates increases included in the financial strategy in the Council's LTP. The quantified limits are 6.52% (2016/17), 8.43% (2017/18), 6.55% (2018/19), 6.96% (2019/20) and 6.54% (2020/21).

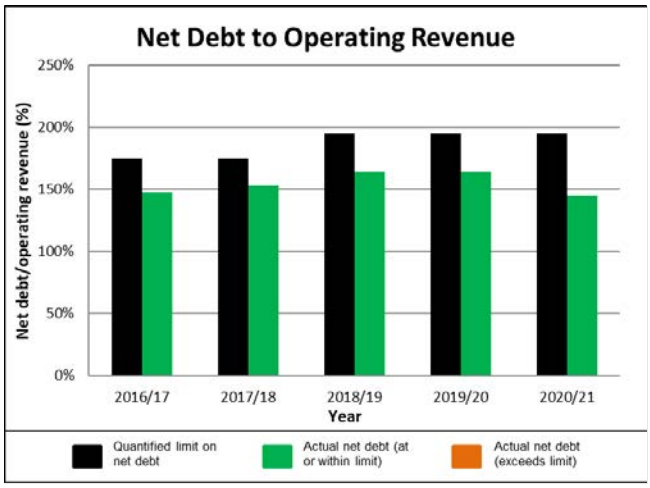


When the Council adopted the 2020-21 annual plan the impacts of COVID-19 were very much unknown so a rate decrease was decided on to lessen the burden of rates on rate payers.

Debt affordability benchmark

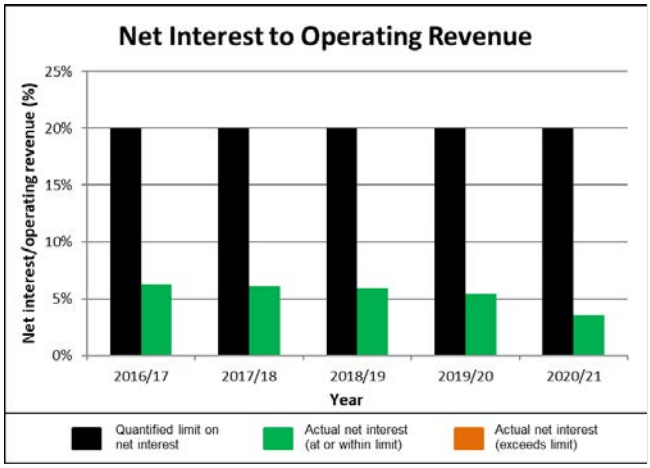
The Council meets the debt affordability benchmark for a year if actual borrowing is within each quantified limit on borrowing.

The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limits are net debt to operating revenue should be below 195%, this was increased from 175% in the 2018-38 LTP.

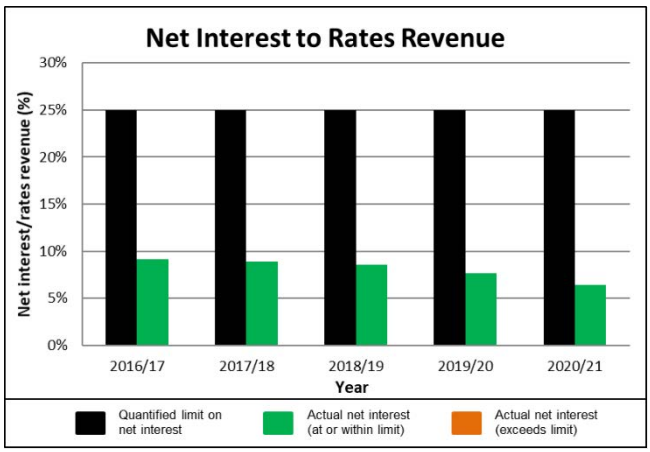


Total revenue is defined as cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets). Net debt is defined as total debt less liquid financial assets and investments.

The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limits are net interest to operating revenue should be below 20%.



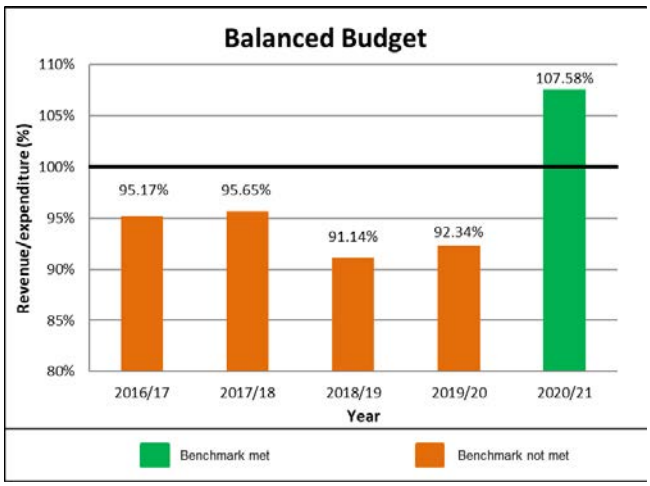
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limits are net interest to annual rates revenue should be below 25%.



Balanced budget benchmark

The following graph displays the 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.

The Council meets this benchmark if its revenue equals, or is greater than, its operating expenses.



Explanation on balanced budget benchmark

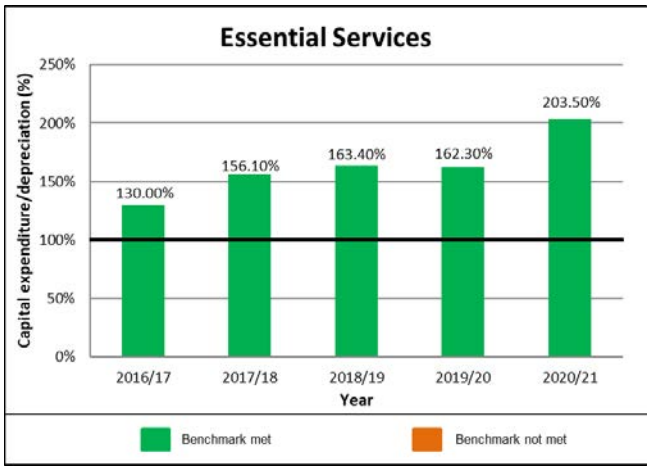
In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only 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 11 and 12. The benchmark was met in the current year due to the significant increase in external capital funding from the Crown.

Essential services benchmark

The following graph displays the 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.

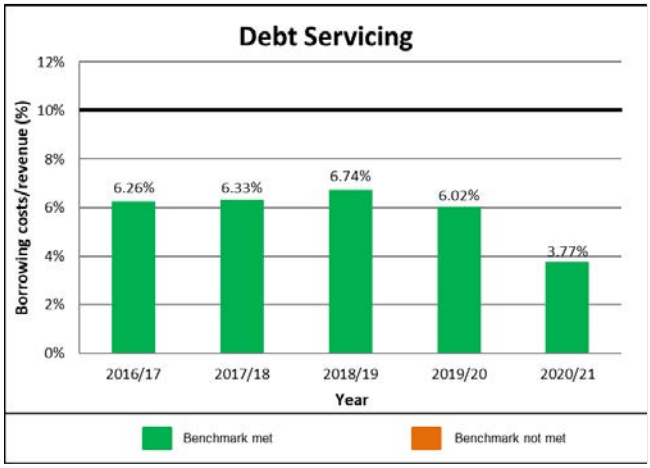
The Council meets this benchmark if its capital expenditure on network services equals or is greater than deprecation on network services.

Network services is defined in the regulations as infrastructure relating to water supply, sewage and the treatment and disposal of sewage, storm water drainage, flood protection and control works and the provision of roads and footpaths. The Council owns no infrastructure relating to flood protection and control work.



Debt servicing benchmark

The following graph displays the 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.

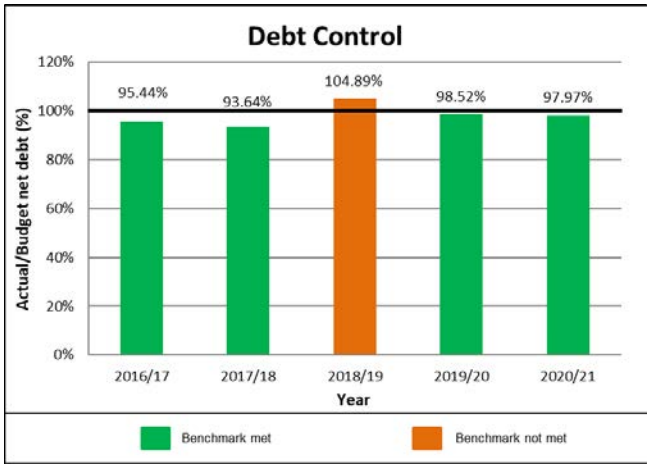


Because Statistics New Zealand projects the district's population will grow more slowly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 10% of its revenue, (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment).

Debt control benchmark

The following graph displays the 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).

The 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.



Explanation on debt control benchmark

The benchmark was not met in the 2018/19 year as the LTP year 1 (2018/19) had anticipated $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.

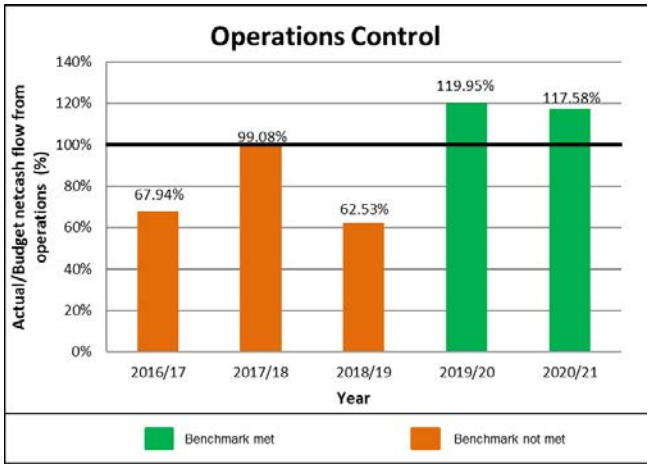
For accuracy the prior period results have been restated. The restatement relates to ensuring the benchmarks are in line with the legislative requirements. The key reason for the change is excluding deferred revenue from the financial liabilities calculation.

	2016/17	2017/18	2018/19	2019/20
Per 2019/20 Annual Report	97.17%	102.17%	104.99%	100.11%
Per 2020/21 Annual Report	95.44%	93.64%	104.89%	98.52%
Change	-1.73%	-8.53%	-0.10%	-1.59%

Operations control benchmark

This graph displays the Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

The 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.



Explanation on operations control benchmark

The reason for not meeting the benchmark in the 2016/17 financial year is the delay in receiving the Te Awahou Nieuwe Stroom grant but also a combination of unbudgeted spending on professional services for growth strategy work and a reduction of accounts payable. In the 2017/18 financial year the budget included contributions from the Te Awahou Nieuwe Stroom partners, however since these contributions were for assets the partners own, this amount should not have been budgeted. In the 2018/19 financial year the benchmark was not met due to a combination of less revenue and more expenditure than budget.

For accuracy the prior period results have been restated. The restatement relates to ensuring the benchmarks are in line with the legislative requirements. The key reason for the change is incorrect figures were picked for actual cashflow from operations.

	2017/18	2018/19	2019/20
Per 2019/20 Annual Report	93.95%	66.21%	121.62%
Per 2020/21 Annual Report	99.08%	62.53%	119.95%
Change	5.13%	(3.68%)	(1.67%)

Accounting Policies

REPORTING ENTITY

The Horowhenua District Council is a territorial local authority constituted under and governed by the Local Government Act 2002 and is domiciled in New Zealand. The relevant legislation governing the 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 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 has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The financial statements of Horowhenua District Council are for the year ended 30 June 2021. The financial statements were authorised for issue by Council on 16 December 2021.

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.

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 include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

These financial statements have been prepared in accordance with Tier 1 PBE accounting standards. Horowhenua District Council is a Tier 1 reporting entity using the public sector PBE accounting standards, as it has expenses greater than $30m, and is not publicly accountable.

These financial statements comply with PBE Standards.

Measurement base

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets which have been measured at fair value.

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).

Judgement

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated "all in" approach, Council continues to recognise its three waters assets at 30 June 2021 in accordance the accounting policies set out on pages 74 to 76. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement

NEW ACCOUNTING STANDARDS AND INTERPRETATIONS

Standards issued and not yet effective and not early adopted

Amendment to PBE IPSAS 2 Statement of Cash Flows

An amendment to PBE IPSAS 2 Statement of Cash Flows requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for annual periods beginning on or after 1 January 2021, with early application permitted. The Council does not intend to early adopt the amendment.

Interest Rate Reform and impact on Public Benefit Entities

Global interest rate reform will see the removal of LIBOR as a key market interest rate for derivative contracts. A replacement for LIBOR is likely to be developed with both European and United States regulators vying for a lead role in the new benchmark mark rate. These changes have little or no impact on Council's hedging programme.

PBE IPSAS 41 Financial Instruments
This standard is effective from the year ending 30 June 2022, and will not have any material impact on the Council's reporting Requirements.

PBE FRS 48 Service Performance Reporting

This standard establishes requirements to PBEs to select and present service performance information. This standard is effective from the year ending 30 June 2022. This standard will require the Council to provide users of the non-financial performance measures contained in the service performance tables of the annual report, an understanding of the rationale of why the measure was chosen, how it is measured, whether the measure is an aggregate of multiple values and how the information is presented.

The Council uses internally sourced data and information collected by third parties to report on the non-financial performance measures developed through its Long Term Plan and associated activity planning, which set out the services (sub-activities) and levels of service (performance measures and targets) anticipated for each year of the Long Term Plan.

The development, monitoring and reporting of non-financial performance measure is consistent with that of previous years.

The individual Group of Activities sections of this Annual Report contains the final report on the actual performance against the non-financial performance measure agreed in the current Long Term Plan for the year under review.

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.

Associate

As associate is an entity over which the institute has significant influence and is neither a subsidiary nor an interest in a joint venture. Investments in associates are accounted for in the Group financial statements using the equity method of accounting.

Investments in associates are measured at cost in the Council's parent financial statements.

Equity method of accounting in group financial statements

Investments in associates and joint ventures are accounted for in the Group financial statements using the equity method of accounting.

Under the equity method of accounting, the investment is initially recognised at cost and the carrying amount is increased or decreased to recognise the Group's share of the change in net assets of the entity after the date of acquisition. The Group's share of the surplus or deficit is recognised in the Group surplus or deficit. Distributions received from the investee reduce the carrying amount of the investment in the Group financial statements.

If the share of deficits of the entity equals or exceeds the interest in the entity, the group discontinues recognising its share of further deficits. After the Group's interest is reduced to zero, additional deficits are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the entity. If the entity subsequently reports surpluses, the Group will resume recognising its share of those surpluses only after its share of the surpluses equals the share of deficits not recognised.

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 measured at the fair value of consideration received or receivable.

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. These are recognised at the amounts due. The 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.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Development and financial contributions

Revenue from development and financial contributions is recognised at the later of the point when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service.

Development contributions are disclosed separately.

Infringement fees revenue

Revenue from infringement fees and fines mostly relate to traffic and parking infringements and are recognised when tickets are issued. The 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, is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grants revenue

Revenue from other grants are recognised as revenue when they 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.

Sale of goods revenue

Revenue from the sale of goods 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), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Commission revenue

Commissions received or receivable that do not require the Council to render further service are recognised as revenue at the point of sale.

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.

Building and resource consent revenue

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

Landfill fees

Fees for disposing of waste at the Council's landfill are recognised when waste is disposed by users.

Lease revenue

Lease revenue from operating leases 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 is diminished.

BORROWING COSTS

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

INCOME TAX

Income tax expense includes components relating to both current tax and deferred tax.

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

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

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

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

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

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

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.

Superannuation schemes

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme28 are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Defined benefit schemes

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

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 the Council's financing activities. In accordance with its treasury policy, the 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 account.

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

Horowhenua District Council classifies its financial assets into four categories:

- fair value through surplus or deficit;
- held-to-maturity investments;
- loans and receivables; and
- financial assets at fair value through other comprehensive revenue and expense.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial acquisition and re-evaluates this designation at every reporting date.

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

Purchases and sales of financial assets are recognised on trade-date, the date on which Horowhenua District Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Horowhenua District Council has transferred substantially all the risks and rewards of ownership.

The categories of financial assets are:

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short-term or it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term profit taking.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses on remeasurement recognised in the surplus or deficit.

Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Horowhenua District Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets.

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

Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised through surplus or deficit. Loans and receivables are classified as "trade and other receivables" in the statement of financial position.

Loans, including loans to community organisations made by Horowhenua District Council at nil or below-market interest rates, are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset or investment. They are subsequently measured at amortised cost using the effective interest method. The difference between the face value and the present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of balance date.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive revenue and expense, except for impairment losses which are recognised in the surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is recognised from equity to the surplus or deficit.

Financial assets in this category include investments Horowhenua District Council intends to hold long-term but which may be realised before maturity and shareholdings that Horowhenua District Council holds for strategic purposes.

Impairment of financial assets

At each balance sheet date Horowhenua District Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the surplus or deficit.

Loans and other receivables and held-to-maturity investments

Impairment is established when there is objective evidence that the Council and Group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible it is written off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government bonds and community loans are recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed through surplus or deficit.

NON-CURRENT ASSETS HELD FOR SALE

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

Any impairment losses for write-downs of non-current assets held for sale are recognised 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:		
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 to100 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%
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%

	Useful Life	Depreciation Rate
Hydrants	60 years	1.67%
Meters	20 years	5%

	Useful Life	Depreciation Rate
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	80years	1.25%
Pumps	10 to 25 years	4% to 10%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

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 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.

INTANGIBLE ASSETS

Software acquisition and development

Acquired computer software licenses 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 the Council's website are recognised as an expense when incurred.

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. 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.

Value in use for cash generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets is the present value of expected future cash flows.

EMPLOYEE BENEFITS

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:

- 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
- 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:

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

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 to the following components.

- retained earnings;
- asset revaluation reserves; and
- 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 22 to 24.

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. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the 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 the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

BUDGET FIGURES

The budget figures are those approved by the Council in its 2020/21 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:

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:

- The physical deterioration and condition of an asset, for example the 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;

- Estimating any obsolescence or surplus capacity of an asset;

- 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 under estimating 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 the 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.

Employees benefit liabilities

These are calculated based on estimate of individual staff members reaching the long service leave milestones based on current salaries.

SECTION C: SIGNIFICANT ACTIVITIES, SERVICE PERFORMANCE, AND FUNDING IMPACT STATEMENTS

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 promote the social, economic, environmental, and cultural wellbeing of its district or region in the present and for the future.
The Community Outcomes identified below are those that were adopted as part of the 2018–2038 Long Term Plan.

Partnership with Tangata Whenua

- We acknowledge our partnership with the Tangata Whenua of our district through a proactive approach to the Te Tiriti o Waitangi/Treaty of Waitangi and its principles.
- We support Mana Whenua to maintain and enhance their traditions with their ancestral lands and waterways, wāhi tapu and other taonga.
- We work with local marae, hapū and iwi to support their development and capacity building.
- We value working together to achieve common goals.

Thriving communities

- Our Communities have a 'sense of place' that makes people feel proud to live here.
- Our Communities have access to health, social and recreation facilities which enable people to enjoy positive healthy lifestyles.
- Our Communities live in a safe and supportive environment and are empowered to make positive and healthy lifestyle choices.
- Our Communities are inclusive, connected and have the opportunity to influence local outcomes and decisions.
- Our Communities are resilient and provide for intergenerational wellbeing through networks which care for all ages.
- Our Communities individually and collectively participate in community development.

Exuberant economy

- We are a welcoming, enabling and business friendly district that encourages local economic development.
- We provide opportunities for people of all ages and at all phases of life to enjoy a quality of living within our district that is economically sustainable and affordable.
- We recognise and manage the effects of population growth and actively promote the district as a destination of choice.
- We value the role our district's natural, cultural and social assets play in supporting economic development.

Stunning environment

- We are proud of our natural and built environments.
- We sustainably manage our environment and natural resources to ensure they can be enjoyed now and by future generations.
- We recognise that our natural environment plays a vital role in sustaining the district.
- We actively support improving the health of our district's rivers, lakes and waterways.

Enabling infrastructure

- Our facilities and infrastructure services are planned and developed for each town or village in our district to meet current and future needs.
- Waste reduction, recycling, energy conservation and efficiency, and water conservation are promoted as part of how we all live.
- We have reliable, efficient and well planned community facilities and infrastructure services.
- Our community facilities and infrastructure are built resiliently, preparing us to combat climate change and natural hazards.

Vibrant cultures

- We are proud of the heritage and diversity of our district and our people.
- We respect each other and what we each contribute to the district through our traditions and culture.
- Our community's cultural diversity is celebrated.

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

Section C outlines the activities carried out by the Council in furthering community outcomes.
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 the Council's policies, objectives, activities, performance targets, indicative costs and sources of funds as outlined in the 2018/38 LTP Year 3 2020/21. These are reported in the statements of service performance for each significant activity contained on the following pages.

In doing so, the report is a reflection of the Council's accountability to the Horowhenua community and indicates the success (or otherwise) of the Council in fulfilling its intended achievements as it had outlined in the 2018/38 LTP Year 3 2020/21.

The 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. 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: Regulatory Services is a delivery arm of Council that provides advice, consenting services, assessment, education, compliance, and enforcement. The activities that are undertaken within the Regulatory Services group of activities provide for the development and review 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 it lives in.

Community Facilities and Services: This group of activities involves the management of community centres, libraries, aquatic centres, reserves, sports grounds, public toilets, public halls and cemeteries as well as for the provision of street beautification within the district.

Land Transport: The Land Transport group of activities provides for pedestrians and vehicle to safely and efficiently move from place to place within the district or to pass through the district.

Stormwater: The Stormwater group of activities involves Council collecting stormwater from roads and diverting it away from the road surface into natural water courses or piped drain systems.

Water Supply: As part of the Water Supply group of activities the Council provides a safe and reliable supply of water to residential, industrial and commercial properties (primarily in urban areas). This supply also provides firefighting capability.

Wastewater Disposal: As part of its Wastewater group of activities the Council collects 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.

Solid Waste Management: The Solid Waste group of activities consists of Council providing services to collect and safely dispose of residential and commercial solid waste.

Community Support: This group of activities 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.

Properties: Council owns a variety of community properties from which it delivers its functions whether community driven or by way of facilitating other outcomes e.g. commercial property and endowment property.

Representation and Community Leadership: This group of activities comprises of 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.

For each group of activities it shows the levels of service provided, asset renewals and acquisitions, impacts on community outcomes and funding impact statements for 2020/21.

Regulatory Services

STATEMENT OF SERVICE PERFORMANCE

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 community and the environment they live within.

