

# Annual Report

2019-2020



# WELCOME TO HOROWHENUA

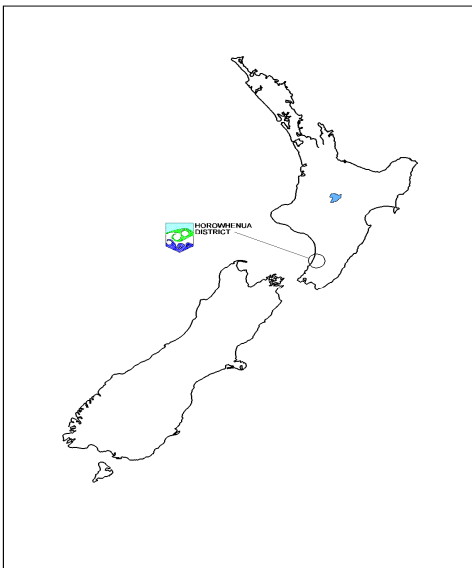
Horowhenua is located near the southern end of the North Island, and is the southernmost district in the Manawātū-Whanganui region. With an area of 1,064 square kilometres, Horowhenua stretches from the mountains to the sea – it has the Tararua Ranges to the east and the Tasman Sea to the west, and spans 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 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 Waitāre 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. Horowhenua also has a number of 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 Manawātū River, an extensive coastal dune system and a number of west coast beaches.



# Contents

<b>SECTION A: SUMMARY .....</b>	<b>4</b>
Vision Statement .....	5
Introduction from the Elected Members and Chief Executive.....	6
<b>SECTION B: FINANCIAL STATEMENTS.....</b>	<b>9</b>
Audit Report.....	10
Statement of Compliance .....	14
Statement of Comprehensive Revenue and Expense.....	15
Statement of Changes in Ratepayers' Equity .....	18
Statement of Financial Position .....	19
Statement of Cash Flows .....	21
Funding Impact Statement for Whole of Council .....	22
Reconciliation between the Funding Impact Statement for the Whole of Council and the Statement of Comprehensive Revenue and Expense.....	23
Reserve Funds .....	24
Council's Interest in Other Entities .....	28
Notes to the Financial Statements.....	29
Benchmarks Disclosure Statement .....	60
Accounting Policies .....	69
<b>SECTION C: SIGNIFICANT ACTIVITIES, SERVICE PERFORMANCE, AND FUNDING IMPACT STATEMENTS .....</b>	<b>81</b>
Regulatory Services .....	83
Community Facilities and Services.....	95
Land Transport .....	109
Stormwater .....	116
Water Supply .....	123
Wastewater.....	136
Solid Waste .....	145
Community Support.....	153
Property .....	167
Representation and Community Leadership .....	173
Report on Contribution of Māori to Decision Making .....	180
<b>SECTION D: APPENDICES.....</b>	<b>183</b>
Governance Personnel.....	184
Management Structure and Personnel.....	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 Elected Members and Chief Executive

## Tēnā koutou katoa

Local elections were held throughout New Zealand in October 2019, and Horowhenua welcomed three new Councillors, a new Mayor and a new deputy Mayor. It is a privilege to serve our community as we strive to work as a team to deliver strong and effective leadership for our district.

This past year has been a challenging one for communities across Horowhenua, New Zealand and the world, as we faced a pandemic unprecedented in our lifetime. COVID-19 has hit some of our people hard, but it has also shown the dedication, selfless and community spirit that flourishes in our district. Our librarians, for example, made over 2,000 phone calls to check in and offer support to vulnerable library members while physical library facilities were closed during lockdown. Other Council staff kept essential services such as water, wastewater, rubbish collection and civil defence running, or played vital roles in supporting the most vulnerable members of our community with welfare services.

We consulted our community on an Annual Plan drafted in different times, and we listened to the feedback, delivering a 1.83% decrease in our rates revenue for 2020/2021. To provide further economic relief for our community, we:

- developed and consulted on a policy to enable Council to postpone rate payments in extraordinary and emergency events
- committed not to increase fees and charges for Council services and facilities until at least July 2021.

Despite the challenge of COVID-19, our district continues to grow strongly, and we can expect this to continue following the Government's decision to begin construction of a four-lane Ōtaki to North of Levin Expressway by 2025. Based on the latest projections from Sense Partners, we now expect our population to reach over 62,000 by 2041. This means our district will need an extra 500 new dwellings per year to accommodate everyone who chooses to call Horowhenua home.

We have been busy preparing to capitalise on the opportunities this growth offers, and to ensure we are ready to support a larger population. Council is guiding new residential development in our district's growth areas with Master Plans to ensure new developments are properly integrated with existing settlements. These include:

- Tara-Ika – a proposal to re-zone 400 hectares of land in southeast Levin so it can be developed into a community of 2,500 homes
- Te Wharangi / Foxton Beach Lakes – a proposal to create a community of up to 600 new homes around a series of small lakes on an area of pastoral and forestry land
- Waitāre Beach – a proposal for around 600 new homes to the east of the existing residential area near Forest Road and to the north of Waitāre Beach Road by the dune lake.

We have also been assiduously pursuing Government investment to stimulate our economy and support the new infrastructure our district needs to develop for the future. We have been successful with proposals for Provincial Growth Fund (PGF) investment in a new digital hub to support small business and two roading projects to deliver jobs as well as important safety improvements on one of our busiest roads. We have also presented a proposal for Provincial Growth Fund (PGF) funding for a project to rejuvenate the Manawatū River Loop.

In light of the higher-than-expected growth projections, we are refreshing our Growth Strategy to help guide future growth.

We remain mindful of the need to protect the special character of our communities and to work with them to achieve their goals. This year, we adopted our first Community Plan after working closely with the Waitāre Beach community, and we carried out public engagement with Ōhau and Manakau on draft Community Plans for those settlements.

We are also ever mindful of our community outcomes, which act as a guide and focus for our projects and activities. Here are some of the highlights of the past year.

## Partnership with tangata whenua

- Mayor and Councillors were welcomed to Tukorehe Marae and, in a first for Horowhenua District Council, elected members themselves undertook the roles kaikaranga (caller) and kaikōrero (speaker)
- Two years of extensive investigations and engagement with Ngāti Raukawa, Muaūpoko, and landowners culminated in a 25-year consent being granted for The Pot, one of New Zealand's original and most unique treated wastewater land-based discharge systems
- We have continued renewing our public signage with bilingual sign
- Support for Waitangi Day commemorations at Lake Horowhenua and weeklong Matariki celebrations in Taitoko and Te Awahou
- Establishment of a dedicated Cultural Outcomes Lead position to better support officers working to ensure contact with Iwi is meaningful, respectful and productive

- More than 28 engagements and consultations about projects, plans and strategies.

### **Vibrant cultures**

- Supporting events throughout our district, including Christmas festivities, the Petals for Peace Charity Auction, Festival of Stories, Chinese New Year, Pasifika Celebration Day, SPYFusion, Age on the Go, and numerous exhibitions at Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom.
- A Pasifika Leaders Fono was established to ensure flow of information, and ongoing interest and engagement in Council activities, from the Pacific Peoples community.
- Levin was selected as a resettlement destination for 90 former refugees. Although their journey here has been delayed by COVID-19, we look forward to welcoming them when restrictions ease.

### **Stunning environment**

- We received a Green Flag award for Driscoll Reserve in Manakau, the second of our parks and reserves to be awarded this prestigious international mark of distinction.
- We introduced a new kerbside recycling service to increase recycling, reduce waste sent to landfill and reduce health and safety risks for workers who collect and process materials for recycling. The service was introduced in response to engagement with the community on our Waste Minimisation and Management Policy.
- We reshaped foreshore dunes at Foxton Beach to help build the resilience of the coastline, and worked with the community to plant the area with native spinifex grass. Council continues to plant between 15,000–20,000 spinifex plants in coastal environments across the district annually to increase the resiliency of coastal dunes, and continues to engage with school and community groups to develop local landscapes.
- We finalised a Reserve Management Plan for the use, enjoyment, maintenance, protection, preservation and development of Council reserves in Shannon.
- Two of our most popular parks, Kōwhai Park and Donnelly Park, are being prepared for population growth with the creation of a draft development plan that Council engaged with the community on this past year.
- New electric vehicle charging stations installed in Shannon and Foxton complete a network of electric vehicle infrastructure that now includes charging stations in our district.
- Our energy management programme is delivering strong savings in energy consumption and associated costs, putting Council in a stronger position to meet the demands of growth in the district efficiently and cost-effectively.
- We are developing a concept plan for the long-term development of Te Wharangi/Holben Reserve that includes a wetland; a range of opportunities for play, recreation and learning; celebrating mana whenua; and improving access to the reserve.
- A regeneration project that aims to create a sustainable future for Foxton and improve the health of the Manawātū River Loop was submitted for Provincial Growth Fund support.