The Regulatory Services Group of Activities includes the following Activities:

- Resource Consenting
- Environmental Health
- Alcohol Licencing
- Building Consenting
- Animal Control
- Parking Enforcement
- Building Compliance
- Resource Management Compliance
- General Regulatory Services.

1. DESCRIPTION OF ACTIVITIES

1.1. Resource Consenting

The Resource Consenting Activity it undertaken to ensure Council is meeting its obligations under the Resource Management Act (1991).

What does this activity involve?

- 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.

Rationale

Activity	Community outcome	Council role
Processing of resource consents.	• Exuberant economy • Stunning environment	Regulator/provider

1.2. Environment Health (Food Safety)

Environmental Health (Food Safety) ensures that food services used by the community are healthy and safe.

What does this activity involve?

- Registering and auditing food businesses in accordance with regulations and legislation, most significantly the Food Act 2014.

Rationale

Activity	Community outcome	Council role
Processing applications for food premises and other premises and undertaking inspections/audits of these premises.	• Thriving communities	Regulator/provider
Respond to health related complaints and take appropriate action when non-compliance is observed.	• Exuberant economy	Regulator

1.3. 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 does this activity involve?

- 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.

Rationale

Activity	Community outcome	Council role
Processing application for premises and undertaking inspections.	• Thriving communities	Regulator/provider
Respond to complaints relating to non-compliance with liquor licensing requirements and take appropriate action when non-compliance is observed.	• Exuberant economy	Regulator

1.4. 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 does this activity involve?

- 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.

Rationale

Activity	Community outcome	Council role
Processing building consent applications and undertaking inspections of the building work to ensure compliance with the consent, and processing code of compliance certificate applications.	• Exuberant economy • Enabling infrastructure	Regulator/provider

1.5. 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 the community.

What does this activity involve?

- Maintaining a register of dogs in the district.
- Patrolling the district 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.

Rationale

Activity	Community outcome	Council role
Provision of animal control services.	• Thriving communities	Regulator/provider

1.6. Parking Enforcement

The Parking Enforcement Activity aims to ensure that people can easily access car parks for on and off-street parking.

What does this activity involve?

- Enforcing the parking requirements for mobility car parks, metered parking, time restricted parking, and illegal parking, including issuing infringement notices for non-compliances.
- Monitoring and enforcement of expired vehicle registrations, certificates of fitness and warrants of fitness.

Rationale

Activity	Community outcome	Council role
Operation of a parking enforcement scheme.	• Thriving communities	Regulator

1.7. Building Compliance

The Building Compliance Activity aims to support the Building Consenting Activity and protect health and safety by ensuring the community is complying with building requirements.

What does this activity involve?

- 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 (BWOFs) are renewed and are accurate.

Rationale

Activity	Community outcome	Council role
Respond to complaints and undertake territorial authority requirements under the Building Act 2004.	• Thriving communities • Enabling infrastructure	Regulator

1.8. Resource Management Compliance

The Resource Management Compliance Activity aims to support Council's Resource Consenting Activity and the sustainable management of the environment by ensuring compliance with the Resource Management Act 1991, the Operative District Plan and resource consent conditions.

What does this activity involve?

- 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.

Rationale

Activity	Community outcome	Council role
To ensure the requirements of the District Plan and consent conditions are complied with.	• Thriving communities • Stunning environment • Enabling infrastructure	Regulator

1.9. 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 does this activity involve?

- 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.

Rationale

Activity	Community outcome	Council role
Provide general regulatory services.	• Thriving communities	Regulator/provider

2. MEASURING PERFORMANCE

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target
2019/20 & 2020/21</th><th>Actual Performance
2019/2020</th><th>Actual Performance
2020/2021</th></tr>
<tr><td>Processing of applications under the Resource Management Act (RMA) 1991.</td><td>Applications under the RMA will be processed within statutory timeframes.</td><td>Achieve</td><td>Not achieved
As at 30 June 2020,
274 consents approved YTD, 96.7% within statutory timeframes.
Nine resource consents were approved outside of statutory timeframes. This has been due to a combination of administrative issues and the high volume of applications received compared to the number of staff available to process applications. Additional monitoring steps have been added to administrative processes to prevent reoccurrence of the same issues and recruitment of staff is ongoing.</td><td>Not achieved
As at 30 June 2021,
294 consents have been approved YTD for Land Use, Subdivision, Boundary Activities and “other”, approximately 94% of consents were approved within statutory timeframes.
18 resource consents were approved outside of statutory timeframes. This has been due to high volume of applications received compared to the number of staff & contractors available to process applications. Two new resource management planners have been appointed this year and recruitment of staff is ongoing.</td></tr>
<tr><td>Public safety bylaws and other legislation will be enforced.</td><td>Percent of reported non–compliances and complaints that are responded to within five working days.</td><td>100%</td><td>Achieved
As at 30 June 2020,
44 complaints received and responded to, comprising of:
<table>
<tr><th>Issue</th><th>Number of complaints</th></tr>
<tr><td>Smoke</td><td>4</td></tr>
<tr><td>Health Act</td><td>12</td></tr>
<tr><td>Local Government Act</td><td>0</td></tr>
<tr><td>Council Bylaws</td><td>28</td></tr>
<tr><td>Total</td><td>44</td></tr>
</table></td><td>Achieved
As at 30 June 2021,
125 complaints received and responded to, comprising of:
<table>
<tr><th>Issue</th><th>Number of complaints</th></tr>
<tr><td>Smoke</td><td>0</td></tr>
<tr><td>Health Act</td><td>46</td></tr>
<tr><td>Local Government Act</td><td>48</td></tr>
<tr><td>Council Bylaws</td><td>31</td></tr>
<tr><td>Total</td><td>125</td></tr>
</table></td></tr>
</table>

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Number of months in which all building consent applications are processed within 20 working days or less.	12	**Achieved** As at 30 June 2020, 698 building consents were granted YTD, 100% within statutory timeframes.	**Not achieved** As at 30 June 2021, 820 building consents were granted YTD, 99% within statutory timeframes. This measure has been achieved for seven out of 12 months YTD. Seven consents have been processed outside the statutory timeframe YTD. Three of these were due to administrative errors, this has been resolved now we have an additional temporary administrator who has the capacity to carry out appropriate checks to ensure the same error does not occur again in future. Two consents went overtime as a result of changes to the reporting of the statutory clock, the first working day that a consent is on hold while waiting for further information isn't counted as a working day in Authority and the Building Act requires that it is counted as a working day. Our reports have been adjusted to reflect this and these two applications have gone over the timeframe as a result. Two consents went over time frame due to delays in the re-starting of the statutory clock after further information was received.
	Council will maintain its accredited status as a Building Consent Authority.	Achieve	**Achieved** As at 30 June 2020, A re-assessment of Council's IANZ accreditation was held in April 2019. IANZ confirmed the continuation of Council's accreditation on 25 September 2019.	**Achieved** As at 30 June 2021, The last accreditation assessment was held on 19-22 April 2021. The three remaining general non-compliances were confirmed as being complete on 28 August 2021 and certificate of accreditation was received on 03 September 2021.

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
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	**Achieved** As at 30 June 2020, 101 food businesses operating on the Simply Safe and Suitable template were verified. Due to the Covid-19 changes extra allowance has been given to food businesses whose verifications were unable to be completed during Alert Levels 3 & 4.	**Not achieved** As at 30 June 2021, 127 food businesses operating a MPI template food control plan were verified. It was identified in March 2021 that one verification was not completed in January 2021 as was meant to be. The measure was achieved for 11 out of 12 months.
Food safety – Food businesses are monitored to ensure compliance with legislation.	Food premises operating under the Food Hygiene Regulations 1974 are inspected.	N/A	**N/A** The Food Hygiene Regulations 1974 are no longer valid.	**N/A** The Food Hygiene Regulations 1974 are no longer valid.
Food Safety – Existing food businesses are provided with assistance to transition onto the requirements of the Food Act 2014.	Food businesses are provided with written material about the Food Act 2014 and have opportunities to attend training sessions/seminars	N/A	**N/A** This measure is no longer valid.	**N/A** This measure is no longer valid.
Monitoring of licensed premises to ensure compliance with relevant* legislation.	Premises are inspected annually to check for compliance with their licence conditions.	Achieve	**Achieved** As at 30 June 2020, 71 licensed premises holding 71 operative licences exist. 100% were inspected during the year.	**Achieved** As at 30 June 2021, 71 licensed premises holding 71 operative licences exist. All premises that require an inspection have been inspected.

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Land Transport Regulations.	Enforcement conducted each working day.	Achieve	**Not achieved – Due to COVID-19** Due to the Covid-19 Level 4, 3 & 2 restrictions, Parking Services ceased during the lockdown period.	**Achieved** Enforcement has been conducted each working day either by way of parking warden monitoring and enforcement or via the wider regulatory compliance staff remote monitoring and enforcement.
Carry out territorial authority functions including enforcement of legislation.	Reported cases of illegal building work will be responded to within five working days.	Achieve	**Achieved** As at 30 June 2020, eight instances of illegal building work were issued Notices to Fix.	**Not achieved** As at 30 June 2021, officers responded to 15 reports of building act non-compliances and issued six notices to fix. The Building TA Officer role has been vacant since mid-April 2021, creating a delay in Officer responses. The timeframe of five working days has not always been achieved. Recruitment is underway to fill this vacancy.
	Percentage of private swimming pools on register inspected annually for compliance.	> 33%	**Achieved** As at 30 June 2020, 287 pools are on the register. 33% were inspected during the year.	**Achieved** As at 30 June 2021, 295 pools are on the register. 33% have been inspected.
Carry out territorial authority functions including enforcement of legislation.	100% of BWOFs are renewed or Notices to Fix are issued.	Achieve	**Achieved** As at 30 June 2020, 310 BWOFs are maintained on the register and one Notice to Fix issued during the year.	**Achieved** As at 30 June 2021, 317 BWOFs are on the register & 99 BWOF audits undertaken. Zero notices to fix were issued during the year.

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliances with the District Plan and any resource consents will be responded to within five working days.	Achieve	**Achieved** As at 30 June 2020, 59 reports of non-compliance were received and responded to within five working days.	**Not achieved** As at 30 June 2021, The RMA monitoring and compliance role has been vacant since December 2020, creating a delay in Officer responses. The timeframe of five working days has not always been achieved. Recruitment is underway to fill this vacancy. 77 reports of non-compliance were received during the year.
Monitoring of District Plan requirements, resource consent compliance and complaints.	All resource consents that are required to be monitored for the year are monitored for compliance with conditions.	Achieve	**Achieved** As at 30 June 2020, 249 resource consents received monitoring during the year.	**Not achieved** As at 30 June 2021, 49 resource consents received monitoring during the year; however, as the RMA monitoring and compliance role has been vacant since December 2020, no new monitoring has occurred since December 2020.
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** As at 30 June 2020, 1,067 complaints were received during the year. 100% were responded to.	**Achieved** As at 30 June 2021, 1,030 complaints were received during the year. 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.
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** As at 30 June 2020, Of the 6,274 dogs on the Council's database 6,133 were registered. (97.7%). Dog owners of all dogs that were not registered were visited by Animal Control staff in September 2019 to encourage compliance. As at 31 October 2019, 141 dogs remained unregistered for which dog owners were issued an infringement for failing to register.	**Achieved** As at 30 June 2021, Of the 6,074 dogs on the Council's database 5,965 dogs were registered (98.21%). The remaining 109 dogs known to be unregistered at the time had infringement notices issued to their owners.

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
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** As at 30 June 2020, 1,819 complaints were received during the year. 97% were responded to within 60 minutes. The service is provided by way of Contract.	**Achieved** As at 30 June 2021, 1,781 complaints were received during the year. 95% were responded to within 60 minutes. The service is provided by way of Contract.

3. ACQUISITION AND RENEWAL OF ASSETS

Regulatory Services	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of project				
Animal Control - Body worn video equipment	–	1	(1)	
Parking - Body worn video equipment	–	3	(3)	
Vehicles - Replacing HPK637	–	5	(5)	
Vehicles - Replacing HPR874	–	3	(3)	
Vehicles - Replacing JJL288	36	40	(4)	
Total renewal projects	**36**	**52**	**(16)**	
Primary Type: Level of service portion of project				
	–	–	–	
Total level of service projects	**–**	**–**	**–**	
Primary Type: Growth portion of project				
	–	–	–	
Total growth projects	**–**	**–**	**–**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	36	52	(16)	
Improve level of service	–	–	–	
Growth – To meet additional demand	–	–	–	
Total Regulatory Services projects	**36**	**52**	**(16)**	

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELLBEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2021 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Social	Thriving communities	Continued delivery of all relevant services in relation to legislation, policies and bylaws contributes to the health and safety of the community. Close engagement with key stakeholders when reviewing bylaws and policies ensures community input into local decisions.
Environmental	Stunning environment	Robust consenting practices ensures the protection and sustainable management of natural and built environments for future generations.
Economic	Exuberant economy	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.
Economic	Enabling Infrastructure	Consenting processes ensure that community facilities and infrastructure are built resiliently to combat climate change and natural hazards.

Regulatory Services

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		2,115	2,213	2,337	2,328	(9)
Targeted rates		–	–	–	–	–
Subsidies and grants for operating purposes		–	–	–	–	–
Fees and charges		9	9	9	8	(1)
Local authorities fuel tax, fines, infringement fees, and other receipts	1	2,760	2,860	2,841	3,331	490
Internal charges and overheads recovered		–	-	–	–	–
Total operating funding (A)		**4,884**	**5,082**	**5,187**	**5,667**	**480**
Applications of operating funding						
Payments to staff and suppliers		434	475	478	596	(118)
Finance costs		2	5	3	1	2
Internal charges and overheads applied	2	4,368	4,521	4,646	4,344	302
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**4,804**	**5,001**	**5,127**	**4,941**	**186**
Surplus (deficit) of operating funding (A–B)		**80**	**81**	**60**	**726**	**666**
Sources of capital funding						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt		42	(23)	(22)	(1)	21
Gross proceeds from sale of assets		–	–		19	19
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**42**	**(23)**	**(22)**	**18**	**40**
Applications of capital funding						
Capital expenditure						
– to meet additional demand		–	–	–	–	–
– to improve the level of service		2	–	–	–	–
– to replace existing assets		117	58	36	52	(16)
Increase (decrease) in reserves	3	3	–	2	692	(690)
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**122**	**58**	**38**	**744**	**(706)**
Surplus (deficit) of capital funding (C–D)		**(80)**	**(81)**	**(60)**	**(726)**	**(666)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		79	79	59	85	(26)

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	–	25	25
Raised during year	–	–	-
Repaid during year	–	(1)	(1)
Loans as at 30/06/2021	**–**	**24**	**24**
Interest expense	1	–	1

NOTES:

1. This additional income is due to increased subdivision and building activity across the district.
2. The lower internal costs mainly relate to lower spending in IT and HR.
3. The increase in reserves is due to the increase in revenue and lower expenditure.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Animal Control	262	274	217	232	(15)
Building Consents	1,131	1,190	1,252	1,338	(86)
Building Policy	298	306	426	399	27
Dog Control	627	651	514	502	12
Environmental Health	285	292	445	378	67
Environmental Health Policy	95	96	102	108	(6)
Liquor Licensing	232	240	231	188	43
Liquor Policy	63	64	44	55	(11)
Parking	583	601	452	359	93
Planning Policy	331	345	375	362	13
Resource Management	712	745	972	989	(17)
Safety Licensing	262	276	156	116	40
Total activity expenditure	**4,881**	**5,080**	**5,186**	**5,026**	**160**

Community Facilities and Services

STATEMENT OF SERVICE PERFORMANCE

The Community Facilities and Services 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 the following activities:

- Reserves and Beautification, Public Halls, Sports Grounds and Cemeteries
- Aquatic Centres and Recreation
- Community Centres and Libraries

1. DESCRIPTION OF ACTIVITIES

1.1. Reserves and Beautification, Public Halls, Sports Grounds and Cemeteries

What does this activity involve?

This Activity aims to provide management of reserves, sports grounds public halls and cemeteries as well as the provision of street beautification within the district.

Rationale

Activity	Community outcome	Council role
Maintain public reserves.	• Stunning environment • Vibrant cultures • Thriving communities	Funder/provider/ advocate
Manage a beautification programme across the district.	• Stunning environment • Vibrant cultures • Thriving communities	Funder/provider
Maintain sports grounds for public use.	• Exuberant economy • Stunning environment • Vibrant cultures • Thriving communities • Enabling infrastructure	Funder/provider.
Operate cemeteries	• Vibrant cultures • Thriving communities • Enabling infrastructure	Funder/provider

1.2. Aquatic Centres and Recreation

The Aquatic Centres 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 does this activity involve?

- 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.

Rationale

Activity	Community outcome	Council role
Safe aquatic centres are available for community use.	• Thriving communities	Provider
Recreation opportunities are provided for the community.	• Thriving communities	Provider/advocate

1.3. Community Centres and Libraries

This Activity aims to provide a location 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 does this activity involve?

- 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 youth 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.

Rationale

Activity	Community outcome	Council role
Community centres and libraries operate within the district.	• Exuberant economy • Vibrant cultures • Thriving communities • Partnerships with Tangata Whenua	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
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** As at 30 June 2020, Council has 83% of residential dwellings in urban areas that are within 400 metres to local reserves, either Council or privately provided.	**Achieved** As at 30 June 2021, Council has 83.06% 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** As at 30 June 2020, Council has 91.65% of residential dwellings in urban areas that are within 800 metres of playgrounds or destination reserves.	**Achieved** As at 30 June 2021, Council has 91.63% 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** June 2020 survey results, 92% satisfaction overall. 	**Achieved** June 2021 survey results, 85% satisfaction overall. % satisfied non-users: 85% % satisfied users: 86% % satisfied total: 85%
Playgrounds are safe for users.	Playground facilities comply with relevant National Playground standards.	Achieve	**Achieved** As at 30 June 2020, 100% of playground facilities complied.	**Achieved** As at 30 June 2021, 100% of playground facilities complied.
Sports grounds are available for Community use.	Percent of time that sport grounds are available for use during their opening hours.	95%	**Achieved** As at 30 June 2020, 100% of sports grounds were available for use during their opening hours outside of Covid-19 lockdown.	**Achieved** During June 2021, 98.21% of sports grounds were available for use during their opening hours. Playford Park #1 was closed for weekday training for a period of three weeks due to the wet turf surface. This closure was only for weekday training, it was open on weekends for booked HKRFU Club matches.

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td>Sports grounds meet local needs.</td><td>Number of Customer Request Management complaints reporting of ground conditions per annum</td><td>< 5</td><td>Achieved
As at 30 June 2020,
0 complaints have been received.</td><td>Achieved
As at 30 June 2021,
0 complaints have been received.</td></tr>
<tr><td>Community Halls are available for public use.</td><td>Number of uses per fortnight for Community Halls.</td><td>10</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th>Hall</th><th>Times used</th></tr>
<tr><td>Levin Memorial Hall</td><td>330</td></tr>
<tr><td>Shannon Memorial Hall</td><td>5</td></tr>
<tr><td>Foxton Memorial Hall</td><td>10</td></tr>
<tr><td>Total</td><td>345</td></tr>
</table>
Average of 13.27 times per fortnight.</td><td>Achieved
As at 30 June 2021,
<table>
<tr><th>Hall</th><th>Times used</th></tr>
<tr><td>Levin Memorial Hall</td><td>334</td></tr>
<tr><td>Shannon Memorial Hall</td><td>73</td></tr>
<tr><td>Foxton Memorial Hall</td><td>20</td></tr>
<tr><td>Total</td><td>427</td></tr>
</table>
Average of 16.42 times per fortnight.</td></tr>
<tr><td>Safe aquatic facilities are operating in the district.</td><td>Compliance with relevant standards including Pool Safe accreditation.</td><td>Achieved</td><td>Achieved
As at 30 June 2020,
Levin = 100%
Foxton = 100%

Both Foxton and Levin pools have received Pool Safe accreditation during February 2020. This is valid until April 2021 when the next Pool Safe assessment is completed.</td><td>Achieved
As at 30 June 2021,
Levin = 100%
Foxton = 100%

Both Foxton and Levin pools have received Pool Safe accreditation during February 2021. This is valid until April 2022 when the next Pool Safe assessment is completed.</td></tr>
<tr><td>Aquatics centres meet customer needs.</td><td>Percent of customers satisfied, based on the Annual Customer Satisfaction Survey.</td><td>≥ 90%</td><td>Not achieved
The percentage of customers satisfied was 85%. It is likely that not having a hydroslide in operation would have contributed to a lower satisfaction score. 8% of those surveyed highlighted maintenance as the reason for dissatisfaction.
June 2020 survey results, 85% satisfaction overall:
</td><td>Achieved
June 2021 survey results, 94% satisfaction overall.</td></tr>
</table>

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
A high quality Swim School operates at the Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes.	≥ 400 per term	**Not achieved – Due to COVID-19** As at 30 June 2020, Term Three = 471 Term Four = 551 (480 Levin and 71 in Foxton) Term One (2020) = 610 (534 Levin and 78 in Foxton, numbers before Covid-19 closure) Term Two (2020) = 168 Aquatic Centre reopened 1 June 2020. Due to Covid-19 guidelines the classes are limited.	**Achieved** As at 30 June 2021, Term Three = 454 Term Four = 605 Term One (2021) = 611 Term Two (2021) = 551
Local clubs are supported to deliver their own events.	Number of events per year held by clubs– clubs growing and taking ownership of their own events and future.	≥ 5 per year	**Achieved** As at 30 June 2020, • Levin Masters Swim Meet • Levin East Swim Sports • Ōhau School Swim Sports • Levin Intermediate Swim Sports • Inter-Schools Swimming Sports • Special Olympics Horowhenua • Levin Swim Club meet • Police Road Patrol Event • Foxton Fun Session • Sport Manawatū Whanau Fit Programme (with fitness support) The measure is reported as 'Achieved', as the target has been met.	**Achieved** As at 30 June 2021, • College Old Boys Junior Rugby prize giving • Poroutawhao School Swim • Waitohu School, Ōtaki School Swim • Foxton Primary School Swim • Athletic Rugby prize giving • Special Olympics • Patrols end of year swim • Streamline Xmas event • End of year swim – Fairfield School, Poroutawhao School, Levin School, Ōtaki Primary School, Rangitane Whanau, St Josephs • Horowhenua College and Waiopehu College end of year swim • Levin Swim Club end of year swim • Mandy's Swimming end of year swim • Paranui Marae end of year swim • Foxton Beach School end of year swim • Interschool's swim champs • Levin Masters Swim Meet • Levin Intermediate Swim Champs • Poroutawhao School Swim Champs The measure is reported as 'Achieved', as the target has been met.

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td>Local clubs are supported to deliver their own events.</td><td>Number of events per year for:
Children;
General public; and
Retirees.</td><td>

≥ 3
≥ 3
≥ 3</td><td>Achieved
As at 30 June 2020,
The following events have taken place and been delivered by HDC at aquatic facilities this year.
<table>
<tr><th>Children</th><th>General public</th><th>Retirees</th></tr>
<tr><td>6</td><td>7</td><td>3</td></tr>
</table></td><td>Achieved
As at 30 June 2021,
The following events have taken place and been delivered by HDC at aquatic facilities this year.
<table>
<tr><th>Children</th><th>General public</th><th>Retirees</th></tr>
<tr><td>9</td><td>6</td><td>6</td></tr>
</table></td></tr>
<tr><td>Council provides community facilities for residents, ratepayers, and visitors to access community services including library services.</td><td>Communities with library and community facilities providing an integrated and District wide service.</td><td>Levin, Foxton, and Shannon</td><td>Achieved
As at 30 June 2020,
Library Services are delivered in in Levin, Shannon and Foxton.</td><td>Achieved
As at 30 June 2021,
Library Services are delivered in in Levin, Shannon and Foxton.</td></tr>
<tr><td>Libraries and community facilities meet the public’s needs.</td><td>Percent of residents and non-residents satisfied with library and Community services based on the Annual Customer Satisfaction Survey.</td><td>> 90%</td><td>Achieved
June 2020 survey results, 94% satisfaction overall.
</td><td>Not Achieved
June 2021 survey results, 90% satisfaction overall.
<table>
<tr><th>% satisfied non-users</th><th>% satisfied users</th><th>% satisfied total</th></tr>
<tr><td>77%</td><td>93%</td><td>90%</td></tr>
</table></td></tr>
<tr><td>Community facilities are available for public use.</td><td>Number of booking counts for community facilities.</td><td>≥ 1,200</td><td>Achieved
As at 30 June 2020,
1,202 bookings have been made for community facilities.</td><td>Achieved
As at 30 June 2021,
1,447 bookings have been made for community facilities. (NB. This number now includes all bookings for both Te Awahou Nieuwe Stroom and Te Takeretanga o Kura-hau-pō.)</td></tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td rowspan="2">Customers have access to a range of current information in both print and digital format.</td><td>Number of items loaned from the libraries across the district, including books, magazines etc.</td><td>≥ 320,000</td><td>Not achieved
As at 30 June 2020,
Broken down as follows:
<table>
<tr><th>Library</th><th>Issues</th></tr>
<tr><td>Levin</td><td>190,081</td></tr>
<tr><td>Foxton</td><td>23,915</td></tr>
<tr><td>Shannon</td><td>6,277</td></tr>
<tr><td>Digital</td><td>7,589</td></tr>
<tr><td>Total</td><td>227,862</td></tr>
</table></td><td>Not achieved
As at 30 June 2021,
Broken down as follows:
<table>
<tr><th>Library</th><th>Issues</th></tr>
<tr><td>Levin</td><td>197,409</td></tr>
<tr><td>Foxton</td><td>23,478</td></tr>
<tr><td>Shannon</td><td>7,219</td></tr>
<tr><td>Digital</td><td>10,122</td></tr>
<tr><td>Total</td><td>238,228</td></tr>
</table></td></tr>
<tr><td>Percent of increase in use of website.

(Note: These numbers include statistics for Te Takeretanga o Kura-hau-pō website, OPAC, and Kete Horowhenua.)</td><td>+> 1%</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th></th><th>2019/20</th><th>2018/19</th><th>% change</th></tr>
<tr><td>Unique users</td><td>83,663</td><td>55,767</td><td>50%</td></tr>
<tr><td>Sessions</td><td>119,121</td><td>113,667</td><td>5%</td></tr>
</table></td><td>Achieved
As at 30 June 2021,
<table>
<tr><th></th><th>2020/21</th><th>2019/20</th><th>% change</th></tr>
<tr><td>Unique users</td><td>92,698</td><td>83,663</td><td>11%</td></tr>
<tr><td>Sessions</td><td>125,241</td><td>119,121</td><td>5%</td></tr>
</table></td></tr>
<tr><td>Customers have access to programmes and initiatives that enhance the wellbeing of the district.</td><td>Number of programmes delivered in:
Levin
Foxton
Shannon</td><td>

≥ 60
≥ 30
≥ 10</td><td>Achieved
As at 30 June 2020,
474 programmes have been delivered*
*This reporting does not include the Youth Space
The programmes that have been delivered are broken down as follows:
<table>
<tr><th>Levin</th><th>Foxton</th><th>Shannon</th></tr>
<tr><td>284**</td><td>81**</td><td>109**</td></tr>
</table>
The measure is reported as “Achieved”, as the target for the year 2019/2020 has been met.
** online activities or programmes were delivered.</td><td>Achieved
As at 30 June 2021,
601 programmes have been delivered*
*This reporting does not include the Youth Space
The programmes that have been delivered are broken down as follows:
<table>
<tr><th>Levin</th><th>Foxton</th><th>Shannon</th></tr>
<tr><td>443**</td><td>60**</td><td>98**</td></tr>
</table>
The measure is reported as “Achieved”, as the target for the year 2020/2021 has been met.
** online activities or programmes were delivered.</td></tr>
</table>

3. ACQUISITION AND RENEWAL OF ASSETS

Community Facilities and Services	Annual Plant Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
District Halls (& Pavilions) - Reactive renewals	27	8	19	
Foxton Aquatic Centre - Planned renewals	50	43	7	
District play equipment bark mulch	14	14	–	
Levin Aquatic Centre - Planned renewals	200	145	55	
Levin Adventure Park playground renewals	–	(2)	2	
Public toilets - Minor renewals	19	1	18	
Reserves renewals	259	225	34	
Beautification South bound carriageway SH1	–	2	(2)	
District play equipment	80	80	–	
Endowment - Foxton Beach reserves projects	204	17	187	1
Purchase of library books	200	164	36	
Purchase of audio books	6	5	1	
Purchase of DVD`s	13	12	1	
Levin Aquatic - Replace hydroslide	451	468	(17)	
Levin - Disabled change facilities	–	7	(7)	
Community hubs - Digital equipment replacement	5	13	(8)	
Te Takeretanga o Kura-hau-pō - Redevelopment	12	–	12	
Waikawa Beach pedestrian bridge	50	27	23	
Music studio equipment replacement	–	1	(1)	
Park lighting upgrade	–	2	(2)	
Total renewal projects	**1,590**	**1,232**	**358**	
Primary Type: Level of service portion of projects				
Benches in high pedestrian use areas	10	10	–	
Cemetery - Avenue - Redevelop front entrance	60	61	(1)	
Cemetery - Avenue Road & Levin - Upgrade	11	13	(2)	
District fencing contingency	44	81	(37)	
Donnelly Park strategic plan and design	23	43	(20)	
Driscoll Reserve improvement plan	52	52	–	
Equipment - General	2	–	2	
Foxton Aquatic Centre plant room miscellaneous	2	–	2	
Foxton Futures	3,800	1,906	1,894	2
Foxton Wharf project	10	–	10	
Innovative technology projects	10	–	10	
Jail house	–	77	(77)	
Levin - Air and heat	2	–	2	
Levin - Feasibility study - Future needs	–	1	(1)	
Levin - Splash pad	50	48	2	
Levin - Supply and extract fans	4	–	4	
Levin Aquatic Centre plant room miscellaneous	1	–	1	
Levin Aquatic Centre pumps	5	–	5	
Public Toilets - New toilet block Waitārere Domain	–	(3)	3	
Signs at Waitārere Beach	–	19	(19)	
Solway Park Pump Track - Grant funded	–	(2)	2	
Stream management plan	16	16	–	
Te Awahou Nieuwe Stroom landscape project	–	(18)	18	
Waitārere Domain improvement plan	53	59	(6)	
Total level of service projects	**4,155**	**2,363**	**1,792**	

Community Facilities and Services	Annual Plant Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Growth portion of projects				
	–	–	–	
Total growth projects	**–**	**–**	**–**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	1,590	1,232	358	
Improve level of service	4,155	2,362	1,793	
Growth – To meet additional demand	–	–	–	
Total Community Facilities and Services projects	**5,745**	**3,594**	**2,151**	

NOTES:

1. This funding is for the Holben Reserve wetland work to be funded from the Foxton Freeholding Account.
2. A significant portion of the Manawatū River Loop projects project was related to the river, which is the responsibility of the Department of Conservation, and so $2.0m was treated as an operating expense.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELL–BEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The majority of the Council's expenditure is in the nature of operating and maintenance costs. This is to provide parks and recreation activities at the stated levels of service and maintaining the integrity of important assets in accordance with the asset management plans.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2021 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Social	Thriving communities	Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom are multi-functional facilities that provide a wide range of services and events that contribute to the wellbeing of the community and to visitors to the Horowhenua District. Horowhenua Aquatics provide public access to swimming pools, fitness, play, rehabilitation, and swimming programmes to enhance community wellbeing through providing healthy recreational and social opportunities.
Cultural	Vibrant Cultures	Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom provide a welcoming experience that celebrate our community's vast and vibrant cultures. A variety of programming and events have been offered through Library Services, Community Development, Youth Space, The Mahi Space and the Community Hubs. These have included Matariki, SPYFusion, the Dutch Day Out, Diwali and Chinese New Year. District wide library services in Levin Foxton and Shannon deliver programmes and services that: • provide a healthy, accessible and attractive environment where people have a sense of belonging and visitors and new arrivals feel welcome • support vibrant arts and diverse cultural experiences • promotes and celebrates Horowhenua's heritage resources
Environmental	Stunning environment	Careful management of aquatic facility water quality and implementing water conservation measures contributes to improving environmental outcomes. Championing and enabling the community to share sustainable and environmentally acceptable practice within our spaces. Council undertakes a significant estate maintenance and management programme on its property that delivers high quality outcomes in the urban environment. It has developed a weed and pest management plan which has been ratified by the Regional Council. Council has created an award winning pump-track facility at Foxton Beach which provides a high quality facility within a first class landscape. Council continues to plant something between 15,000–20,000 spinifex plants to build in resiliency to its coastal dune system and continues to engage with school and community groups to develop local landscapes.
Economic	Enabling infrastructure	Any development of community facilities are planned and developed for the district to meet current and future needs. Council undertakes a range of works on infrastructure. Council's green roading network is managed and maintained by Parks and Property as are a significant number of street trees. Council maintains a significant portfolio of infrastructure hubs in terms of grounds maintenance.
Economic	Exuberant economy	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.

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
		The development and maintenance of destination sites such as the Te Awahou precinct, Te Takeretanga o Kura-hau-pō and the pump track brings in external visitors as does its high quality sports grounds. 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	Partnership with Tangata Whenua	Council acknowledge its partnership with Tangata Whenua 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.

Community Facilities and Services

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		5,163	5,439	5,084	5,065	(19)
Targeted rates		7,094	7,306	6,573	6,576	3
Subsidies and grants for operating purposes	1	14	14	103	2,239	2,136
Fees and charges	2	1,665	1,734	1,464	1,238	(226)
Local authorities fuel tax, fines, infringement fees, and other receipts		214	211	20	168	148
Internal charges and overheads recovered		–	–	–	–	–
Total operating funding (A)		**14,150**	**14,704**	**13,244**	**15,286**	**2,042**
Applications of operating funding						
Payments to staff and suppliers	1	9,403	9,615	8,652	10,962	(2,310)
Finance costs		1,037	1,192	672	558	114
Internal charges and overheads applied	3	2,326	2,422	2,439	2,654	(215)
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**12,766**	**13,229**	**11,763**	**14,174**	**(2,411)**
Surplus (deficit) of operating funding (A–B)		**1,384**	**1,475**	**1,481**	**1,112**	**(369)**
Sources of capital funding						
Subsidies and grants for capital expenditure	1	–	–	3,800	1,911	(1,889)
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	1	3,091	345	578	(259)	(837)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**3,091**	**345**	**4,378**	**1,652**	**(2,726)**
Applications of capital funding						
Capital expenditure						
– to meet additional demand		26	37	–	–	–
– to improve the level of service	1	843	463	4,155	2,363	1,792
– to replace existing assets		3,551	1,259	1,590	1,232	358
Increase (decrease) in reserves	1	55	61	114	(831)	945
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**4,475**	**1,820**	**5,859**	**2,764**	**3,095**
Surplus (deficit) of capital funding (C–D)		**(1,384)**	**(1,475)**	**(1,481)**	**(1,112)**	**369**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		1,165	1,249	1,592	1,878	(286)

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	19,400	545	19,945
Raised during year	2,500	–	2,500
Repaid during year	(2,600)	(159)	(2,759)
Loans as at 30/06/2021	**19,300**	**386**	**19,686**
Interest expense	548	10	558

NOTES:

1. The Manawatū River Loop at Foxton project was originally budgeted as a CAPEX project however $2.0m of the work is treated as operational as it related to work along the river which is not owned by Council and so $2.0m of the expenditure and funding has also been treated as operational. This affects debt and reserves.
2. The lower revenue relates to lower levels of revenue in community centres ($150k), aquatic centres ($50k) and libraries ($57k).
3. The lower internal costs mainly relate to lower spending in IT and HR.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Cemeteries	440	451	591	577	14
Public Toilets	347	367	328	324	4
Beautification	704	722	630	587	43
Reserves	2,143	2,271	1,976	4,288	(2,312)
Sportsgrounds	1,172	1,252	1,191	1,366	(175)
Halls	246	273	281	334	(53)
Library Services	3,143	3,228	3,507	3,761	(254)
Community Centres	2,351	2,414	1,750	1,579	171
Aquatic Centres	2,993	3,099	2,623	2,765	(142)
Urban Cleaning	393	401	477	471	6
Total activity expenditure	**13,932**	**14,478**	**13,354**	**16,052**	**(2,698)**

Land Transport

STATEMENT OF SERVICE PERFORMANCE

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

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- To provide 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, street lights, 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 and improves land transport assets.
- Meets requirements of relevant national legislation, strategies and plans.

Rationale

Activity	Community outcome	Council role
Maintain a safe and reliable road and footpath system to support private and business transport needs.	• Exuberant economy • Thriving communities	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
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.	0 change or less from previous year.	**Achieved** The number of fatalities and serious injury crashes on the local road network is calculated utilising data from the crash analysis system (CAS) database. The total DSI crashes in 2019/20 was 9, the total in 2018/19 was 13.	**Achieved** There were less serious injury crashes reported this year than in 2019/20. The number of fatalities and serious injury crashes on the local road network is calculated utilising data from the crash analysis system (CAS) database. The total DSI crashes in 2020/21 was 2, the total in 2019/20 was 9. The risk rating of Council's transport infrastructure is not the only factor that impacts the frequency of death and serious injury crashes, although it is the only meaningful measure Council have to report on. Council investment in safety improvements is targeted on reducing crash frequency. This year the reduction of overall traffic caused by Covid-19 would have had an impact.
Roads in good condition*.	The average quality of ride on a sealed local road network measured by smooth travel exposure.	Minimum 85%	**Achieved** 92%.	**Achieved** 92% Smooth Travel Exposure achieved for all roads both urban and rural.
Roads that are maintained well*.	The percentage of the sealed local road network that is resurfaced annually.	Minimum of 5% of total area	**Achieved** Reseal minimum of 5% of total surface area achieved in 2019/20.	**Achieved** 5% of the total network area was resurfaced in 2020/21.

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
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.	**Not achieved** As at 30 June 2020, 17% of footpaths are of excellent condition and less than 5% of footpaths are of poor condition. Footpath renewals will continue in the financial year of 2019/2020 ($400k allocated) and over time the network condition will improve. More areas have been identified and programmed accordingly. 30% in excellent condition is not feasible and this figure will need to be revised in the LTP. Excellent condition means age less than 5 years.	**Not achieved** As at 30 June 2021, 15% of our network is excellent and less than 10% of footpaths are of poor condition.
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%	**Not achieved** As of 30 June 2020, Year-to-date 1,663 CRMs have been received with 88% closed within 15 working days. CRM issue where staff who left Council CRMs remained open. These have been resolved.	**Achieved** As of 30 June 2021, Year to date 1,633 CRMs have been received with 96.3% closed within 15 working days.

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory.
* Mandatory performance measure from the Department of Internal Affairs not included in LTP or annual plan.

3. ACQUISITION AND RENEWAL OF ASSETS

Land Transport	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Drainage renewals	264	261	3	
Footpath renewals	480	458	22	
Sealed roads resurfacing	1,150	1,431	(281)	1
Structures component replacements	70	57	13	
Subsidised roading - Renewals	1,250	1,007	243	1
Traffic services	360	422	(62)	
Unsealed roads metalling	50	51	(1)	
Total renewal projects	**3,624**	**3,687**	**(63)**	
Primary Type: Level of service portion of project				
Gladstone Road realignment (Capex – Unsubsidised)	–	27	(27)	
New footpaths	330	605	(275)	1
Queen St shared path - to Kowhai Park	–	1	(1)	
Queen St West improvements (Oxford St to Salisbury St)	880	875	5	
Queen St/Tiro Tiro roundabout	670	742	(72)	
Seal extensions	–	1	(1)	
Shared pathways - Cycle facilities	730	930	(200)	1
Subsidised - Road improvements	1,355	1,404	(49)	1
Subsidised - Road improvements for rail crossings	500	–	500	2
Subsidised - Road improvements due to Ō2NL	1,686	21	1,665	3
Subsidised - Seal extensions & minor improvements	803	1,222	(419)	1
Total level of service projects	**6,954**	**5,828**	**1,126**	
Primary Type: Growth portion of project				
Tara-Ika - Roading - Liverpool St correction	–	4	(4)	
Tara-Ika - Roading - Tararua Road intersection upgrade	–	3	(3)	
Tara-Ika - Roading - Upgrade of Liverpool/Cambridge	–	3	(3)	
Total growth projects	**–**	**10**	**(10)**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	3,624	3,687	(63)	
Improve level of service	6,954	5,828	1,126	
Growth – To meet additional demand	–	10	(10)	
Total Land Transport projects	**10,578**	**9,525**	**1,053**	

NOTES:

1. The increased expenditure for subsidised Waka Kotahi NZTA projects was to ensure the full 3 year tranche of Waka Kotahi NZTA funding was received. This was achieved by accelerating several projects.
2. Rail crossings has not been spent, as rail crossing projects are reliant upon business cases being submitted from KiwiRail, before the funding is approved by Waka Kotahi NZTA.
3. This relates to a provisional budget for road improvements which has not been required in the current year and, as such, has not been approved by Waka Kotahi NZTA.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELL–BEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2021 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Social	Thriving communities	Access to safe and easy transport enables communities to access more opportunities for work, recreational, social and recreational activities. This helps grow thriving communities.
Environmental	Stunning environment	Sustainability is a large part of how Council maintain and improve its network. Almost all the material that is dug out of the network is reused in some way. Council try to incorporate sustainable construction methodologies whenever practicable in our projects and monitor contractors closely to ensure Council work causes minimal adverse environmental effects.
Economic	Enabling infrastructure	Providing the right infrastructure at the right time and cost enables our community to take advantage of the many opportunities coming in the near future. This includes the district's growth, the Ō2NL expressway and Levin town centre.
Economic	Exuberant economy	Transport infrastructure is a requirement of the district's economy; by providing safe, affordable and accessible transport to the community and, service and goods providers, Council promote an exuberant economy.

Land Transport

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates		3,486	3,681	3,627	3,621	(6)
Subsidies and grants for operating purposes	1	1,436	1,468	1,968	2,644	676
Fees and charges		–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts		359	365	285	260	(25)
Internal charges and overheads recovered		–	–	–	–	–
Total operating funding (A)		**5,281**	**5,514**	**5,880**	**6,525**	**645**
Applications of operating funding						
Payments to staff and suppliers	2	2,593	2,653	3,462	2,780	682
Finance costs		185	277	113	92	21
Internal charges and overheads applied	3	961	988	967	725	242
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**3,739**	**3,918**	**4,542**	**3,597**	**945**
Surplus (deficit) of operating funding (A–B)		**1,542**	**1,596**	**1,338**	**2,928**	**1,590**
Sources of capital funding						
Subsidies and grants for capital expenditure	4	4,308	4,634	6,876	6,211	(665)
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	5	1,835	1,970	2,284	1,409	(875)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**6,143**	**6,604**	**9,160**	**7,620**	**(1,540)**
Applications of capital funding						
Capital expenditure						
– to meet additional demand		–	–	–	10	(10)
– to improve the level of service	6	4,209	4,693	6,954	5,828	1,126
– to replace existing assets		3,458	3,535	3,624	3,687	(63)
Increase (decrease) in reserves		18	(28)	(80)	1,023	(1,103)
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**7,685**	**8,200**	**10,498**	**10,548**	**(50)**
Surplus (deficit) of capital funding (C–D)		**(1,542)**	**(1,596)**	**(1,338)**	**(2,928)**	**(1,590)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		5,143	5,305	5,188	3,933	1,255

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	3,100	183	3,283
Raised during year	3,170	27	3,197
Repaid during year	(1,770)	(18)	(1,788)
Loans as at 30/06/2021	**4,500**	**192**	**4,692**
Interest expense	89	3	92

NOTES:

1. The additional income relates to additional funding received from Waka Kotahi NZTA and it offset by lower capital funding.
2. The additional spending relates to lower consultancy spending of $500k and lower levels of staff time charged to capital projects.
3. The lower levels of internal charges mostly relate to vacancies within the strategic planning team over the year.
4. The lower level of capital grant funding is offset by additional operational funding.
5. The lower level of debt funding is due to lower levels of upgrade spending during the year.
6. This mainly relates to $1.7m not being spent on the provisional budget for road improvements which has not been required in the current year and, as such, has not been approved by Waka Kotahi NZTA.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Subsidised Roading	7,482	7,756	8,390	6,553	1,837
Footpaths	1,076	1,102	984	688	296
Shared Pathways	38	71	139	90	49
Unsubsidised Roading	288	294	218	199	19
Total activity expenditure	**8,884**	**9,223**	**9,731**	**7,530**	**2,201**

Stormwater

STATEMENT OF SERVICE PERFORMANCE

1. DESCRIPTION OF ACTIVITIES

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 case residential and commercial properties, to reduce the occurrence of flooding during rainfall events.

What does this group of activities involve?

- Providing and maintaining drainage systems (including pipes, open culverts, pump stations, soak pits, discharge outlets and detention areas) in settlements across the district 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.