### **Thriving communities**

- The Association of Local Government Information Management (ALGIM) ranked our website as the second best in New Zealand, following an audit of the site's accessibility, usability, functionality, online services, and best practice content provision and presentation.
- We worked closely with the Waitārere Beach community to develop the Waitārere Beach Community Plan. The plan, which was adopted in April, sets out the vision and key goals of the community as well as a list of actions that contribute to reaching these.
- We engaged with communities in Manakau and Ōhau to create community plans for these areas.
- We adopted a Housing Action Plan developed with the community to provide a comprehensive response to improve housing supply, affordability, and access to social and emergency housing.
- We brought reduced speed limits into effect to improve safety on our district's rural and rural residential roads after completing a Rural Road Speed Limit Review.
- Levin Aquatic Centre underwent a four-week maintenance programme to reduce the need for future closures, and we secured funding to get the hydroslide repaired by summer 2020/21.
- The Shannon Library has been refurbished, with new shelving, carpets, customer service desk, a small kitchen, heating and refreshed book stock.
- Aquatics Horowhenua was admitted to the Register of Exercise Professionals, a signature mark of quality for fitness centres that means instructors are trained to a high standard and can offer a greater variety of classes and training methods.
- We created localised community response plans to help our communities prepare for hazards and risks they may face. Community response plans for Waitārere Beach, Levin, Manakau and Waikawa, Ōhau, and Makahika have been published.
- Combining funds from contestable Council grants into a new Community Support Grant has made \$160,000 available for community initiatives that enhance wellbeing and social connectedness in the wake of COVID-19.
- Libraries staff continued to play a key role in supporting the community while physical library facilities were closed due to COVID-19, promoting and enhancing online services and making 2,118 check-in calls to offer support to library members.
- We held 18 community capacity and capability building workshops, collectively attended by over 1,000 people and achieving 96% satisfaction.

## Enabling infrastructure

- The new roundabout at the intersection of Cambridge Street and Queen Street has made our district's busiest intersection safer for drivers, cyclists and pedestrians alike.
- We have presented a project for investment from Crown Infrastructure Partners that will enable the fast-tracking of infrastructure for the largest residential development in district's history, to provide around 2,500 new homes for our fast-growing population.
- Road safety improvements around Foxton Beach School have made the area much safer at drop-off and pick-up time.
- We are working towards an 18-year resource consent to secure the water supply for Tokomaru.
- The transformation of Solway Park continued with the official opening of a new pump track, thanks to a community project led by the Police.
- The Levin Adventure Park as a new climbing challenge – a 9.3 metre high Tetragode, one of the highest in New Zealand.

## Exuberant economy

- We developed and consulted the community on a Rates Postponement Policy that will give Council another tool to provide rates relief to our community in response to extraordinary and emergency events.
- Two fast-tracked roading projects will employ up to 20 full-time equivalent employees from Horowhenua and bring \$1.65 million of Provincial Growth Fund money into the district, helping to stimulate the economy and provide a safer, more modern transport network.
- Provincial Growth Fund investment in a digital hub to be based in Levin will help to train, support and stimulate local small businesses.
- No increase to fees and charges for Council services and facilities until at least July 2021.
- Unused industrial-zoned Council land was sold, in accordance with our Property Strategy, to make way for a proposed business park in Levin.
- More than \$1 million in rates rebates was paid to Horowhenua ratepayers.

## Our financials

Council's financial performance currently shows an operating deficit of \$5.3m against a budgeted operating deficit of \$2.5m. Overall. The difference is largely made up of the Landfill after care provision movement of \$1.6m which isn't budgeted for, and is the result of a lower discount rate used due to the lower interest rate environment.

Council shows "Comprehensive Revenue and Expense" surplus of \$17.0m against a budget of \$7.09m surplus. The difference is the "Other Comprehensive Revenue and Expense" of which \$22.2m is achieved by recognising asset revaluation increases.

Other comprehensive revenues and expense is where the gains and losses are shown on revaluations that occur at year end. This year we revalued our land and buildings. In keeping with what occurred over three years to the land rateable values we show a \$18.58m increase in the value of these assets and Roding values also increased by \$3.6m.

Council's cash position increased to \$15.9m from \$8.5m last year through greater cash flow from operations and less spent on assets.

Council has met all the prudential bench marks with the exception of the Balanced Budget which is 92.24% against a benchmark of 100%, and narrowly missing the Debt Control which is 100.11% against a benchmark of 100%. Council did meet the "Operations Control" bench mark for the first time in four years of achieving or exceeding the budgeted "net cash flow from operating activity" at 121.62%.

The LGFA covenant of Net debt to Revenue is at 165%, 1% more than last year and below the Financial Strategy limit of 195% and LGFA limit of 250%. All other covenants have been met.

Standard and Poors reaffirmed Council's A+ credit rating during the year. This credit rating increases Council's ability to borrow at favourable interest rates. The weighted average interest rate at 30 June 2020 was 2.84% down from 3.54% in June 2019 and down from 5.32% at 30 June 2014.

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

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

Ngā mihi nui



# SECTION B: FINANCIAL STATEMENTS

Section B provides information on the financial outcomes for the year ended 30 June 2020.

## **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 2019/20, 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 2019/20 (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 2020. 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 2019/20.

## **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 2019/20.

## **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.

## Independent Auditor's Report To the readers of the Horowhenua District Council's annual report for the year ended 30 June 2020

The Auditor-General is the auditor of the 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 17 December 2020. This is the date on which we give our report.