Rationale

Activity	Community outcome	Council role
Maintain a system to divert stormwater away from the road and to protect residential and business properties.	• Exuberant economy	Funder/provider
Provide a means of ensuring minimal contamination of the receiving water course.	• Stunning environment	Funder/provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	• Thriving communities	Funder/provider

2. MEASURING PERFORMANCE

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target
2019/20 & 2020/21</th><th>Actual Performance
2019/2020</th><th>Actual Performance
2020/2021</th></tr>
<tr><td rowspan="2">An adequate stormwater system*.</td><td>Number of flooding events that occur in the district.</td><td>< 5 per year</td><td colspan="2">Achieved
As at 30 June 2020,
There were 0 flooding events.</td></tr>
<tr><td>For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.</td><td>2 or less</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th>Flooding event</th><th>Per 1,000 connections</th><th>Habitable floors affected</th></tr>
<tr><td>No flooding events</td><td>0</td><td>0</td></tr>
<tr><td colspan="3">There were 12,807 connections as at 01 July 2019.</td></tr>
</table></td><td>Achieved
As at 30 June 2021,
<table>
<tr><th>Flooding event</th><th>Per 1,000 connections</th><th>Habitable floors affected</th></tr>
<tr><td>No flooding events</td><td>0</td><td>0</td></tr>
<tr><td colspan="3">There were 12,862 connections as at 01 July 2020.</td></tr>
</table></td></tr>
<tr><td>Response to faults*.</td><td>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.</td><td>< 1 hour</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th>Time</th><th>Comment</th></tr>
<tr><td>0</td><td>No flooding events</td></tr>
</table></td><td>Achieved
As at 30 June 2021,
<table>
<tr><th>Time</th><th>Comment</th></tr>
<tr><td>0</td><td>No flooding events</td></tr>
</table></td></tr>
<tr><td>Customer satisfaction*.</td><td>The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.</td><td>< 10 per year</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th>Complaints per 1,000 connections</th><th>Number of complaints</th></tr>
<tr><td>6.79</td><td>87</td></tr>
<tr><td colspan="2">There were 12,807 connections as at 01 July 2019.</td></tr>
</table></td><td>Achieved
As at 30 June 2021,
<table>
<tr><th>Complaints per 1,000 connections</th><th>Number of complaints</th></tr>
<tr><td>4.98</td><td>64</td></tr>
<tr><td colspan="2">There were 12,862 connections as at 01 July 2020.</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target
2019/20 & 2020/21</th><th>Actual Performance
2019/2020</th><th>Actual Performance
2020/2021</th></tr>
<tr><td>Customer satisfaction.</td><td>Percentage of customers satisfied with the stormwater service. As per the Annual Resident Satisfaction Survey.</td><td>≥ 80%</td><td>Not achieved
June 2020 survey results, 73% satisfaction overall.
</td><td>Not achieved
June 2021 survey results, 47% satisfaction overall.
<table>
<tr><th>% Very dissatisfied</th><th>% Dissatisfied</th><th>% Satisfied</th><th>% Very satisfied</th></tr>
<tr><td>21%</td><td>32%</td><td>41%</td><td>6%</td></tr>
</table>
It is noted that number of CRMs in 2019/2020 financial year was higher (87 CRMs) than 2020/2021 financial year (64). Lower customer satisfaction was likely attributed by two factors:
1. customer satisfaction survey method was different (phone conversation vs web-based survey) therefore not a true comparison.
2. There was a really heavy rain event during the customer satisfaction survey period causing localised flooding events. Stormwater is not only Council's responsibility so easy for customers to get confused on where responsibility lies when completing survey (e.g. Waka Kotahi for State Highways, Horizons for drainage schemes).</td></tr>
<tr><td>A sustainable stormwater service.</td><td>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**</td><td>

0
0
0
0</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th></th><th>Number of</th></tr>
<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>
</table></td><td>Achieved
As at 30 June 2021,
<table>
<tr><th></th><th>Number of</th></tr>
<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>
</table></td></tr>
</table>

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory.
** Currently there is no discharge consent for Levin's stormwater.

3. ACQUISITION AND RENEWAL OF ASSETS

Stormwater	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Condition assessment for renewals	16	–	16	
Districtwide pump stations - Planned renewal	8	–	8	
Districtwide reticulation - Unplanned renewals	32	33	(1)	
Districtwide reticulation renewals	42	4	38	
Total renewal projects	**98**	**37**	**61**	
Primary Type: Level of service portion of project				
Development planning Foxton Beach	–	35	(35)	
Foxton East drainage scheme	8	1	7	
Lake Horowhenua remediation	236	–	236	3
Hydraulic modelling - Stormwater	53	–	53	
Levin Queen Street	–	1	(1)	
North East stormwater pipeline project	8	–	8	
Queen St discharge & resource consent	107	120	(13)	
Roslyn Road update - Stormwater	–	1,196	(1,196)	2
Stormwater districtwide capex new	836	346	490	1
Total level of service projects	**1,248**	**1,699**	**(451)**	
Primary Type: Growth portion of project				
Improvements NE Levin	462	2	460	1
Tara-Ika - Liverpool St stage 2 stormwater (Pre-Ō2NL) - Regional attenuation and treatment	–	12	(12)	4
Tara-Ika - Queen St stage 1 stormwater (Pre-Ō2NL) - Regional attenuation and treatment	–	263	(263)	4
Total growth projects	**462**	**277**	**185**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	98	37	61	
Improve level of service	1,241	1,687	(446)	
Growth – To meet additional demand	469	290	179	
Total Stormwater projects	**1,808**	**2,014**	**(206)**	

NOTES:

1. The reduced spending on this project is due to resources being focused on the Roslyn Road Project and also due to more scoping and resourcing needed before work can commence.
2. The overall project for Roslyn Road involves the rehabilitation and widening of Roslyn Road and the renewal (including upsizing for growth) of a piped reticulation network to collect sewer and stormwater off neighbouring residential developments. This was funded by the Three Waters Stimulus Fund.
3. The focus has so far been on performing investigation in relation to stormwater discharge to Lake Horowhenua. Horizons is also taking the lead on the project.
4. This spending relates to infrastructure projects for the Tara-Ika development area. This development approved after the finalisation of the annual plan budget. Of the total $2.4m in spending for the project, $2m was funded by the Crown.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELL–BEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2021 included:

Wellbeing Outcome	Community outcomes	Effects of programmes in activity area
Environmental	Stunning environment	Improvements to stormwater drainage contributed to the environment and safety of the people in the community.
Economic	Exuberant Economy	Enabling for environment for the business community.
Environmental	Thriving Communities	Compliance with present and future resource consent conditions.
Cultural	Partnership with Tangata Whenua	Minimisation of any impacts on the natural environment, people and property.

Stormwater

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates		1,331	1,417	1,386	1,389	3
Subsidies and grants for operating purposes		–	–	–	–	–
Fees and charges		–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts		92	95	–	–	–
Internal charges and overheads recovered		–	–	–	–	–
Total operating funding (A)		**1,423**	**1,512**	**1,386**	**1,389**	**3**
Applications of operating funding						
Payments to staff and suppliers	1	421	432	422	263	159
Finance costs		412	462	257	225	32
Internal charges and overheads applied	2	98	102	305	456	(151)
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**931**	**996**	**984**	**944**	**40**
Surplus (deficit) of operating funding (A–B)		**492**	**516**	**402**	**445**	**43**
Sources of capital funding						
Subsidies and grants for capital expenditure	5	–	–	–	1,303	1,303
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	3	1,006	780	1,352	433	(919)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**1,006**	**780**	**1,352**	**1,736**	**384**
Applications of capital funding						
Capital expenditure						
– to meet additional demand	4	285	245	469	290	179
– to improve the level of service	4	1,050	905	1,241	1,687	(446)
– to replace existing assets		75	98	98	37	61
Increase (decrease) in reserves		88	48	(54)	167	(221)
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**1,498**	**1,296**	**1,754**	**2,181**	**(427)**
Surplus (deficit) of capital funding (C–D)		**(492)**	**(516)**	**(402)**	**(445)**	**(43)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		657	690	661	741	(80)

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	8,000	44	8,044
Raised during year	1,940	33	1,973
Repaid during year	(1,540)	–	(1,540)
Loans as at 30/06/2021	**8,400**	**77**	**8,477**
Interest expense	224	1	225

NOTES:

1. The lower spending relates to lower resourcing available in this area during the year and effort being focused more in water and wastewater.
2. The higher levels of internal charging is a result of the activity receiving a higher level of charges from the within the infrastructure group.
3. Less debt required is due to the three waters stimulus funding being received from the Crown
4. Refer to the detailed capital explanations on page 116 above.
5. Unbudgeted capital subsidies from the 3 water stimulus fund.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Stormwater Drainage	1,587	1,686	1,644	1,686	(42)
Total activity expenditure	**1,587**	**1,686**	**1,644**	**1,686**	**(42)**

Water Supply

STATEMENT OF SERVICE PERFORMANCE

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.

1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Source
Levin	Ōhau River
Shannon	Mangaore Stream
Foxton	Bore
Foxton Beach	Bore
Tokomaru	Tokomaru River

None of the supplies are fluoridated. They are operated and maintained under contract.

All properties in Foxton Beach are metered. In other schemes only selected consumers are metered, to equitably charge the larger users.

What does this group of activities involve?

- Providing drinking water to defined urban and rural areas for Levin, Foxton Beach, Foxton, Shannon, Mangaore and Tokomaru.
- Management and maintenance of 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 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 Drinking Water Standards for New Zealand 2005
- Respond to and resolve (if possible) complaints relating to the Water Supply Activity.

Rationale

Activity	Community outcome	Council role
Maintain a safe and reliable water supply for domestic and business activity use.	• Exuberant economy • Enabling infrastructure	Funder/Provider
Resource consents restricting water usage are monitored and adhered to through demand management.	• Stunning environment	Funder/Provider
Deliver education to the Community to encourage sustainable use of the natural water resource.	• Stunning environment	Provider/Advocate
The water supply is safe to drink.	• Thriving communities	Funder/Provider
There is adequate supply of water for firefighting.	• Thriving communities • Enabling infrastructure	Funder/Provider
The water supply can be quickly restored following a natural disaster event.	• Thriving communities • Enabling infrastructure	Funder/Provider

2. MEASURING PERFORMANCE

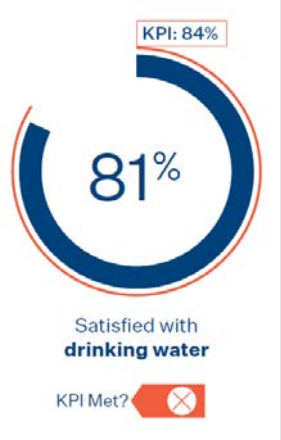
<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr>
<td>Safe water supply*.</td>
<td>Council's drinking water supply complies with:
(a) part 4 of the Drinking Water Standards (bacteria compliance criteria) in
Levin
Shannon
Foxton
Foxton Beach
Tokomaru</td>
<td>

Achieved
Achieved
Achieved
Achieved

Achieved</td>
<td>Achieved
As at 30 June 2020,
<table>
<tr><th>Scheme</th><th>% compliant</th></tr>
<tr><td>Levin</td><td>100%</td></tr>
<tr><td>Shannon</td><td>100%</td></tr>
<tr><td>Foxton</td><td>100%</td></tr>
<tr><td>Foxton Beach</td><td>100%</td></tr>
<tr><td>Tokomaru</td><td>100%</td></tr>
</table></td>
<td>Achieved
As at 30 June 2021,
<table>
<tr><th>Scheme</th><th>% compliant</th></tr>
<tr><td>Levin</td><td>100%</td></tr>
<tr><td>Shannon</td><td>100%</td></tr>
<tr><td>Foxton</td><td>100%</td></tr>
<tr><td>Foxton Beach</td><td>100%</td></tr>
<tr><td>Tokomaru</td><td>100%</td></tr>
</table>
The lowest chlorine contact time for Levin during the flood event was 8 and the lowest allowable value is 6. Nursing the plant throughout the event and efforts by the community in conserving water, helped to keep this number above 6.</td>
</tr>
<tr>
<td>Safe water supply*.</td>
<td>(b) part 5 of the Drinking Water Standards (protozoa compliance criteria) in:
Levin
Shannon
Foxton
Foxton Beach
Tokomaru</td>
<td>

Achieved
Achieved
Achieved
Achieved

Achieved</td>
<td>Achieved
As at 30 June 2020,
<table>
<tr><th>Scheme</th><th>% compliant</th></tr>
<tr><td>Levin</td><td>100%</td></tr>
<tr><td>Shannon</td><td>100%</td></tr>
<tr><td>Foxton</td><td>100%</td></tr>
<tr><td>Foxton Beach</td><td>100%</td></tr>
<tr><td>Tokomaru</td><td>100%</td></tr>
</table></td>
<td>Achieved
As at 30 June 2021,
<table>
<tr><th>Scheme</th><th>% compliant</th></tr>
<tr><td>Levin</td><td>100%</td></tr>
<tr><td>Shannon</td><td>100%</td></tr>
<tr><td>Foxton</td><td>100%</td></tr>
<tr><td>Foxton Beach</td><td>100%</td></tr>
<tr><td>Tokomaru</td><td>100%</td></tr>
</table>
Despite the flood event at the end of June, Council's plants met compliance requirements for the month. This is due to the UV unit at Levin working well throughout the event and maintaining at levels within compliance limits. Council's plant at Tokomaru was offline for nearly 3 days from Saturday evening, the 26th of June. Tankers topped up the Tokomaru reservoir so the supply is not interrupted to residents. Council's Shannon water plant was also offline till turbidity dropped to treatable limits.</td>
</tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td>Customer Satisfaction*</td><td>Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.</td><td>≥ 84%</td><td>Not achieved
June 2020 survey results, 81% satisfaction overall.
 
</td><td>Not achieved
June 2021 survey results, 70% satisfaction overall.
<table>
<tr><th>% Very dissatisfied</th><th>% Dissatisfied</th><th>% Satisfied</th><th>% Very satisfied</th></tr>
<tr><td>9%</td><td>21%</td><td>52%</td><td>18%</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr>
<td>Drinking water that tastes and looks satisfactory*.</td>
<td>The total number of complaints received about any of the following (expressed per 1000 connections):
Drinking water clarity;
Drinking water taste;
Drinking water odour;
Drinking water pressure or flow;
Continuity of supply; and
Council's response to any of these issues.
Total:</td>
<td>
1
1
1
1
1
1
≤ 6</td>
<td>Aachieved
As at 30 June 2020,
<table>
<tr><th></th><th>Number of complains per 1,000 connections</th><th>Number of complaints</th></tr>
<tr><td>Clarity</td><td>0.63</td><td>8</td></tr>
<tr><td>Taste</td><td>0.24</td><td>3</td></tr>
<tr><td>Odour</td><td>0.24</td><td>3</td></tr>
<tr><td>Pressure or flow</td><td>1.35</td><td>17</td></tr>
<tr><td>Continuity of supply</td><td>0.08</td><td>1</td></tr>
<tr><td>Council's response</td><td>0.16</td><td>2</td></tr>
<tr><td>Total</td><td>2.70</td><td>34</td></tr>
<tr><td colspan="3">Number of properties charged with water rates = 13,304
Total number of complaints per 1000 connections = 34</td></tr>
</table>
Result for 2019/2020 year has been amended to Achieved upon review of the DIA guidance (2014) requirements for reporting. This was previously interpretated incorrectly.</td>
<td>Achieved
As at 30 June 2021,
<table>
<tr><th></th><th>Number of complains per 1,000 connections</th><th>Number of complaints</th></tr>
<tr><td>Clarity</td><td>0.30</td><td>4</td></tr>
<tr><td>Taste</td><td>0.45</td><td>6</td></tr>
<tr><td>Odour</td><td>0.22</td><td>3</td></tr>
<tr><td>Pressure or flow</td><td>1.34</td><td>18</td></tr>
<tr><td>Continuity of supply</td><td>0.67</td><td>9</td></tr>
<tr><td>Council's response</td><td>0</td><td>0</td></tr>
<tr><td>Total</td><td>2.98</td><td>40</td></tr>
<tr><td colspan="3">Number of properties charged with water rates = 13,444
Total number of complaints per 1000 connections = 40</td></tr>
</table></td>
</tr>
</table>

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
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%	**No new update** As at 30 June 2020, Total number of hydrants tested up to December 2018 is 567 and 558 hydrants recorded flows of 12.5L/s or higher giving a percentage of 98%. No testing was done after December 2018 as testing is being spread over 5 years complying with the NZ Fire Service firefighting water supplies code of practice SZ 4509:2008 which states all hydrants are to be tested every 5 years. The rest of the hydrants across the district are planned to be tested before 2021.	**No new update** As at 30 June 2021, Total number of hydrants tested up to December 2018 is 567 and 558 hydrants recorded flows of 12.5L/s or higher giving a percentage of 98%. No testing was done after December 2018 as testing is being spread over 5 years complying with the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008 which states all hydrants are to be tested every 5 years. Since the development of the current Water Supply Bylaw a plan is being developed to manage this going forward so we are compliant with the current fire code.
Water supply has adequate flow and pressure.	Network supply pressure at the property boundary is not less than 250kPa for on demand connections and 150kPa for restricted flow connections.	Achieve	**Achieved** As at 30 June 2020, 100% of water connections checked across the district, during maintenance, were measured to be equal to or exceeded pressures of 250kPa at the property boundary.	**Achieved** As at 30 June 2021, 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.

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td>Water supply is sustainable*</td><td>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.</td><td>≤ 350 lpcd</td><td>Achieved
The average consumption for June 2020 = 251 L/capita/day.
For the period from 01 July 2019 to 30 June 2020, the average consumption is 282 L/capita/day.
Individual supplies are shown in table below:
<table>
<tr><th>Supply</th><th>L/capita/day</th></tr>
<tr><td>Levin</td><td>351</td></tr>
<tr><td>Shannon</td><td>404</td></tr>
<tr><td>Foxton</td><td>287</td></tr>
<tr><td>Foxton Beach</td><td>161</td></tr>
<tr><td>Tokomaru</td><td>206</td></tr>
</table></td><td>Achieved
The average consumption for June 2021 = 276 L /capita/day.
For the period from 01 July 2020 to 30 June 2021, the average consumption is 267 L/capita/day.
Individual supplies are shown in table below:
<table>
<tr><th>Supply</th><th>L/capita/day</th></tr>
<tr><td>Levin</td><td>339</td></tr>
<tr><td>Shannon</td><td>376</td></tr>
<tr><td>Foxton</td><td>282</td></tr>
<tr><td>Foxton Beach</td><td>155</td></tr>
<tr><td>Tokomaru</td><td>185</td></tr>
</table></td></tr>
</table>

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
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 non-urgent call outs.^	 < 1 hour < 8 hours < 3 days < 3 days	**Achieved** As at 30 June 2020,	**Achieved** As at 30 June 2021,

	Time	Comment
Reach the site for urgent call outs	0hrs 23mins	Received 1 urgent call out and attended to 1 within 1 hour or less.
Resolution of the fault or interruption of urgent call outs	2hrs 8mins	Received 1 urgent call out and resolved 1 within 8 hours or less.
Reach the site for non-urgent call outs	4hrs 9mins	Received 481 non urgent call outs and attended to 465 within 3 days or less.
Resolution of the fault or interruption of non–urgent call outs	9hrs 0mins	Received 481 non urgent call outs and resolved 452 in 3 days or less.

	Time	Comment
Reach the site for urgent call outs	0hrs 28mins	Received 9 urgent call outs and attended to 7 within 1 hour or less.
Resolution of the fault or interruption of urgent call outs	2hrs 21mins	Received 9 urgent call outs and resolved 8 within 8 hours or less.
Reach the site for non-urgent call outs	4hrs 32mins	Received 366 non-urgent call outs and attended to 344 within 3 days or less.
Resolution of the fault or interruption of non–urgent call outs	10hrs 29mins	Received 366 non-urgent call outs and resolved 340 in 3 days or less.

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr>
<td>Minimal water losses*.</td>
<td>Percentage of real water loss from the network as measured by the standard World Bank Institute Band for Leakage.</td>
<td>Band “B”</td>
<td>
Not achieved
A system for the monitoring of night flow trends, which form 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 latest values as at September 2020.
<table>
<tr><th>Supply</th><th>"Snapshot" Infrastructure Leakage Index</th></tr>
<tr><td>Levin</td><td>C</td></tr>
<tr><td>Shannon & Mangaore</td><td>C</td></tr>
<tr><td>Foxton</td><td>C</td></tr>
<tr><td>Foxton Beach</td><td>A</td></tr>
<tr><td>Tokomaru</td><td>C</td></tr>
</table>
The pressure management intervention to reduce water losses in Levin has been completed, with the last of four pressure reducing valves commissioned in June 2020. Further active leakage control activities such as leak surveys and continuous network flow monitoring will be performed to further improve water loss performance of the supplies that have not yet achieved the target of band B.
Results from leak surveys performed in Levin in February 2020 indicated that private side leakage is a major contribution to the overall leak rate and subsequent network performance assessment. The installation of water meters on the 65 private leaks from this survey resulted in an estimated water loss reduction of 350 000 litres per day. With the Council side interventions of pressure management and active leakage control completed, universal customer water metering is the only cost effective way remaining to monitor and further reduce water losses in the district.
</td>
<td>
Not achieved
A system for the monitoring of night flow trends, which form 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 October 2021.
<table>
<tr><th>Supply</th><th>"Snapshot" Infrastructure Leakage Index</th></tr>
<tr><td>Levin</td><td>B</td></tr>
<tr><td>Shannon & Mangaore</td><td>C</td></tr>
<tr><td>Foxton</td><td>C</td></tr>
<tr><td>Foxton Beach</td><td>A</td></tr>
<tr><td>Tokomaru</td><td>B</td></tr>
</table>
Levin has achieved the performance target of band B through the implementation of pressure management interventions, but also been greatly influenced by the reduction of private side leakage after the installation of meters on the properties identified through leak detection.
With the Council side interventions of pressure management and active leakage control completed, universal customer water metering is the only cost effective way remaining to monitor and further reduce water losses in the district.
</td>
</tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td>Sustainable water supply management</td><td>The number of:
Abatement Notices;
Infringement Notices;
Enforcement Orders; and
Convictions

Received by Council in relation to Horizons Regional Council resource consents.</td><td>

0
0
0
0</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th></th><th>Number</th></tr>
<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>
</table></td><td>Achieved
As at 30 June 2021,
<table>
<tr><th></th><th>Number</th></tr>
<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>
</table></td></tr>
</table>

3. ACQUISITION AND RENEWAL OF ASSETS

Water Supply	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Ballance Street Shannon	–	272	(272)	2
Condition assessment for renewals - Water supply	33	49	(16)	
Foxton Beach reticulation - Renewals	165	226	(61)	
Foxton Beach treatment plant - Renewals	28	43	(15)	
Foxton reticulation - Renewals	97	–	97	
Foxton water treatment plant - Renewals	30	172	(142)	1
Levin reticulation - Renewals	1,506	1,233	273	
Levin treatment plant - Renewals	53	150	(97)	
Reactive renewals - Districtwide	129	187	(58)	
Shannon - Mangaore consents - Renewal	–	14	(14)	
Shannon - Mangaore reticulation - Renewals	341	395	(54)	
Shannon treatment plant - Renewals	133	91	42	
Tokomaru consents - Renewal	–	1	(1)	
Tokomaru water treatment plant - Renewals	101	251	(150)	3
Total renewal projects	**2,616**	**3,084**	**(468)**	
Primary Type: Level of service portion of project				
dNet loggers and oNet PRV control systems	–	(4)	4	
Hydraulic modelling - Water supply	25	5	20	
Levin clarifier installation	–	(76)	76	
Levin reticulation - Demand management	–	52	(52)	
New water connections Foxton	5	1	4	
New water connections Foxton Beach	5	3	2	
New water connections Levin	20	8	12	
New water connections Shannon	1	(1)	2	
Tokomaru treatment plant - LOS	–	1	(1)	
Total level of service projects	**56**	**(11)**	**67**	
Primary Type: Growth portion of project				
Levin growth area	874	55	819	4
Tara-Ika - WS 300dia central trunk main	–	4	(4)	
Waitārere Beach future supply of water services	–	(9)	9	
Total growth projects	**874**	**50**	**824**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	2,616	3,084	(468)	
Improve level of service	56	(11)	67	
Growth – To meet additional demand	874	50	824	
Total Water projects	**3,546**	**3,123**	**423**	

NOTES:

1. These works included completion of the fencing, replacing Lady's Mile Generator, installing louvers around the clarifier to address quality issues, work on an emergency exit for the treatment plant building, and critical spares to ensure the continued operation of the plant.
2. This was an unplanned renewal following a number of pipe bursts along a section of pipe.
3. This relates to a purpose built shed for equipment storage.
4. The lower spending is because the focus has been on completing work in the wastewater Activity for the Tara-Ika growth area. This underspend also helped to offset additional expenditure required in wastewater.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELL–BEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes being as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2021 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Economic	Enabling infrastructure	Vastly improved resilience and reliability to supply water despite storms and power outages to ensure a positive future.
Social	Thriving communities	Safe and aesthetically pleasing water throughout the district to promote good health and vitality.
Environmental	Stunning environment	Improve leak detection and lost water reduction meaning that less water is extracted from the natural environment and reducing our energy footprint.
Economic	Exuberant economy	Robust infrastructure to serve our current economy and providing for future growth.
Cultural	Partnership with Tangata Whenua	Improved relationships with iwi as a result of improved consultation, communication, and fostering of relationships.

Water Supply

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates	1	6,748	6,925	6,600	6,254	(346)
Subsidies and grants for operating purposes		–	–	–	126	126
Fees and charges		126	129	128	41	(87)
Local authorities fuel tax, fines, infringement fees, and other receipts		122	117	–	3	3
Internal charges and overheads recovered		–	–	–	–	–
Total operating funding (A)		**6,996**	**7,171**	**6,728**	**6,424**	**(304)**
Applications of operating funding						
Payments to staff and suppliers		3,093	3,142	3,115	3,111	4
Finance costs		674	706	523	426	97
Internal charges and overheads applied	2	497	519	747	964	(217)
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**4,264**	**4,367**	**4,385**	**4,501**	**(116)**
Surplus (deficit) of operating funding (A–B)		**2,732**	**2,804**	**2,343**	**1,923**	**(420)**
Sources of capital funding						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	3	625	656	1,388	(570)	(1,958)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**625**	**656**	**1,388**	**(570)**	**(1,958)**
Applications of capital funding						
Capital expenditure						
– to meet additional demand	4	1,138	561	874	50	824
– to improve the level of service		24	25	56	(11)	67
– to replace existing assets	5	2,350	2,636	2,616	3,084	(468)
Increase (decrease) in reserves		(155)	238	185	(1,770)	1,955
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**3,357**	**3,460**	**3,731**	**1,353**	**2,378**
Surplus (deficit) of capital funding (C–D)		**(2,732)**	**(2,804)**	**(2,343)**	**(1,923)**	**420**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		2,611	2,654	2,742	3,476	(734)

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	15,000	235	15,235
Raised during year	100	115	215
Repaid during year	(700)	(85)	(785)
Loans as at 30/06/2021	**14,400**	**265**	**14,665**
Interest expense	422	4	426

NOTES:

1. The lower income relates to lower levels of recorded metered water usage for the year. This is due to intentional reductions in pressure to conserve water.
2. The increase relates to additional costs in the infrastructure group.
3. The reduction in debt is due to lower spending on growth projects.
4. The lower spending relates to $819k of the budget for the Levin Growth area not being spent this year. The lower spending is because the focus has been on completing work in the Wastewater activity for the Tara-Ika growth area. This underspend also helped to offset additional expenditure required in Wastewater.
5. The additional spending relates to Ballance St and Foxton Water Treatment Plant. Refer to page 126 above for further explanation.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Foxton Water	1,094	1,099	1,076	1,059	17
Foxton Beach Water	841	862	862	817	45
Levin Water	3,714	3,832	3,873	4,726	(853)
Shannon Water	767	768	793	906	(113)
Tokomaru Water	456	454	497	443	54
Ōhau Water	2	3	12	13	(1)
Waitārere Beach Water	2	3	12	13	(1)
Total activity expenditure	**6,876**	**7,021**	**7,125**	**7,977**	**(852)**

Wastewater

STATEMENT OF SERVICE PERFORMANCE

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

1. DESCRIPTION OF ACTIVITIES

The Council owns and operates several schemes:

Scheme	Treatment	Disposal
Levin	Screening, sedimentation, biological filtration and oxidation	To land (pine plantation)
Waitārere Beach	Oxidation ditch	To land (pine plantation)
Shannon	Oxidation pond	To land (Velvaleen farm)
Foxton	Oxidation pond	To Manawatū River Loop
Foxton Beach	Oxidation pond	To land (pasture)
Tokomaru	Oxidation pond	To land (wetland)

The wastewater systems are operated and maintained under contract.

What does this group of activities involve?

- The collection, transportation, treatment and discharge of treated effluent and trade waste from residential, commercial and industrial properties in Levin, Foxton, Foxton Beach, Shannon, Mangaore, Tokomaru and Waitārere Beach[1].
- 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 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.

Rationale

Activity	Community outcome	Council role
Maintain the safe collection, treatment, and disposal of wastewater produced by residential and business activities.	• An exuberant economy • Enabling infrastructure	Funder/provider
Resource consent conditions on the quality of discharges are met.	• Stunning environment	Funder/provider
The collection network is reliable and has minimal blockages or overflows.	• Enabling infrastructure	Funder/provider

[1] Council does not provide a wastewater disposal service for Waikawa Beach, Hokio Beach, Manakau and Ōhau (although it accepts septic waste from these areas at the Levin treatment plant)

2. MEASURING PERFORMANCE

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td>Reliable wastewater collection and disposal*.</td><td>The number of dry weather wastewater overflows from the wastewater system per 1000 connections.</td><td>≤ 2</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th></th><th>Number of overflows per 1,000 connections</th><th>Number. of overflows</th></tr>
<tr><td>Number of overflows</td><td>1.58</td><td>20</td></tr>
<tr><td colspan="3">Number of connections as at 01 July 2019 – 12,634</td></tr>
</table></td><td>Achieved
As at 30 June 2021,
<table>
<tr><th></th><th>Number of overflows per 1,000 connections</th><th>Number. of overflows</th></tr>
<tr><td>Number of overflows</td><td>1.17</td><td>15</td></tr>
<tr><td colspan="3">Number of connections as at 01 July 2020 – 12,786</td></tr>
</table></td></tr>
<tr><td>Safe disposal of wastewater*.</td><td>The number of:
Abatement Notices;
Infringement Notices;
Enforcement Orders; and
Convictions

Received by Council in relation to Horizons Regional Council resource consents.</td><td>0
0
0
0</td><td>Not achieved
As at 30 June 2020,
<table>
<tr><th></th><th>Number</th></tr>
<tr><td>Abatement Notice</td><td>0</td></tr>
<tr><td>Infringement Notice</td><td>1</td></tr>
<tr><td>Enforcement Order</td><td>0</td></tr>
<tr><td>Convictions</td><td>0</td></tr>
</table></td><td>Achieved
As at 30 June 2021,
<table>
<tr><th></th><th>Number</th></tr>
<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>
</table></td></tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td rowspan="2">Council provides a good response to wastewater system faults reported*.</td><td>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.*</td><td>< 1 hour</td><td>Achieved
As at 30 June 2020,<table><tr><th></th><th>Median time</th></tr><tr><td>Response time</td><td>0hr 26mins</td></tr></table></td><td>Achieved
As at 30 June 2021,<table><tr><th></th><th>Median time</th></tr><tr><td>Response time</td><td>0hr 30mins</td></tr></table></td></tr>
<tr><td>The median time (hrs) from the time that Council receives a notification, to the time that services personnel confirm a resolution of a blockage or other fault within the wastewater system causing the overflow.*</td><td>< 12 hours</td><td>Achieved
As at 30 June 2020,<table><tr><th></th><th>Median time</th></tr><tr><td>Response time</td><td>3hrs 07mins</td></tr></table></td><td>Achieved
As at 30 June 2021,<table><tr><th></th><th>Median time</th></tr><tr><td>Response time</td><td>2hrs 14mins</td></tr></table></td></tr>
</table>

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
The service is satisfactory*	The total number of complaints received (expressed per 1000 connections to the wastewater system) regarding: Wastewater odour; Wastewater systems faults; Wastewater system blockages; and Council's response to issues with its wastewater system. Total number of complaints received about any of the above.	 < 4 < 6 < 8 < 4 < 22	**Achieved** As at 30 June 2020, Odour: 0.79 complains per 1,000 connections; 10 complaints Faults: 1.34; 17 Blockages: 5.54; 70 Council's Response: 0.00; 0 **Total: 7.68; 97** Number of connections as at 01 July 2019 = 12,634	**Achieved** As at 30 June 2021, Odour: 0.16 complains per 1,000 connections; 2 complaints Faults: 1.33; 17 Blockages: 7.43; 95 Council's Response: 0.00; 0 **Total: 8.92; 114** Number of connections as at 01 August 2020 = 12,786

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td>The service is satisfactory*</td><td>Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.</td><td>≥ 84%</td><td>Achieved
June 2020 survey results, 88% satisfaction overall.
</td><td>Not achieved
June 2021 survey results, 71% satisfaction overall.
<table>
<tr><th>% Very dissatisfied</th><th>% Dissatisfied</th><th>% Satisfied</th><th>% Very satisfied</th></tr>
<tr><td>11%</td><td>18%</td><td>59%</td><td>12%</td></tr>
</table>
Overall number of CRMs increased (2019/20 - 97 & 2020/21 - 114). Noted that number of complaints associated with blockages increased from 70 to 95. Lower customer satisfaction was likely attributed by two factors: Customer satisfaction survey method was different (phone conversation vs web-based survey) therefore not a true comparison. The reason for blockages could be attributed to an increased number of people using wet-wipes and flushing them down the toilet. Education program was communicated to customers nationally and by Council. Also, really heavy rain event during the customer satisfaction survey period where there were some over-flows. Customers were asked to reduce consumption and some businesses could not operate. Although water quality was not impacted customer experience was.</td></tr>
</table>

3. ACQUISITION AND RENEWAL OF ASSETS

Wastewater	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Condition assessment for renewals - Waste water	64	26	38	
Districtwide - Reticulation - Unplanned renewals	165	103	62	
Forestry at The Pot - Contracts	–	12	(12)	
Foxton wastewater reticulation - Renewals	100	–	100	2
Roslyn Road update - Wastewater	–	459	(459)	1
Foxton Beach wastewater treatment plant - Unplanned renewals	18	20	(2)	
Foxton Beach wastewater treatment plant - Planned renewals	47	–	47	
Foxton wastewater treatment plant - Planned renewals	18	–	18	
Foxton wastewater treatment plant - Pond desludge	415	504	(89)	
Foxton wastewater treatment plant - Unplanned renewals	19	54	(35)	
Levin wastewater reticulation - Renewals	737	108	629	2
Levin wastewater treatment plant - Planned renewals	1,423	979	444	2
Levin wastewater treatment plant - Unplanned renewals	95	145	(50)	2
Shannon wastewater treatment plant - Planned renewals	174	–	174	2
Shannon wastewater treatment plant - Unplanned renewals	25	47	(22)	
Tokomaru wastewater treatment plant - Planned renewals	23	38	(15)	
Tokomaru wastewater treatment plant - Unplanned renewals	6	2	4	
Waitārere Beach wastewater treatment plant - Planned renewals	94	43	51	
Waitārere Beach wastewater treatment plant - Unplanned renewals	9	1	8	
Total renewal projects	**3,432**	**2,541**	**891**	
Primary Type: Level of service portion of project				
District reticulation - Planned pump renewals	33	9	24	
Forestry at The Pot - MfE trial of native ecosystem planting	24	–	24	
Foxton Beach wastewater treatment plant - Strategic upgrade	170	98	72	
Foxton wastewater treatment plant - Strategic upgrade	1,539	1,486	53	3
Foxton wastewater treatment plant - Strategic upgrade - Irrigation stage 2-3	–	703	(703)	3
Foxton wastewater treatment plant - Strategic upgrade - Phase 2	–	2,081	(2,081)	3
Hydraulic modelling - Wastewater	32	–	32	
Levin wastewater treatment plant - Strategic upgrade POT	333	300	33	5
Levin wastewater treatment plant - Strategic upgrade	–	(136)	136	5
New wastewater connections Foxton	5	–	5	
New wastewater connections Foxton Beach	5	2	3	
New wastewater connections Levin	10	–	10	
New wastewater connections Shannon	1	–	1	
New wastewater connections Waitārere	1	1	–	
POT development	–	1	(1)	4
POT mitigation	–	91	(91)	4
Shannon wastewater disposal system	–	(1)	1	
Shannon wastewater disposal system	–	(1)	1	
Tokomaru wastewater to land project	152	104	48	
Tokomaru wastewater treatment plant - Upgrade	283	20	263	
Waitārere Beach wastewater treatment plant - Strategic upgrade	183	197	(14)	
Waitārere Beach pump stations	–	–	–	
Total level of service projects	**2,771**	**4,956**	**(2,185)**	

Wastewater	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Growth portion of project				
Flaxhaven development	–	7	(7)	
Levin - Network upgrades - Pump stations	657	70	587	5
Ōhau future supply of wastewater services	–	(28)	28	
Tara-Ika - Wastewater - New 200dia Liverpool Street main	–	9	(9)	6
Tara-Ika - Wastewater - New 225dia Queen	–	899	(899)	6
Tara-Ika - Wastewater - New 225dia Tararua Road main (East Roe St)	–	61	(61)	6
Tara-Ika - Wastewater - Upgrade Tararua Road to 225dia main (West Roe St)	–	9	(9)	6
Tara-Ika - Wastewater - Upgrade to 225dia Queen St main (West SH57)	–	1,182	(1,182)	6
Waitārere Beach wastewater network development	–	56	(56)	
Total growth projects	**657**	**2,265**	**(1,608)**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	3,486	2,555	931	
Improve level of service	2,717	4,941	(2,224)	
Growth – To meet additional demand	657	2,265	(1,608)	
Total Wastewater projects	**6,860**	**9,761**	**(2,901)**	

NOTES:

1. The overall project for Roslyn Road involves the rehabilitation and widening of Roslyn Road and the renewal (including upsizing for growth) of a piped reticulation network to collect sewer and stormwater off neighbouring residential developments. This was funded by the Three Waters Stimulus Fund.
2. There was lower reticulation spending across the district due to prioritising Foxton Wastewater Treatment Plant strategic upgrade project.
3. The additional spending relates to additional work being completed this year on the Foxton Wastewater Treatment Plant.
4. The focus of spending this year was on The Pot rather than the treatment plant.
5. The remaining budget was used to offset spending on the Foxton Wastewater Treatment Plant.
6. This spending relates to infrastructure projects for the Tara-Ika development area. This development approved after the finalisation of the annual plan budget. Of the total $2.4m in spending for the project, $2m was funded by the Crown.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELL–BEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2021 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Economic	Enabling infrastructure	Well maintained and reliable wastewater collection, treatment and disposal to cater for the communities needs both now and in the future.
Social	Thriving communities	Resilient and reliable wastewater collection and safe irrigation of treated wastewater effluent to agricultural blocks ensuring good community health.
Environmental	Stunning environment	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	Exuberant economy	Robust infrastructure to serve our current economy and providing for future growth.
Cultural	Partnership with Tangata Whenua	Improved relationships with Iwi as a result of improved consultation, communication, and fostering of relationships.

Wastewater

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates		7,734	8,364	6,323	6,327	4
Subsidies and grants for operating purposes		–	–	–	51	51
Fees and charges		1,085	1,110	1,053	1,156	103
Local authorities fuel tax, fines, infringement fees, and other receipts		178	196	–	53	53
Internal charges and overheads recovered		–	–	–	–	–
Total operating funding (A)		**8,997**	**9,670**	**7,376**	**7,587**	**211**
Applications of operating funding						
Payments to staff and suppliers	1	2,546	2,600	2,895	3,129	(234)
Finance costs		1,474	1,662	853	768	85
Internal charges and overheads applied	2	449	467	755	901	(146)
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**4,469**	**4,729**	**4,503**	**4,798**	**(295)**
Surplus (deficit) of operating funding (A–B)		**4,528**	**4,941**	**2,873**	**2,789**	**(84)**
Sources of capital funding						
Subsidies and grants for capital expenditure	3	–	–	–	2,641	2,641
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	4	3,777	3,978	4,071	4,291	220
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**3,777**	**3,978**	**4,071**	**6,932**	**2,861**
Applications of capital funding						
Capital expenditure						
– to meet additional demand	5	2,149	2,199	657	2,265	(1,608)
– to improve the level of service	6	3,363	3,422	2,717	4,941	(2,224)
– to replace existing assets	7	2,270	2,738	3,486	2,555	931
Increase (decrease) in reserves		523	560	84	(40)	124
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**8,305**	**8,919**	**6,944**	**9,721**	**(2,777)**
Surplus (deficit) of capital funding (C–D)		**(4,528)**	**(4,941)**	**(2,873)**	**(2,789)**	**84**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		3,349	3,518	3,331	3,849	(518)

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	27,200	267	27,467
Raised during year	7,080	113	7,193
Repaid during year	(2,880)	(22)	(2,902)
Loans as at 30/06/2021	**31,400**	**358**	**31,758**
Interest expense	763	5	768

NOTES:

1. The additional spending relates to additional maintenance expenditure which was focused in Levin.
2. The higher levels of internal charging is a result of the activity receiving a higher level of charges from the within the infrastructure group.
3. This relates to funding from the Crown for Tara-Ika and Three Waters Stimulus Funding.
4. The additional debt relates to additional upgrade work completed, which is mostly related to the Foxton Wastewater Treatment Plant.
5. The additional growth spending (to meet additional demand) is due to the Tara-Ika growth area. This received $2m in funding from Crown Infrastructure Partners.
6. The additional spending relates to additional work completed for the Foxton Wastewater Treatment Plant.
7. There was lower renewals spending across the district due to prioritising Foxton Wastewater Treatment Plant strategic upgrade project.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Foxton Wastewater	917	1,071	824	828	(4)
Foxton Beach Wastewater	674	688	697	729	(32)
Levin Wastewater	4257	4,460	4,375	5,163	(788)
Shannon Wastewater	1,191	1,193	1,106	1,153	(47)
Tokomaru Wastewater	253	298	296	245	51
Waitārere Beach Wastewater	524	534	524	516	8
Ōhau Wastewater	2	3	13	13	–
Total activity expenditure	**7,818**	**8,247**	**7,835**	**8,647**	**(812)**

Solid Waste

STATEMENT OF SERVICE PERFORMANCE

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 the community on how to reduce total solid waste output.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- Council provides for the collection and disposal of solid waste produced within and from outside 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 landfill (and associated assets), waste transfer stations and recycling stations.
- Council also undertakes public education (on an ad hoc basis) in waste minimisation within the community and at local primary and intermediate schools in the district.
- The management of this group of activities is done by Council while the operation and maintenance is externally contracted.
- Council also ensures that the Levin Landfill is managed in a way that it complies with resource consents and so that it has sufficient air and land space available to meet future 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.

Rationale

Activity	Community outcome	Council role
Provision of landfill and static recycling stations. These help reduce waste and minimise its negative environmental effects.	• Stunning environment • Thriving communities • Enabling infrastructure	Provider
Provision of waste transfer stations, recycling, and refuse collection. These help reduce waste and minimise its negative environmental effects.	• Stunning environment • Enabling infrastructure	Provider
Provision of waste minimisation education to the community.	• Stunning environment	Provider/advocate

2. MEASURING PERFORMANCE

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target
2019/20 & 2020/21</th><th>Actual Performance
2019/2020</th><th>Actual Performance
2020/2021</th></tr>
<tr><td>Provision of landfill but minimising the amount that is sent there.</td><td>Quantity of waste going to the landfill per person per year.</td><td>≤ 400 kg per person per year</td><td>Not achieved
16,612.54 tonnes of general waste has been produced and disposed of in the Horowhenua district this year. With an estimated population of 33,261, the waste to landfill per person for 2019–2020 year was 499.46 kg.</td><td>Not achieved
As at 30 June 2021, it is estimated that 23,105 tonnes of general waste has been produced and disposed of in the Horowhenua district this year. With an estimated population of 35,000, a disposal quantity of 660 kg per person per year has been estimated.
Numbers are estimated based on data availability. Detailed data lacking where private operators within the district are taking their kerbside waste, whether any kerbside collectors from outside the district bring waste to the landfill and there is no split of household vs commercial waste to landfill from transfer stations which may have contributed to the increase.

The main difference is in waste from the Levin Transfer Station to landfill over last two years could be explained by potential increase in commercial waste to landfill, increase in waste from households to transfer station, increase in household waste from private collectors to landfill, private waste collectors who were previously taking waste to an out of district landfill began taking it to the Levin landfill (either from collections within district or outside of district).</td></tr>
<tr><td>Recycling is encouraged</td><td>Level of recycling at:
Kerbside
Transfer stations</td><td>
≥ 40% of total waste
≥ 50% of total waste</td><td>Unable to report correctly
These figures are not currently separable under the current system. The kerbside and transfer station quantities are amalgamated.
<table>
<tr><th></th><th>Result</th></tr>
<tr><td>Total recycling</td><td>2,125.43 tonnes</td></tr>
<tr><td>Percentage of waste production</td><td>11.9%</td></tr>
</table></td><td>Unable to report correctly
These figures are not currently separable under the current system. The kerbside and transfer station quantities are amalgamated.
<table>
<tr><th></th><th>Result</th></tr>
<tr><td>Total recycling</td><td>2,286 tonnes</td></tr>
<tr><td>Percentage of waste production</td><td>9.0%</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target
2019/20 & 2020/21</th><th>Actual Performance
2019/2020</th><th>Actual Performance
2020/2021</th></tr>
<tr><td>Waste transfer and recycling stations have a minimal impact on the immediate and surrounding environment.</td><td>Number of odour complaints and minimal reports of solid waste in or around:
Waste transfer stations;
Recycling stations per month.</td><td>

< 4 per month
< 4 per month</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th></th><th>Monthly average number of complaints</th><th>Number of complaints</th></tr>
<tr><td>Waste transfer stations</td><td>0</td><td>1</td></tr>
<tr><td>Recycling stations</td><td>0</td><td>5</td></tr>
</table>
Note: In June 2020 there was one complaint relating to the Foxton Transfer Station. This complaint was unrelated to odour or waste.</td><td>Achieved
As at 30 June 2021,
<table>
<tr><th></th><th>Monthly average number of complaints</th><th>Number of complaints</th></tr>
<tr><td>Waste transfer stations</td><td>0</td><td>1</td></tr>
<tr><td>Recycling stations</td><td>0</td><td>4</td></tr>
</table></td></tr>
<tr><td>Response to service requests regarding Council’s Solid Waste Activities is timely.</td><td>Time all requests are responded to.</td><td>Within 3 working days</td><td>Not achieved
As at 30 June 2020,
Responses within 3 working days
<table>
<tr><th>June</th><th>2019/2020 Year</th></tr>
<tr><td>49/102</td><td>744/1920</td></tr>
</table>
<table>
<tr><th>Number of requests responded to</th><th>Still Open</th></tr>
<tr><td>1920/1956</td><td>36/1956</td></tr>
</table></td><td>Not achieved
As at 30 June 2021,
Responses within 3 working days
<table>
<tr><th>June</th><th>2020/2021 Year</th></tr>
<tr><td>72/102</td><td>792/1201</td></tr>
</table>
<table>
<tr><th>Number of requests responded to</th><th>Still Open</th></tr>
<tr><td>1182/1201</td><td>18/1201</td></tr>
</table></td></tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target
2019/20 & 2020/21</th><th>Actual Performance
2019/2020</th><th>Actual Performance
2020/2021</th></tr>
<tr><td>Recycling and refuse is collected on time and in a sanitary manner.</td><td>Number of complaints per month about non collection of:
Kerbside recycling
Kerbside refuse</td><td>

< 6 per month
< 6 per month</td><td>Not achieved
As at 30 June 2020,
<table>
<tr><th></th><th>Monthly average number of complaints</th><th>Number of complaints</th></tr>
<tr><td>Kerbside recycling</td><td>18.91</td><td>227</td></tr>
<tr><td>Kerbside refuse</td><td>6.66</td><td>80</td></tr>
</table>
Note: This service started for the first time in July 2019 and was suspended over the Alert Level 4 lockdown, restarting 04 May 2020. As such, there is a concentration of missed collections during these months. The overall average provided is not necessarily reflective of what would be seen in a typical month in 2019–2020.</td><td>Not achieved
As at 30 June 2021,
<table>
<tr><th></th><th>Monthly average number of complaints</th><th>Number of complaints</th></tr>
<tr><td>Kerbside recycling</td><td>20.67</td><td>248</td></tr>
<tr><td>Kerbside refuse</td><td>6.66</td><td>80</td></tr>
</table>
Note: Not all complaints are due to genuine missed collections. Some bins may have not been collected for other reasons such as the bin not being out or the bin being contaminated. Missed collection CRMs are actioned by Low Cost Bins.</td></tr>
<tr><td>Recycling stations are available and accessible in urban centres in summer.</td><td>Recycling stations are available at the agreed locations on the agreed days and times outlined on Council's website.</td><td>Achieve</td><td>Achieved
Stations were temporarily removed during Alert Level 3 and Alert Level 4 lockdown. These changes were outlined on the council website and in other communications.</td><td>Achieved
Static recycling stations have been available as outlined on the Councils website. Stations may be removed temporarily in order to be emptied.</td></tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target
2019/20 & 2020/21</th><th>Actual Performance
2019/2020</th><th>Actual Performance
2020/2021</th></tr>
<tr><td>Customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.</td><td>Percentage of customers satisfied with their solid waste services:
Kerbside recycling
Kerbside refuse</td><td>

≥ 80%
≥ 80%</td><td>Achieved
June 2020 Survey Results,
<table>
<tr><th></th><th>2020</th><th>Achieved?</th></tr>
<tr><td>Kerbside recycling</td><td>86%</td><td>Yes</td></tr>
<tr><td>Kerbside refuse</td><td>91%</td><td>Yes</td></tr>
</table></td><td>Not achieved
June 2021 Survey Results,
<table>
<tr><th></th><th>2021</th><th>Achieved?</th></tr>
<tr><td>Kerbside recycling</td><td>69%</td><td>No</td></tr>
<tr><td>Kerbside refuse</td><td>62%</td><td>No</td></tr>
</table>
Potential wording of survey may have impacted this year's results. It is noted that number of CRMs in 2019/2020 financial year was higher (2956 CRMs) than 2020/2021 financial year (1201). Therefore, customer satisfaction survey results should have been higher or equal. It is possible that lower customer satisfaction attributed by two factors: customer satisfaction survey method was different (phone conversation vs web-based survey) therefore not a true comparison and meat trays were excluded in recycling collections as these are not recycled at the material recovery facility.</td></tr>
<tr><td>Customers are educated on waste minimisation practices.</td><td>Number of school aged students waste education is provided to each year.</td><td>≥ 300 students per year</td><td>Achieved
As at 30 June 2020,
1,755 students have been educated.</td><td>Achieved
This year 1,687 students have been educated on waste minimisation practices. In 2020/2021 Zero Waste education has been provided to 12 schools in the district.</td></tr>
<tr><td>Customers are educated on waste minimisation practices.</td><td>Number of events Council attends to promote ways to minimise waste.</td><td>≥ 5 events per year</td><td>Not achieved
As at 30 June 2020 Council has held two events on waste minimisation and promoted waste minimisation at two other events.</td><td>Not achieved
In 2021 Council held two events promoting waste minimisation and officers attended two events to promote waste minimisation. Council officers have also attended one community meeting to promote waste minimisation and recycling.</td></tr>
</table>

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target
2019/20 & 2020/21</th><th>Actual Performance
2019/2020</th><th>Actual Performance
2020/2021</th></tr>
<tr><td>Sustainable solid waste management.</td><td>The number of:
Abatement Notices;
Infringement Notices;
Enforcement Orders; and
Convictions
Received by Council in relation to Horizons Regional Council resource consents.</td><td>
0
0
0
0</td><td>Achieved
As at 30 June 2020,
<table>
<tr><th>Type</th><th>Number</th></tr>
<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>
</table></td><td>Not achieved
As at 30 June 2021,
<table>
<tr><th>Type</th><th>Number</th></tr>
<tr><td>Abatement notice</td><td>0</td></tr>
<tr><td>Infringement notice</td><td>1</td></tr>
<tr><td>Enforcement order</td><td>0</td></tr>
<tr><td>Convictions</td><td>0</td></tr>
</table>
One infringement notice was received as part of the 19 December 2020–31 December 2020 compliance report.</td></tr>
</table>

3. ACQUISITION AND RENEWAL OF ASSETS

Solid Waste	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Landfill stage development	153	3	150	1
Total renewal projects	**153**	**3**	**150**	
Primary Type: Level of service portion of project				
Foxton WTS	–	11	(11)	
Landfill development	566	86	480	1
Wheelie bins	11	21	(10)	
Total level of service projects	**577**	**118**	**459**	
Primary Type: Growth portion of project				
	–	–	–	
Total growth projects	**–**	**–**	**–**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	153	3	150	
Improve level of service	577	118	459	
Growth – To meet additional demand	–	–	–	
Total Solid Waste projects	**730**	**121**	**609**	

NOTES:

1. The lower spending relates to slowing the development work on the landfill so that robust analysis can be completed to inform the Project Management Group on the decision of whether the landfill should close early or develop further and related requirements for remediation of the site. The Council approved to carry forward $630k into 2020/21 for temporary and final capping required as per resource consent condition and for Landfill development – construction of new cell.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELL–BEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in part one above.

Programmes that had identifiable impacts on the community outcomes during the year ended 30 June 2021 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Economic	Enabling infrastructure	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.
Social	Thriving communities	Waste education is made available to all schools in the district, while various workshops and initiatives seek broader community engagement and educational opportunities.
Environmental	Stunning environment	Council's recycling services encourage landfill diversion while our waste services help prevent illegal dumping. The landfill and other sites are operated in line with approved consent conditions.
Economic	Exuberant economy	Environmental Infrastructure oversees the waste collectors licence terms and conditions and ensures healthy competition exists within the district in the waste sector.
Cultural	Partnership with Tangata Whenua	Environmental Infrastructure consults with Tangata Whenua on various topics that include landfill consents and operations, as well as the Hokio cut remediation project.

Solid Waste

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates		350	350	1,232	1,232	–
Subsidies and grants for operating purposes		–	–	–	–	–
Fees and charges		2,187	2,233	1,730	1,676	(54)
Local authorities fuel tax, fines, infringement fees, and other receipts		22	34	–	3	3
Internal charges and overheads recovered		–	–	–	–	–
Total operating funding (A)		**2,559**	**2,617**	**2,962**	**2,911**	**(51)**
Applications of operating funding						
Payments to staff and suppliers	1	1,551	1,581	2,720	3,471	(751)
Finance costs		286	295	248	181	67
Internal charges and overheads applied		85	89	331	408	(77)
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**1,922**	**1,965**	**3,299**	**4,060**	**(761)**
Surplus (deficit) of operating funding (A–B)		**637**	**652**	**(337)**	**(1,149)**	**(812)**
Sources of capital funding						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	2	185	(218)	1,248	(152)	(1,400)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**185**	**(218)**	**1,248**	**(152)**	**(1,400)**
Applications of capital funding						
Capital expenditure						
– to meet additional demand		–	–	–	–	–
– to improve the level of service	3	413	23	577	118	459
– to replace existing assets		5	–	153	3	150
Increase (decrease) in reserves		404	411	181	(1,422)	1,603
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**822**	**434**	**911**	**(1,301)**	**2,212**
Surplus (deficit) of capital funding (C–D)		**(637)**	**(652)**	**337**	**1,149**	**812**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		325	340	370	463	(93)

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	6,400	71	6,471
Raised during year	150	6	156
Repaid during year	(250)	(58)	(308)
Loans as at 30/06/2021	**6,300**	**19**	**6,319**
Interest expense	180	1	181

NOTES:

1. The solid waste activity has incurred additional spending which relates to consulting fees and Project Management Group (PMG) expenses to meet the conditions of the Hōkio Environmental Kaitiaki Alliance (HEKA) landfill agreement, including the robust analysis required to inform the PMG on the decision of whether the landfill should close early and related requirements for remediation of the site. It also includes consultancy fees for the preparation of a business case for the future of the landfill and its operations that include scanning wider aspects that affect Council and the community.
2. There was a decrease in debt levels as there was less capital work undertaken as outlined in note 3.
3. The lower spending relates to slowing the development work on the landfill so that robust analysis can be completed to inform the Project Management Group on the decision of whether the landfill should close early or develop further and related requirements for remediation of the site. The Council approved to carry forward $630k into 2020/21 for temporary and final capping required as per resource consent condition and for Landfill development – construction of new cell.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Roadside Collection Bags	196	200	328	441	(113)
Landfill	1,074	1,109	1,097	1,901	(804)
Recycling Centres	656	670	1,877	1,812	65
Waste Transfer Stations	321	326	367	369	(2)
Total activity expenditure	**2,247**	**2,305**	**3,669**	**4,523**	**(854)**

Community Support

STATEMENT OF SERVICE PERFORMANCE

This group of activities 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, grants and funding to community groups, providing visitor information, and encouraging economic development within the district.

1. DESCRIPTION OF ACTIVITIES

1.1. 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 Group and the Horowhenua Welfare Committee.

The Emergency Management activity ensures the district is ready for, and able to respond to, emergencies or natural hazards that may cause loss of life, injury, or illness.

What does this activity involve?

- Facilitating community resilience and emergency preparedness planning with a range of external agencies and community groups through the Horowhenua Emergency Management Group and the Horowhenua Welfare Committee. 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 planned for (i.e. recovery).

Rationale

Activity	Community outcome	Council role
Emergency management are provided for the community.	• Thriving communities	Provider

1.2. Community engagement

The Community Engagement Activity helps to provide a platform for community engagement and social wellbeing within the Horowhenua District. 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 does this activity involve?

- 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.
- 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.

Rationale

Activity	Community outcome	Council role
Facilitate a youth council and community networks and forums.	• Vibrant culture	Provider
Advocate for transport, health and community wellbeing.	• Exuberant economy • Vibrant cultures • Thriving communities	Advocate
Contestable grant schemes are provided.	• Vibrant cultures • Thriving communities	Funder
Administration of externally funded grant schemes.	• Vibrant cultures • Thriving communities	Provider
Contracted services are managed.	• Thriving communities • Enabling infrastructure	Funder
Capabilities training for the non-profit sector is provided.	• Vibrant cultures • Thriving communities	Funder
Perform Council's communication function.	• Exuberant economy • Stunning environment • Vibrant cultures • Thriving communities	Provider

1.3. Visitor information

Visitor Information Activity manages the provision of visitor information services in Levin, Foxton, and Shannon.

What does this activity involve?

As part of this activity the 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.

Rationale

Activity	Community outcome	Council role
Visitor information services are offered throughout the district.	• Exuberant economy • Vibrant cultures	Funder

1.4. Economic development

The purpose of this activity is to facilitate economic growth and improved social and economic wellbeing in the Horowhenua District. This is through the support and implementation of strategies targeting increased investment, job growth, skill growth, income growth and an enhanced reputation for the district. The district is poised for significant change and has the opportunity to considerably advance its economy wellbeing and prosperity.

What does this activity involve?

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.

Rationale

Activity	Community outcome	Council role
Business sector support and advocacy.	• Exuberant economy	Provider/advocate
Sustainable natural resource utilisation.	• Exuberant economy	Advocate
Infrastructure and policy development/ implementation.	• Exuberant economy • Stunning environment • Thriving communities • Enabling infrastructure	Advocate
Workforce skill development, training and education.	• Exuberant economy • Vibrant cultures • Thriving communities	Advocate
Horowhenua as a vibrant and sustainable place to live and visit.	• Exuberant economy • Vibrant cultures • Thriving communities	Provider/advocate/ funder

2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
Community awareness is promoted and encouraged.	12 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieve	**Achieved** As at 30 June 2020, 12 media messages have been made.	**Achieved** As at 30 June 2021, 35 media messages have been made. Emergency messaging will continue to be posted in support of Covid-19 response.
Council maintains a functional EOC and trained staff.	Civil defence and emergency management assessment of readiness and capability.	100% of Council staff with EOC roles	**Not achieved** As at 30 June 2020, due to cyclic training schedules, new staff appointments and Covid-19 response.	**Not achieved** As at 30 June 2021, due to a lack of training opportunities for new staff to gain Emergency Management competencies, legacy impacts of Covid-19, and the late 2020 vacancy of the Emergency Management Officer position.
Council provides effective leadership in advocating, coordinating and facilitating on behalf of community needs.	Number of Community Wellbeing Committee meetings per year.	≥ 5	**Not achieved** As at 30 June 2020, four Community Wellbeing Committee meetings have been held.	**Not achieved** October 2020 meeting cancelled due to quorum attendance not met. As at 30 June 2021, three Community Wellbeing Committee meetings have been held.
Young people in the Horowhenua live in a safe and supportive environment, which empowers them to make	Number of yEP (Youth Empowerment Project) meetings per year.	≥ 8	**Achieved** As at 30 June 2020, nine yEP meetings have been held.	**Achieved** As at 30 June 2021, eight yEP meetings have been held.
	Number of programmes or projects implemented by yEP.	≥ 4	**Achieved** As at 30 June 2020, four programmes/projects have been implemented by yEP.	**Achieved** As at 30 June 2021, four programmes/projects have been implemented by yEP.

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
positive life choices.	Number of Youth Network meetings per year.	≥ 6	**Achieved** As at 30 June 2020, seven Youth Network meetings have been held.	**Achieved** As at 30 June 2021, seven Youth Network meetings have been held.
Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Person Network meetings per year.	≥ 10	**Not achieved – Due to COVID-19** As at 30 June 2020, eight Older Persons Network meetings have been held. Reduced number of meetings is the result of the Covid-19 lockdown.	**Not achieved** August 2020 meeting cancelled because Covid-19 AL2 associated risks. As at 30 June 2021, nine Older Person's Network meetings have been held.
	Number of *Elderberries* magazine publications annually.	≥ 4	**Achieved** As at 30 June 2020, there have been four *Elderberries* magazine publications.	**Achieved** As at 30 June 2021, there has been four *Elderberries* magazines 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** As at 30 June 2020, there has been two Creative Communities funding rounds.	**Achieved** As at 30 June 2021, there has been two 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** As at 30 June 2020, four Education Horowhenua meetings have been held.	**Achieved** As at 30 June 2021, six Education Horowhenua meetings have been held.

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr><td>Horowhenua is fully accessible to all people.</td><td>Number of Access and Inclusion Leadership forums per year.</td><td>≥ 4</td><td>Achieved
As at 30 June 2020, there have been five Access and Inclusion Leadership forums.</td><td>Achieved
As at 30 June 2021, there have been four Access and Inclusion Leadership forums.</td></tr>
<tr><td>Council promotes community group empowerment and provides opportunities for community driven initiatives and projects, and to grow and develop.</td><td>Number of Community Capacity and Capability Building Programme workshops or trainings offered.</td><td>≥ 10</td><td>Achieved
As at 30 June 2020, 18 Community Capacity and Capability Building workshops/trainings have been held. These are as follows:
• HDC Grants and Funding Workshop – Foxton
• HDC Grants and Funding Workshop – Shannon
• HDC Grants and Funding Workshop – Levin
• Michael Hempseed – Students – Manawatū College
• Michael Hempseed – Teachers – Manawatū College
• Michael Hempseed – Public – Manawatū College
• Michael Hempseed – People that work with Youth – Council Chambers
• Youth Governance Training
• Supported Hana Tapiata – Youth Space
• First Aid Level 1 – Foxton
• Āpōpō – Youth Space
• Tips & Tricks Electronic devices (Te Whare Mahana)
• Be Prepared Civil Defence / The Kaikoura Emergency
• First Aid Level 1 – Course 2 Foxton
• Child Protection Workshop x 2, Levin
• Healthy Ageing Talk – Levin
• Kathryn Berkett x 3, Levin</td><td>Achieved
As at 30 June 2021, 19 Community Capacity and Capability Building workshops/trainings have been held. These are as follows:
<table>
<tr><td>Links First Aid Level 1</td><td>Shannon (15)</td></tr>
<tr><td>Psychological First Aid</td><td>Te Whare Mahana, Levin (19)</td></tr>
<tr><td>Exult Sustainable Funding</td><td>Levin (44)</td></tr>
<tr><td>yEP Governance Training</td><td>Levin (12)</td></tr>
<tr><td>FUNDamentals – Funding workshop</td><td>Levin (22)</td></tr>
<tr><td>Inspiring Communities CLD</td><td>Levin (26)</td></tr>
<tr><td>Inspiring Communities CLD</td><td>Shannon (24)</td></tr>
<tr><td>Civil Defence Emergency</td><td>Shannon (23)</td></tr>
<tr><td>Keeping Children Safe Online</td><td>Levin (23)</td></tr>
<tr><td>Skills 4 Life</td><td>Shannon (6)</td></tr>
<tr><td>3P Parenting</td><td>Shannon (4)</td></tr>
<tr><td>Psychological First Aid</td><td>Shannon (17)</td></tr>
<tr><td>St John First Aid Level 1</td><td>Foxton (18)</td></tr>
<tr><td>Food Safe</td><td>Levin (15)</td></tr>
<tr><td>St Johns' L1 First Aid</td><td>Levin (19)</td></tr>
<tr><td>EXULT – Sustainable Funding</td><td>Foxton (15)</td></tr>
<tr><td>EXULT – Growing Great Volunteers</td><td>Levin (20)</td></tr>
<tr><td>EXULT – Governance 101</td><td>Levin (21)</td></tr>
<tr><td>Funding Roadshow</td><td>Levin (15)</td></tr>
</table></td></tr>
</table>

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
	Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	≥ 85%	**Achieved** As at 30 June 2020, 100% Satisfaction with Capacity and Capability Building Programme workshops or training was recorded.	**Achieved** As at 30 June 2021, 100% Satisfaction with Capacity and Capability Building Programme workshops or training was recorded.
Council promotes community group empowerment and provides opportunities for community driven initiatives and projects, and to grow and develop.	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	≥ 150	**Achieved** As at 30 June 2020, 1,010 individuals have participated in Capacity and Capability Building Programme workshops or training. The increase in numbers is the result of a community need identified and more Capacity and Capability Building Programme workshop offered.	**Achieved** As at 30 June 2021, 358 individuals have participated in Capacity and Capability Building Programme workshops or training. In the 2019/2020 year we delivered workshops to bigger audiences including an entire school community and others with wider community attendance based on the topics being delivered. In the 2020/2021 year workshops were delivered to smaller groups, in-line with previous years (2018/2019 - 344 individuals).
Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service is provided at Foxton and Waitārere beaches.	≥ 6	**Achieved** As at 30 June 2020, six weeks have been funded.	**Achieved** As at 30 June 2021, six weeks have been funded.
Council effectively communicates with its ratepayers and residents.	Number of Council *Community Connections* newsletters published annually.	≥ 10	**Achieved** As at 30 June 2020, 11 *Community Connections* have been published. Copies can be found at: https://www.horowhenua.govt.nz/Community/Community–Engagement/Community–Connection	**Achieved** As at 30 June 2021, 10 *Community Connections* have been published. Copies can be found at: https://www.horowhenua.govt.nz/Community/Community–Engagement/Community–Connection

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
Council effectively communicates with its ratepayers and residents.	Number of media releases published annually.	≥ 100	**Achieved** As at 30 June 2020, 102 media releases have been published.	**Not achieved** As at 30 June 2021, 86 media releases have been published. Communications Lead position was vacant from 18 December 2020–27 April 2021.
Council provides a 24/7 telephone contact centre operation.	Telephone contact is continually provided 24/7.	Achieve	**Achieved** As at 30 June 2020, Council's 06 366 0999 telephone number is operational 24/7. After hour's service and continuous phone supply under contract with PNCC. The phone system is hard coded to divert to PNCC should it have a fault at HDC. Council's call centre is able to work remotely through the current telecommunications system.	**Achieved** As at 30 June 2021, 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 (PNCC). The phone system is hard coded to divert to PNCC should it have a fault at HDC.
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** As at 30 June 2020, i-SITE accreditation is maintained.	**Achieved** As at 30 June 2021, i-SITE accreditation is maintained.
	Annual number of visitor information enquiries conducted from Horowhenua i-Sites.	≥ 10,000	**Achieved** As at 30 June 2020, manually collated stats on Visitor Information enquiries are: Te Awahou Nieuwe Stroom – 12,956 Te Takeretanga o Kura-hau-pō – 9,555 Total as at 30 June 2020 = 22,511 enquiries	**Achieved** As at 30 June 2021, manually collated stats on Visitor Information enquiries were 25,613.

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
Council provides strategic leadership in coordinating Economic Development activities across the district.	Number of Economic Development Board meetings organised per year. Note: The Horowhenua New Zealand Trust (HNZT) is now the lead entity for the community's Economic Development services and coordination.	≥ 10	**Achieved** As at 30 June 2020, 11 Horowhenua New Zealand Trust meetings have been held.	**Achieved** As at 30 June 2021, 11 Horowhenua New Zealand Trust meetings have been held.
Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings organised per year.	≥ 10	**Achieved** As at 30 June 2020, 13 Business Networking meetings have been held.	**Achieved** As at 30 June 2021, 10 Business Networking meetings have been held.

<table>
<tr><th>Service area</th><th>Performance measure</th><th>Target 2019/20 & 2020/21</th><th>Actual Performance 2019/2020</th><th>Actual Performance 2020/2021</th></tr>
<tr>
<td>Council advocates for and facilitates business development and new business investment in the Horowhenua District.</td>
<td>Percent of the District's Business Community that are satisfied or more than satisfied with Council's overall performance in the Economic Development Activity.</td>
<td>> 75%</td>
<td>Not achieved
June 2020 Survey results. 69% satisfaction overall:
</td>
<td>Not achieved
The June 2021 Survey results. 48% satisfaction overall.
<table>
<tr><th>% satisfied business owners</th><th>% satisfied all other residents</th><th>% satisfied total</th></tr>
<tr><td>45%</td><td>49%</td><td>48%</td></tr>
</table>
In addition to the survey results Council engaged with the business stakeholders as part of its Economic Development Strategy review and subsequently the development of the Economic Development Implementation Plan (EDIP). Overall the business community concerns in the financial year pertained to the impacts and tail of the Covid 19 pandemic, Government Policy particularly the National Policy Statements and talent attraction. The perception of the public via the resident satisfaction survey provides a context to how the community views economic performance, and largely confirms the feedback received from the business stakeholders that more visibility of the work undertaken by Councils Economic Development Service Partner (The Horowhenua Company Limited) is required going forward. The feedback has also led to a decision to move to a user based survey in 2022 to develop a benchmark of Council's performance and provide a more meaningful baseline to establish improvement opportunities in the future. Council Economic Development priorities for the year ahead take into account the feedback received with more focus placed on business connection/networking, business advice and support and development of new tools such as the User Survey and a Economic Development Dashboard.</td>
</tr>
</table>

3. ACQUISITION AND RENEWAL OF ASSETS

Community Support	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Upgrade of Santa statue	–	3	(3)	
Total renewal projects	**–**	**3**	**(3)**	
Primary Type: Level of service portion of project				
Website development	6	6	–	
Total level of service projects	**6**	**6**	**–**	
Primary Type: Growth portion of project				
	–	–	–	
Total growth projects	**–**	**–**	**–**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	–	3	(3)	
Improve level of service	6	6	–	
Growth – To meet additional demand	–	–	–	
Total Community Support projects	**6**	**9**	**(3)**	

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELL–BEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

Council's Community Wellbeing function provides overall strategic leadership as well as monitors and reports on progress towards social, health and safety results. A range of community networks and forums are informed by this strategic direction and facilitate, coordinate and communicate the activities of a broad range of government and community organisations, to achieve better outcomes for target populations and contribute to ensuring all people within the district thrive.

Programmes that had identifiable impacts on Council's community outcomes during the year ended 30 June 2021 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Social	Thriving communities	Council continues to engage and connect with its community through a range of campaigns and channels, including the Our People and Horowhenua Proud campaigns, *Community Connection* and *Elderberries*. This year we introduced a Horowhenua District Council Instagram account, to improve our reach and engage with a broader demographic. The main Council website underwent a refresh, with a new look and feel, improved navigation and updated content. These improvements have seen growth in new users increase by 8.09% in this financial year. Alongside the website refresh, Council launched online parking infringement payments, which saw over 450 parking infringements paid online, and improved functionality for online dog renewal registrations. Council's aim is to continue listening to its community, understand them and their needs, and engage with them in channels that resonate. With several initiatives underway to make sure Council deliver on this objective, the future is bright. Council's strong support for community places and participation have a positive outcome for robust communities and community wellbeing. Sector network meetings coordinated and facilitated by Council continue to attract good membership and participation. The networks are effective as the conduit for information between members and Council. Council supports several community hubs throughout the district. These hubs provide places to obtain authentic feedback that can inform Council decision-making, distribute key information and are places for active civic and social participation. Council facilities, community hubs and online platforms provide a place for Council to undertake Community Capacity Building Programmes that build resilience and capability for service organisations, community groups and individuals that ensures their ability to withstand or overcome adverse conditions like the ongoing Covid-19 response.

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Cultural	Vibrant Cultures	Council provides a Vibrant Communities grant and administers a Central Government fund, Creative Communities NZ that enables a wide range of art, culture and heritage projects and programmes that contribute to a rich vibrant community growing a sense of pride by the creators, artists and community. Council actively encourages people to uptake the grants and supports community participation in diverse outcomes. Council supports a wide range of community led events by encouraging shared local visions, offering event management advice, introducing collaborations and "on the ground, on the day" resources. This has proven to be extremely effective in growing strong relationships between organisation and Council.
Economic	Exuberant economy	Horowhenua's economic development agency has actively engaged with businesses and other community partners to solve business problems and to support business growth and development, ultimately improving economic wellbeing. This includes a comprehensive set of investment attraction activity, which has resulted in the relocation and establishment of a range of new businesses, creating exciting new jobs and opportunities for local suppliers. In addition, regular business networking and local initiatives to improve labour market outcomes have continued throughout the year, ensuring the Horowhenua business community is connected to the latest data, insights and economic analysis. Council has delivered programmes, forums and provided support that has impacted positively across Horowhenua's economic wellbeing. This has included but is not limited to development forums, destination management workshops, promoting Horowhenua at exhibitions, and supporting community driven initiatives and events.
Cultural	Partnership with Tangata Whenua	Council provides a Vibrant Communities grant and administers a Central Government fund, Creative Communities NZ that enables a wide range of art, culture and heritage projects and programmes that contribute to a rich vibrant community growing a sense of pride by the creators, artists and community. Council actively encourages people to uptake the grants and supports community participation in diverse outcomes. Council supports a wide range of community led events by encouraging shared local visions, offering event management advice, introducing collaborations and "on the ground, on the day" resources. This has proven to be extremely effective in growing strong relationships between organisation and Council.

Community Support

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		2,471	2,540	2,739	2,729	(10)
Targeted rates		–	–	–	–	–
Subsidies and grants for operating purposes	1	28	28	33	293	260
Fees and charges		–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts		134	137	7	24	17
Internal charges and overheads recovered		–	–	–	–	–
Total operating funding (A)		**2,633**	**2,705**	**2,779**	**3,046**	**267**
Applications of operating funding						
Payments to staff and suppliers	1	1,247	1,276	1,615	1,813	(198)
Finance costs		1	1	16	–	16
Internal charges and overheads applied		1,370	1,414	1,135	1,171	(36)
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**2,618**	**2,691**	**2,766**	**2,984**	**(218)**
Surplus (deficit) of operating funding (A–B)		**15**	**14**	**13**	**62**	**49**
Sources of capital funding						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt		(1)	(1)	6	–	(6)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**(1)**	**(1)**	**6**	**–**	**(6)**
Applications of capital funding						
Capital expenditure						
– to meet additional demand		–	–	–	–	–
– to improve the level of service		–	–	6	6	–
– to replace existing assets		–	–	–	3	(3)
Increase (decrease) in reserves		14	13	13	53	(40)
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**14**	**13**	**19**	**62**	**(43)**
Surplus (deficit) of capital funding (C–D)		**(15)**	**(14)**	**(13)**	**(62)**	**(49)**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		13	12	12	9	3

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	–	–	–
Raised during year	–	–	–
Repaid during year	–	–	–
Loans as at 30/06/2021	**–**	**–**	**–**
Interest expense	–	–	–

NOTES:

1. The additional funding and spending relate to PGF funding received for the operation of The Mahi Space.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Community Development	266	275	751	742	9
Economic Development	974	1,006	699	1,030	(331)
Visitor Information	161	164	142	69	73
Community Grants and Funding	405	414	511	576	(65)
District Communication	331	339	391	360	31
Rural Fire	–	–	–	5	(5)
Emergency Management	494	505	284	211	73
Total activity expenditure	**2,631**	**2,703**	**2,778**	**2,993**	**215**

Property

STATEMENT OF SERVICE PERFORMANCE

The Property activity 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.

Council has developed a Property Strategy. This strategy will identify and consider all property assets across the wider District by way of determining the relevance to core Council business in line with recent changes to the Local Government Act. This process will inform decision making on future maintenance, investment and/or disposal of current assets.

The strategy looks at ten key criteria in evaluating Council's existing property portfolio that includes whether the property has a strategic or core purpose; the capital cost required to maintain the property including earthquake strengthening amongst other factors.

1. DESCRIPTION OF ACTIVITIES

What does this group of activities involve?

- The Council owns various properties throughout the district and through the Property activity the Council ensures that these properties are managed and maintained.
- Council owns the following properties:
  - The Council building in Levin;
  - Commercial properties which are leased to tenants; and
  - Endowment property e.g. Council owns land in Foxton Beach that was formerly owned by the Foxton Harbour Board. Much of this land is leased for residential purposes with rights of purchase. Other community facilities including motor camps, historic and cultural buildings, and depots and carparks.

Rationale

Activity	Community outcome	Council role
Management and maintenance of Council owned properties.	• Exuberant economy • Vibrant cultures • Thriving communities • Enabling infrastructure	Funder/provider

2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
General Property: Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review.	8 hrs per day and review annually	**Achieved** As at 30 June 2020, Council has three Memorial Hall facilities available for hire. A review of Hall charges was completed in June 2020 and no increases were made to charges as a result of the Covid-19 lockdown. Use hours were reviewed and will remain as existing.	**Achieved** As at 30 June 2021, Council has three Memorial Hall facilities available for hire. All were available for hire for at least eight hours per day.
General Property: Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	Achieved	**Achieved** As at 30 June 2020, All Council buildings with Compliance Schedules have current Building WOFs. 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.	**Achieved** As at 30 June 2021, All Council buildings with Compliance Schedules have current Building WOFs. 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.

3. ACQUISITION AND RENEWAL OF ASSETS

Property	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Community Buildings programmed renewals	99	–	99	
Focal Point Cinema - Exterior renewal & paint	–	(12)	12	
General Property renewals	379	10	369	1
Te Whare Mahana exterior renewals	–	(5)	5	
Pensioner residential property reactive renewals	–	(8)	8	
Pottery shed exterior repaint	–	(8)	8	
Property renewals programme	110	87	23	
Total renewal projects	**588**	**64**	**524**	
Primary Type: Level of service portion of project				
15-19 Durham Street Levin property purchase	–	980	(980)	2
28 Durham Street Levin	–	675	(675)	2
Corporate furniture	–	1	(1)	
Endowment subdivision Forbes Rd extension	200	11	189	4
Foxton Beach Surf Club building upgrade	–	1,253	(1,253)	3
Levin Historic Courthouse office upgrade	–	74	(74)	
Roe Street sale - Capital	–	12	(12)	
Shed purchase	–	38	(38)	
Total level of service projects	**200**	**3,044**	**(2,844)**	
Primary Type: Growth portion of project				
	–	–	–	
Total growth projects	**–**	**–**	**–**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	588	64	524	
Improve level of service	200	3,044	(2,844)	
Growth – To meet additional demand	–	–	–	
Total Property projects	**788**	**3,108**	**(2,320)**	

NOTES:

1. The funding not spent relates to the Foxton Beach Surf Club and is outlined in note 3 below.
2. These relate to strategic property purchases. Additional borrowings were not required however due to the Council receiving $1.9m in proceeds from the sale of the Roe St property to the Horowhenua NZ Trust.
3. The Foxton Beach Surf Life Saving Club is undergoing seismic strengthening, including a general upgrade to future proof and ensure that it is fit for purpose. The project received external funding of $807k from Surf Life Saving NZ (via Foxton Surf Life Saving Club).
4. There was lower spending as the project is on hold pending planning approval.

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELL–BEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes being as noted in part one above.

Programmes that had identifiable impacts on the Council's community outcomes during the year ended 30 June 2021 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Social	Enabling infrastructure	Council is responsible for ensuring that Building Warrants of Fitness are achieved across its portfolio a number of which are infrastructural buildings. Council completes an annual renewals programme on its property portfolio to ensure the portfolio is maintained in a fit for purpose state.
Social	Thriving communities	Council continues to facilitate a range of voluntary organisations through its community leases policy that contribute to developing community sustainability and community capacity building. Officers are in the process of undertaking a refurbishment programme and seismic strengthening of the Foxton Surf Life Saving Club building and are involved in planning a replacement facility at Waitārere Beach for that Surf Life Saving Club unit that will provide community spaces. Council is in the process of freeing up land in its property portfolio for the development of an affordable housing project.
Environmental	Stunning environment	Council is in the process of upgrading a number of its buildings with LED to reduce energy demand and lessen its carbon footprint. The main Council building utilise 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. Its contractors are qualified under ISO: 14001 which is an international quality standard for environmental management.
Economic	Exuberant economy	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 in the district. Council employs a number of local tradespeople in managing its assets and provides jobs for a range of locals via its contracted services portfolio. Council is currently considering options to undertake a residential house development on land it owns in Foxton Beach. Foxton Beach is a growth node in the Horowhenua.
Cultural	Partnership with Tangata Whenua	Iwi are an active member of many of the local groups that Council works with including Progressive Associations and special interest groups. Council has entered a number of agreements with Iwi and has in Shannon assisted with the construction of Whare that foregrounds Māori culture and its relationship with the Manawatū River.

Property

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		1,083	1,107	925	922	(3)
Targeted rates		–	–	–	–	–
Subsidies and grants for operating purposes		–	–	–	–	–
Fees and charges		169	170	166	222	56
Local authorities fuel tax, fines, infringement fees, and other receipts		134	129	1	31	30
Internal charges and overheads recovered		467	484	414	370	(44)
Total operating funding (A)		**1,853**	**1,890**	**1,506**	**1,545**	**39**
Applications of operating funding						
Payments to staff and suppliers		1,182	1,173	843	1,055	(212)
Finance costs		302	327	301	242	59
Internal charges and overheads applied		301	312	311	327	(16)
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**1,785**	**1,812**	**1,455**	**1,624**	**(169)**
Surplus (deficit) of operating funding (A–B)		**68**	**78**	**51**	**(79)**	**(130)**
Sources of capital funding						
Subsidies and grants for capital expenditure	1	–	–	–	807	807
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	2	632	587	(2,986)	786	3,772
Gross proceeds from sale of assets	3	–	–	5,000	2,021	(2,979)
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**632**	**587**	**2,014**	**3,614**	**1,600**
Applications of capital funding						
Capital expenditure						
– to meet additional demand		1	1	–	–	–
– to improve the level of service	4	455	2,377	200	3,044	(2,844)
– to replace existing assets	5	434	589	588	64	524
Increase (decrease) in reserves		(190)	(2,302)	1,277	427	850
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**700**	**665**	**2,065**	**3,535**	**(1,470)**
Surplus (deficit) of capital funding (C–D)		**(68)**	**(78)**	**(51)**	**79**	**130**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		215	251	259	327	(68)

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	8,600	69	8,669
Raised during year	3,040	8	3,048
Repaid during year	(2,240)	(22)	(2,262)
Loans as at 30/06/2021	**9,400**	**55**	**9,455**
Interest expense	241	1	242

NOTES:

1. This funding is from Surf Lifesaving New Zealand as contribution towards the upgrade of the Foxton Beach Surf Life Saving Club.
2. The increase in debt relates to additional level of service upgrade projects completed during the year. These are explained on page 164 above. In addition the sale of the Focal Point Cinema did not occur as planned.
3. The proceeds are from the sale of Roe Street. The budget of $5m included the sale of Focal Point Cinema, which is now expected to occur later.
4. This relates to work on the Foxton Beach Surf Lifesaving Club and strategic property purchases.
5. This relates to reduced renewals. The spending was in upgrades instead for the Foxton Beach Surf Lifesaving Club.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Council Building	307	324	274	272	2
Camping Grounds	6	6	20	21	(1)
Commercial Properties	317	122	–	59	(59)
Endowment Property	555	397	287	483	(196)
General Property	709	730	718	746	(28)
Total activity expenditure	**1,894**	**1,579**	**1,299**	**1,581**	**(282)**

Representation and Community Leadership

STATEMENT OF SERVICE PERFORMANCE

This group of activities comprises of how Council meets its responsibility to represent the community as well as to provide leadership to the community and how Council will involve the community in decision-making processes and long term strategic planning.

1. DESCRIPTION OF ACTIVITIES

1.1 District planning

This activity involves the preparation, review and monitoring of the District Plan.

What does this group of activities involve?

- Reviewing the District Plan.
- Preparing or processing plan changes/variations and notices of requirements.
- Monitoring the District's state of the environment.
- Monitoring the efficiency and effectiveness of the policies and rules in the District Plan and reporting the results of this monitoring at 5 yearly intervals.

Rationale

Activity	Community outcome	Council role
Reviewing the District Plan, monitoring the effectiveness of the District Plan, and preparing or processing plan changes/variations.	• Exuberant economy • Stunning environment • Thriving communities	Provider

1.2 Representation and Community Leadership

What does this group of activities involve?

The Council is elected every three years by those eligible to vote in the district. The Council comprises a Mayor (elected at large) and 10 Councillors (representing four Wards). The Council is supported at a governance level by the Foxton Community Board and a number of committees. The core functions of the Representation and Community Leadership activity are:

- Setting the policy direction of Council.
- Monitoring the performance of Council.
- Representing the interests of the district.
- Wherever and whenever possible, facilitating solutions to local needs/issues.
- Employing the Chief Executive who is empowered to implement decisions of Council.

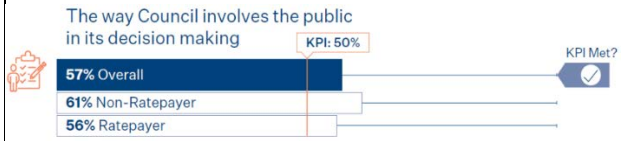
These core functions are achieved by:

- Holding regular meetings which are open to the public.
- Preparing the key policy and planning documents.
- Consulting the public on major decisions.
- Providing Council representation on a wide range of community groups.
- Holding civic functions, including citizenship ceremonies.
- Advocating the district's interests to agencies at regional and national levels.
- Keeping abreast of issues, legislation, and best practice.
- Prudent financial management.

RATIONALE

Activity	Community outcome	Council role
A fair representation and community leadership programme is operated within the district.	• Exuberant economy • Stunning environment • Vibrant cultures • Thriving communities • Partnerships with Tangata Whenua	Provider/advocator
Preparing the key strategic policy and planning documents	• Exuberant economy • Stunning environment • Vibrant cultures • Thriving communities	Provider/enabler

2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
Council provides open, accessible processes to local government.	Number of successful challenges to Council's decision-making processes.	0	**Achieved** As at 31 May 2020, there were no successful challenges to Council's decision-making processes.	**Achieved** As at 30 June 2021, there were no successful challenges to Council's decision-making processes.
	LGOIMA requests responded to within 20 working days.	Achieve	**Not achieved** As at 30 June 2020, 194 LGOIMA requests had been received. • 162 were responded to on time • 20 were sent late of which 3 requests had extensions applied for • 10 LGOIMA requests remain open (10 current) • 2 were withdrawn	**Not achieved** As at 30 June 2021, 209 LGOIMA requests had been received. • 170 were processed on time • 17 were sent late • 21 remain open: 8 on time, 13 late - 4 had extensions • 1 was withdrawn
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%	**Achieved** June 2020 survey results, 57% satisfaction overall:  	**Not achieved** June 2021 survey results, 38% satisfaction overall: % Non-ratepayer: 39% % Ratepayer: 33% % satisfied total: 38% Survey is based on public perception which may not reflect the hard work of Council officers and elected members. Results may reflect Council willingness to engage with residents and ratepayers on the hard issues e.g. Foxton Pool redevelopment and Development Contributions. Communication initiatives are monitored for audience responsiveness and awareness. Results differ from the achievements in the Annual Report and feedback in CouncilMARK assessment.
	Council will pre-engage on all significant decisions as outlined in the Significance and Engagement Strategy found on Council's website.	Achieve	**Achieved** As at 30 April 2020, there was only one significant decision, which was the adoption of the Annual Report. However, this decision did not require consultation or pre-engagement.	**Achieved** As at 30 June 2021, there were two significant decisions, one which was the adoption of the Annual Report. However, this decision did not require consultation or pre-engagement. The second was the adoption of the Long Term Plan which was had pre-engagement and was consulted on.

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
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)	**Did Not Measure** This measure does not apply for this year as the Long Term Plan and Financial Strategy were adopted in 2018. The next LTP will be developed for adoption by June 2021.	**Achieved** Council adopted the LTP on 30 June 2021.
	The Annual Plan will be adopted before 30 June annually.	Achieve	**Achieved** Council adopted its Annual Plan 2020/2021 on 29 June 2020.	**Did not measure** This measure does not apply for this year as the LTP was adopted on 30 June 2021. The next Annual Plan will be developed for adoption by June 2022.
Council's planning documents meet statutory requirements and have unqualified audit opinions.	The Annual Report will include an unqualified audit opinion.	Achieve	**Achieved** The Annual Report with an Unqualified Audit Opinion was adopted by Council on 31 October 2019.	**Not achieved** The Annual Report was adopted on 17 December 2020. However the report was qualified due to Council not counting complaints in accordance with the DIA guidance and that the Council's method of counting was likely to have understated the actual number of complaints received both in the current year and in the comparative year to 30 June 2019. Complete records for all complaints made to the Council were not available and Audit New Zealand were unable to determine whether the Council's reported results for these performance measures were materially correct. As a result, the auditor's work was limited and there were no practicable audit procedures the auditors could apply to obtain assurance over the number of complaints reported against these performance measures.

Service area	Performance measure	Target 2019/20 & 2020/21	Actual Performance 2019/2020	Actual Performance 2020/2021
The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Percent of non-complying resource consents approved as a proportion of all approved consents.	<10%	**Achieved** As at 30 June 2021, five non-complying resource consents have been approved, this represents 2% of applications approved.	**Achieved** As at 30 June 2021, four non-complying resource consents have been approved, which represents 1.6% of applications approved.

3. ACQUISITION AND RENEWAL OF ASSETS

Governance & Community Leadership	Annual Plan Forecast 2020/21 $000	Actual 2020/21 $000	Variance $000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
	–	–	–	
Total renewal projects	**–**	**–**	**–**	
Primary Type: Level of service portion of project				
	–	–	–	
Total level of service projects	**–**	**–**	**–**	
Primary Type: Growth portion of project				
Levin town centre projects - Phase 1	–	1	(1)	
Total growth projects	**–**	**1**	**(1)**	
Make up of above projects by % of type				
Renewals – Replacing existing assets	–	–	–	
Improve level of service	–	–	–	
Growth – To meet additional demand	–	1	(1)	
Total Governance & Community Leadership projects	**–**	**1**	**(1)**	

4. IDENTIFIED EFFECTS THAT ANY ACTIVITY WITHIN THE GROUP OF ACTIVITIES HAS HAD ON THE SOCIAL, ECONOMIC, ENVIRONMENTAL, OR CULTURAL WELL–BEING OF THE COMMUNITY (LGA 2002 Schedule 10 Part 3, section 23 (d))

The bulk of the Council's expenditure is in the nature of operating and maintenance costs which, in providing stated levels and service and in maintaining the integrity of important assets, contributes to the community outcomes as noted in Part One above.

Programmes that had identifiable impacts on the community's outcomes during the year ended 30 June 2021 are those mentioned in other activities, it having been the governance arm of the Council that set the priorities, made the key decisions and arranged the provision of funding (mainly through rates) that they may proceed in a democratic manner.

Wellbeing outcome	Community outcomes	Effects of programmes in activity area
Social	Thriving communities	Focused engagement with key stakeholders when developing Community Plans, Master Plans and the Annual Plan ensured community 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 community. Awarding of Civic Honours ensures recognition of those who have contributed to community outcomes and who have long-standing volunteer roles within the various groups, clubs and organisations across the district.
Environmental	Stunning environment	The preparation of Master Plans has ensured that there is well planned and developed environments in the future while sustainably managing the district's natural resources for the enjoyment by future generations. The Manawatū River Loop at Foxton and Lake Horowhenua remain a focus of Council and as a result, extensive work has gone into Provincial Growth Fund and Crown funding opportunities to improve these environments.
Economic	Exuberant economy	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. Economic development is delivered in collaboration with Horowhenua New Zealand Trust who work with local enterprise to realise local opportunities, source economic data for informed decision making and facilitate access to capability and funding mechanisms.

Wellbeing outcome	Community outcomes	Effects of programmes in activity area
Economic	Enabling Infrastructure	The preparation of Master Plans have ensured 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	Vibrant Cultures	Council acknowledges community led development as best practise and works to support localised leadership and growing of shared local visions through forums like Pacific Peoples Leaders Fono, The Heritage Incentive fund, Youth Empowerment Project and Shannon CLD community network. Council host Citizenship Ceremonies and Civic functions and support a wide sector of locally led cultural events to support our diverse communities to feel a valued part of Horowhenua and take pride in the district.
Cultural	Partnership with Tangata Whenua	Engaging and consulting with Tangata Whenua has continued to be a priority. Council has engaged iwi in major projects such as the Master Plan for Tara-Ika, Community Plans for Ōhau and Manakau, Ō2NL Project and Manawatū River Loop at Foxton. Within the development of Community Plans, Master Plans and strategies, Council's partnership with Tangata Whenua of our district is recognised. Resourcing Agreements have been developed in order to support participation, growth and capacity of our iwi partners. Regular hui take place with representatives from both Muaūpoko and Ngāti Raukawa where discussion takes place regarding projects, review of strategies and plans, and Council's work programme.

Representation and Community Leadership

HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021

	Note	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		505	575	40	40	–
Targeted rates		3,625	3,898	3,564	3,565	1
Subsidies and grants for operating purposes	1	–	–	–	1,410	1,410
Fees and charges		–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts		91	2	–	62	62
Internal charges and overheads recovered		–	–	–	–	–
Total operating funding (A)		**4,221**	**4,475**	**3,604**	**5,077**	**1,473**
Applications of operating funding						
Payments to staff and suppliers	2	1,419	1,295	1,594	3,542	(1,948)
Finance costs		117	134	123	102	21
Internal charges and overheads applied		3,074	3,224	3,102	3,425	(323)
Other operating funding applications		–	–	–	–	–
Total applications of operating funding (B)		**4,610**	**4,653**	**4,819**	**7,069**	**(2,250)**
Surplus (deficit) of operating funding (A–B)		**(389)**	**(178)**	**(1,215)**	**(1,992)**	**(777)**
Sources of capital funding						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt		330	203	1,215	845	(370)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
Total sources of capital funding (C)		**330**	**203**	**1,215**	**845**	**(370)**
Applications of capital funding						
Capital expenditure						
– to meet additional demand		1	–	–	1	(1)
– to improve the level of service		–	–	–	–	–
– to replace existing assets		–	–	–	–	–
Increase (decrease) in reserves		(60)	25	–	(1,148)	1,148
Increase (decrease) of investments		–	–	–	–	–
Total applications of capital funding (D)		**(59)**	**25**	**–**	**(1,147)**	**1,147**
Surplus (deficit) of capital funding (C–D)		**389**	**178**	**1,215**	**1,992**	**777**
Funding balance ((A–B)+(C–D))		**–**	**–**	**–**	**–**	**–**
Depreciation		13	14	–	–	–

Loans	External $000	Internal $000	Total $000
Loans as at 1/07/2020	3,500	150	3,650
Raised during year	1,250	1	1,251
Repaid during year	(350)	(56)	(406)
Loans as at 30/06/2021	**4,400**	**95**	**4,495**
Interest expense	99	3	102

NOTES:

1. The additional revenue received relates to additional operational PGF funding received on behalf of Fale Lotu Connections for local church upgrades that Council is managing on behalf of the local churches $1.4m.
2. This is the spending for the grant received from the Provincial Growth Fund (PGF) on behalf of the Free Church of Tonga, Samoan Methodist Church, and the Congregational Christian Church of Samoa received as part of the Fale Lotu Connections Project for the church upgrades.

Activity Expenditure	LTP Forecast 2020 $000	LTP Forecast 2021 $000	Annual Plan Forecast 2021 $000	Actual 2021 $000	Variance 2021 $000
Community Board	213	224	165	165	–
Elections	154	3	10	10	–
Governance	1,981	2,032	1,930	2,051	(121)
External Reporting	1,429	1,616	1,504	1,871	(367)
District Planning	847	792	642	736	(94)
Growth Response	–	–	567	2,236	(1,669)
Total activity expenditure	**4,624**	**4,667**	**4,818**	**7,069**	**(2,251)**

Report on Contribution of Māori to Decision-making

BACKGROUND AND POLICY

Parts 2 and 6 of the Local Government Act 2002 provide principles and requirements for local authorities that are intended to facilitate participation by Māori in local authority decision-making processes. In particular, the role of local authorities as defined in Part 2 of the Act is, inter alia, to promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future. The principles relating to local authorities in performing their role include providing for opportunities for Māori to contribute to local authorities' decision-making processes.

Part 6 of the Act relates to Council's planning, decision-making and accountability requirements. Section 81 requires a local authority to:

- Establish and maintain processes to provide opportunities for Māori to contribute to the decision-making processes of the local authority.
- Consider ways in which it may foster the development of Māori capacity to contribute to the decision-making processes of the local authority.
- Provide relevant information to Māori for the purposes of (1) and (2) above.

Section 77 of the Act requires a local authority, in the course of its decision-making process, to take into account the relationship of Māori and the culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga if any of the options identified in its decision-making process involves a significant decision in relation to land or a body of water.

Schedule 10 of the Local Government Act specifically requires Council to include in its Long Term Plan (LTP) any steps that the local authority intends to take, having considered ways in which it might foster the development of Māori capacity to contribute to the decision-making processes of the local authority, over the period covered by that Plan.

Council proposes to address this matter by consulting with Iwi using the mechanisms defined in its current Memoranda of Understanding to determine the issues, if any, that are limiting their capacity to participate more fully in Council's decision-making processes and to discuss options for resolving or reducing these issues.

The reasoning behind this approach is that until Council has a better understanding of the issues that may or may not be impacting on the ability of Māori to participate at a higher level than at present in Council's decision-making processes, any decision on this matter may be premature and/or presumptive. Resulting from this growing understanding has been the resourcing agreements that Council has established with Iwi to support their ability to participate.

YEAR ENDED 30 JUNE 2021

Schedule 10 Part 3 (21) requires Council to report on activities it has taken in the year to establish and maintain processes to provide for opportunities for Māori to contribute to Council's decision-making processes.

During the year ended 30 June 2021 Council continued to make good progress in its pursuit of enhanced relationships with Iwi representatives, throughout the Horowhenua district. More frequent and regular meetings at both formal and informal levels were held throughout the year with a number of different iwi and hapū groups.

Te Kaunihera o Horowhenua continues to put focus and emphasis on building relationships and partnerships with Māori.

Through its decision-making processes Council recognises the principles of the Te Tiriti o Waitangi/ Treaty of Waitangi and kaitiakitanga. Council's Significance and Engagement Policy (adopted in June 2017) sets out what the community including Māori can expect from Te Kaunihera o Horowhenua regarding consultation and ways they can influence and participate in Council's decision-making processes. The Council endeavours to provide for the relationship of Māori and their traditions with their ancestral lands, water sites, wāhi tapu and other taonga, when it is considering a significant decision (as per Council's Significance and Engagement Policy) in relation to land or a body of water and this is consistent with the requirements of Section 77 of the LGA. This has included Council enabling the preparation of Cultural Impact Assessments (CIA) in relation to Council's infrastructure consent applications.

Council has developed Memorandums of Partnership to help facilitate Māori involvement in local decision-making processes. Memorandums of Partnership are enabling documents, which have already provided significant benefit to the respective parties and their ongoing communication on a number of matters of mutual interest. These documents are becoming increasingly important as Council seeks closer and meaningful working relationships with the Māori community, to achieve effective consultation and engagement on a wide range of issues affecting the Horowhenua district.

Council currently has Memorandum of Partnerships with:

- Muaūpoko Tribal Authority

- Rangitāne O Manawatū
- 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).

Council does not have Memorandum of Partnership with Ngāti Apa or Te Runanga o Raukawa Inc. (the overarching mandated Iwi body) or with Ngāti Huia ki Matau, Ngāti Huia ki Poroutawhao and Ngāti Whakatere (Ngāti Raukawa). However, Council recognises that they are key stakeholders in the district, and are often involved in both formal and informal consultation. Council continues to build a relationship with Ngāti Raukawa ki te Tonga through monthly meetings with Raukawa hapū representatives appointed from each hapū in the Horowhenua district: Ngāti Huia ki Matau, Ngāti Huia ki Poroutawhao, Ngāti Rakau, Ngāti Te Au, Ngāti Turanga, Ngāti Whakatere, Ngāti Kikopiri, Ngāti Ngārongo, Ngāti Wehi, Ngāti Takihiku, Ngāti Hikitanga, Ngāti Tukorehe and Ngāti Pareraukawa. Council looks forward to further strengthening these relationships in the future.

In addition to the Memorandum of Partnerships, Council has initiated resourcing agreements with Muaūpoko Tribal Authority, Rangitāne O Manawatū, Te Iwi o Ngāti Tukorehe and Te Runanga o Raukawa to support the capacity building of these Iwi to enable them to actively contribute to the Council work programme in a timely manner. This has included Council Officers providing specific technical support to Iwi.

Council is committed to encourage, develop and enter in to formal relationships with other Iwi and hapū.

Horowhenua District Council in its journey from good to great has put focus on building capacity within the organisation to ensure its people are informed and supported to understand the Māori worldview and to better enable Māori engagement in local government. This has included a number of staff attending weekly Te Reo Māori lessons and incorporating tikanga Māori into Council's practices, such as opening and closing Council meetings and staff hui with karakia.

The following is a précis of the significant iwi engagement and consultation matters during 2020/21:

- The Mahi Space
- Foxton Pool Feasibility Study
- Cultural and Community Centre Manager Recruitment
- Te Oranga o Te Awa – Foxton River Loop Festival
- Shannon Jailhouse project
- Creative Art Project – Te Takeretanga o Kura-hau-pō
- Welcoming Communities Programme
- Refugee Resettlement
- Plan Change 4 Tara-Ika
- Plan Change 5 Waitārere Beach Growth Area
- Horowhenua Blueprint
- Master Plan Tara-Ika
- Master Plan Waitārere Beach
- Manakau Community Plan
- Ōhau Community Plan
- Wellington Regional Growth Framework
- Long Term Plan 2021-2041
- Queen Street West Improvement Project – Design and planning of the Pou and help with design and planning the urban design elements such as plantings and seatings.
- Treated effluent discharge from wastewater treatment plants for following sites
    - The-Pot; working relationship with Muaūpoko Tribal Authority (MTA), Muaūpoko Land Trust (MLT) and Raukawa (three hapu)
    - Shannon; Ngāti Whakatere and Rangitāne O Manawatū
    - Foxton; MTA, Raukawa (with nine hapu of Raukawa), Rangitāne O Manawatū
    - Foxton Beach: MTA, Raukawa hapu, Rangitāne O Manawatu
    - Waitārere Beach; MTA and Raukawa
    - Tokomaru; Rangitāne O Manawatū and Ngāti Whakatere
- Matauranga Māori Scholarship initiative
- Te Awahou Nieuwe Stroom operations
- Te Awahou Riverside Cultural Park – placement, design and installation of structures
- Shared Gallery operations, processes and decisions / Exhibitions
- Events
- Policy Documents
- Promotions

Additionally Council worked in partnership with Māori, and provided input and assistance in the following areas:

- 2021 Matariki programme
- Pride Breakfast - Rangatahi 4 Waiora/ Muaūpoko Tribal Authority

- Gaming events in the Youth Space.
- Beats And Basketball - Rangatahi 4 Waiora
- Raukawa Whānau Ora - Poipoia te Mokopuna
- Social Media Share/Promotion - Rangatahi 4 Waiora
- Te Wiki o te Reo Māori Māori Language Week

In terms of Civil Defence Emergency Management, Council recognises Iwi/Māori unique and highly important partnership role across the Horowhenua district to develop Emergency Management preparedness, response, and resilience and the Council acknowledge the importance they play in a wider resilient community. Iwi/Māori continue to demonstrate across Aotearoa New Zealand that they are a valuable resource both in human resource but also with facilities that by design can house and look after large numbers of people in emergency events. It is vital that a collaborative and mutually beneficial relationship exists across the district in emergency management including capability development, training, and where appropriate resources to enhance readiness and resilience. The strength of such partnerships has been demonstrated through the Covid-19 responses over the past 2 years and the important and vital role Local Iwi Māori have played in these events has enhanced the Horowhenua district and wider regional response to the pandemic. While Council and Iwi have engaged in open discussions in the past regarding our partnership in local emergency management decision- making Council are looking to formalise this partnership and work with our partners to achieve the best level of preparedness and resilience as possible.

SECTION D: APPENDICES

Section D provides additional useful information about the Council.

Governance structure and personnel

Shows the Ward representation and lists elected representatives and their responsibilities.

Management structure and personnel

Lists the senior staff and their responsibilities.

Directory and contacts

Lists the Council's key associated bodies and how they can be contacted.

Glossary

Provides short definitions of the jargon that may appear in local authority documents.

Mayor and Councillors

Mayor Bernie Wanden
Waea Pukoro/Phone: 027 291 5546
Īmēra/Email: mayor@horowhenua.govt.nz

Deputy Mayor Jo Mason
Ward: Levin
Waea Pukoro/Phone: 027 248 6643
Īmēra/Email: cr.jo.mason@horowhenua.govt.nz

Cr David Allan
Ward: Kere Kere
Waea Pukoro/Phone: 021 031 1812
Īmēra/Email: cr.david.allan@horowhenua.govt.nz

Cr Wayne Bishop
Ward: Waiopehu
Waea Pukoro/Phone: 027 447 4611
Īmēra/Email: cr.wayne.bishop@horowhenua.govt.nz

Cr Ross Brannigan
Ward: Kere Kere
Waea Pukoro/Phone: 021 247 7338
Īmēra/Email: cr.ross.brannigan@horowhenua.govt.nz

Cr Todd Isaacs
Ward: Levin
Waea Pukoro/Phone: 021 203 3205
Īmēra/Email: cr.todd.isaacs@horowhenua.govt.nz

Cr Sam Jennings
Ward: Levin
Waea Pukoro/Phone: 029 471 1130
Īmēra/Email: cr.sam.jennings@horowhenua.govt.nz

Cr Victoria Kaye-Simmons
Ward: Levin
Waea Pukoro/Phone: 027 601 1014
Īmēra/Email: cr.victoria.kaye–simmons@horowhenua.govt.nz

Cr Robert Ketu
Ward: Miranui
Waea Pukoro/Phone: 022 061 8242
Īmēra/Email: cr.robert.ketu@horowhenua.govt.nz

Cr Christine Mitchell
Ward: Waiopehu
Waea Pukoro/Phone: 027 318 7703
Īmēra/Email: cr.christine.mitchell@horowhenua.govt.nz

Cr Piri–Hira Tukapua
Ward: Levin
Waea Pukoro/Phone: 027 529 4883
Īmēra/Email: cr.piri–hira.tukapua@horowhenua.govt.nz

FOXTON COMMUNITY BOARD

David Roache (Chair)

Waea Pukoro/Phone: 027 442 5961
Īmēra/Email: DavidRoache@horowhenua.govt.nz

Tricia Metcalf (Deputy Chair)

Waea Pukoro/Phone: 021 447 711

Īmēra/Email: TriciaMetcalf@horowhenua.govt.nz

Trevor Chambers

Waea Pukoro/Phone: 022 401 6615
Īmēra/Email: trevor.chambers@horowhenua.govt.nz

John Girling

Waea Pukoro/Phone: 021 0257 5080
Īmēra/Email: JohnGirling@horowhenua.govt.nz

Ngaire Newland

Waea Pukoro/Phone: 027 231 7214
Īmēra/Email: ngaire.newland@horowhenua.gov.nz

Management Structure

Personnel	Activity
Chief Executive David Clapperton	Employer of Council staff Governance relationships Organisational effectiveness and efficiency
Group Manager Communities, Partnerships and Business Nicki Brady	Horowhenua 2040 Communications and marketing Community development Community grants and funding Libraries Aquatic centres Community centres Service centres Accounting services Payroll Rates revenue Financial planning and reporting Financial policy and financial services
Group Manager Infrastructure Operations Kevin Peel	Asset management Roading Solid waste and recycling management 3 waters Parks and property
Group Manager Infrastructure Development Brent Maguire	Strategic infrastructure planning Strategic capital investment Delivery of efficiencies through procurement Strategic relationship partnerships Development engineering Project management
Group Manager Customer & Strategy David McCorkindale	Animal control Building control Environmental health Liquor control Parking enforcement Planning services Annual plan District plan Long term plan Special projects
Group Manager People & Culture Lisa Slade	HR policies and administration Recruitment Health and safety Emergency management Information technology services Records management Risk management Civic and ceremonial functions Governance services and administration

Directory and Contacts

AUDITORS

Audit New Zealand (on behalf of the Auditor General)
31 Amesbury Street, Palmerton North

BANKERS

BNZ

SOLICITORS

Todd Whitehouse
27 Queen Street, Levin 5510

CS Law
28 Queen Street East, Levin 5510

Fitzherbert Rowe
65 Rangitikei Street, Palmerston North 4410

Buddle Finlay
1 Willis Street, Wellington Central 6011

Brookfields Lawyers
205 Queen Street, Auckland

COUNCIL OFFICES

Main Office 126–148 Oxford St, Levin 5510 (Private Bag 4002, Levin 5540)	Waea Mahi/Phone Waea whakaahua/Fax Īmēra/Email	(06) 366 0999 (all hours) (06) 366 0977 enquiries@horowhenua.govt.nz
Foxton Service Centre Te Awahou Nieuwe Stroom 92 Main Street, Foxton	Waea Mahi/Phone Waea whakaahua/Fax	(06) 363 5571 (06) 367 9218
Shannon Service Centre Plimmer Terrace, Shannon	Waea Mahi/Phone Waea whakaahua/Fax	(06) 362 7030 (06) 362 7030

VISITOR INFORMATION CENTRES

Te Takeretanga o Kura-hau-pō 10 Bath Street, Levin	Waea Mahi/Phone Waea whakaahua/Fax	(06) 368 1953 (06) 367 9218
Te Awahou Nieuwe Stroom 92 Main Street, Foxton	Waea Mahi/Phone Waea whakaahua/Fax	(06) 363 5571 (06) 367 9218

EMERGENCY MANAGEMENT

126–148 Oxford Street, Levin	Waea Mahi/Phone Waea whakaahua/Fax	(06) 366 0999 (06) 368 7110

SWIMMING POOLS

Queen Street, Levin	Waea Mahi/Phone	(06) 368 0070
Main Street, Foxton	Waea Mahi/Phone	(06) 363 5078

Glossary

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 the 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. The 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 the 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.

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 (10-year) plan (reviewed every three years) that describes community outcomes and the activities of the Council, and provides a long term focus for the decisions and activities of the 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 the 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.

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.

Statistics

Rating And Valuation 1 July 2020	
Area, sq.km²	1,063.60
Capital value	$9,677,052,250
Land value	$4,972,927,950
Number of rateable properties	18,396
Census 2018	
Demographics	
Population	33,261
Population aged 65 years and over (national average 14.3%)	24.7%
Population aged 15 years and under (national average 20.4%)	18.3%
Average age in the district (nation average 38 years)	46.8 years
Ethnicity	
European	81%
Māori	24.5%
Pacific Peoples	5.7%
Asian	4.1%
African	0.4%
Other (New Zealander)	1.2%
Households	
Number of Dwellings	15,780
Average household size (national average 2.7))	2.1
Households with access to the internet (national average 76.8%)	77.8%

Horowhenua
DISTRICT COUNCIL

enquiries@horowhenua.govt.nz
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126 Oxford St, Levin 5510