### Opinion

#### ***Unmodified opinion on the audited information, excluding the Statement of Service Performance***

In our opinion:

- the financial statements on pages 15 to 21, 30 to 59 and 69 to 80:
  - present fairly, in all material respects:
    - the District Council and Group's financial position as at 30 June 2020;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 22, 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 92 to 176, 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 93 to 179, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's Long-term plan.

#### ***Qualified opinion on the Statement of Service Performance – our work was limited with respect to the verification of the number of complaints for some services***

In our opinion, except for the possible effects of the matter described in the *Basis for our qualified opinion* section of our report, the Statement of Service Performance on pages 81 to 175:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2020, 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 68, 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 qualified opinion

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 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 2019.

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 qualified opinion on the audited information.

## Emphasis of matter - Impact of COVID-19

Without further modifying our opinion, we draw attention to the disclosures about the impact of COVID-19 on the District Council as set out in note 38 to the financial statements and pages 81 to 175 of the Statement of Service Performance.

## Responsibilities of the Council for the audited information

The Council is responsible for meeting all legal requirements that apply to its annual report.

The Council's responsibilities arise under the Local Government Act 2002 and the Local Government (Financial Reporting and Prudence) Regulations 2014.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the information we audit that is free from material misstatement, whether due to fraud or error.

In preparing the information we audit the Council is responsible for assessing its ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the District Council and the Group or there is no realistic alternative but to do so.

## Responsibilities of the auditor for the audited information

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an audit report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the District Council's annual plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Statement of Service 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 9, 14, 23 to 29 and 180 to 190 but does not include the audited information and the disclosure requirements.

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 carried out a limited assurance engagement related to the District Council's debenture trust deed which is 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.

Two handwritten signatures in blue ink. The signature on the left is a stylized, cursive 'S' followed by a horizontal line. The signature on the right is a stylized, cursive 'Z' followed by a horizontal line.

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**  
17 December 2020



**David Clapperton**  
**Chief Executive**  
17 December 2020

# Statement of Comprehensive Revenue and Expense

**HOROWHENUA DISTRICT COUNCIL**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	Note	Council Actual \$ 30 June 2020 \$000	Council Budget \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
<b>Revenue</b>						
Rates	1	40,386	40,099	38,562	40,386	38,562
Finance revenue	2a	370	209	423	380	435
Grants and subsidies	2b	5,038	6,462	5,524	5,038	5,524
Fees and charges	2c	4,858	5,011	5,355	4,858	5,355
Other revenue	2d	4,005	4,025	3,521	4,005	3,521
Vested assets	2e	730	—	453	730	453
Development contributions	2f	—	—	—	—	—
Gain on derivative financial instruments	19	—	—	—	—	—
Other gains	3	847	122	56	847	56
<b>Total revenue</b>		<b>56,234</b>	<b>55,928</b>	<b>53,894</b>	<b>56,244</b>	<b>53,906</b>
<b>Expenditure</b>						
Employee benefit expenses	4	15,197	15,017	14,661	15,197	14,661
Depreciation and amortisation	11,12 34	14,516	14,448	14,383	14,516	14,383
Finance costs	6	3,343	3,870	3,607	3,343	3,607
Loss on derivative financial instruments	19	1,318	—	975	1,318	975
Other losses	3	99	—	227	99	227
Increase / (decrease) in landfill provision	16	1,614	—	1,298	1,614	1,298
Other expenses	5	25,341	25,082	24,457	25,341	24,471
<b>Total expenses</b>		<b>61,428</b>	<b>58,417</b>	<b>59,608</b>	<b>61,430</b>	<b>59,622</b>
<b>Operating surplus / (deficit) before tax</b>		<b>(5,194)</b>	<b>(2,489)</b>	<b>(5,714)</b>	<b>(5,186)</b>	<b>(5,716)</b>
Income tax expense	37	36	—	—	36	—
<b>Operating surplus / (deficit) after tax</b>		<b>(5,230)</b>	<b>(2,489)</b>	<b>(5,714)</b>	<b>(5,222)</b>	<b>(5,716)</b>
<b>Surplus / (deficit) attributable to: Horowhenua District Council</b>		<b>(5,230)</b>	<b>(2,489)</b>	<b>(5,714)</b>	<b>(5,222)</b>	<b>(5,716)</b>
<b>Other comprehensive revenue and expense</b>						
Gain / (loss) on infrastructural assets revaluations		3,618	9,578	9,613	3,618	9,613
Gain / (loss) on operational assets revaluation		4,731	—	—	4,731	—
Gain / (loss) on restricted assets revaluation		13,849	—	—	13,849	—
<b>Total other comprehensive revenue and expense for the year</b>		<b>22,198</b>	<b>9,578</b>	<b>9,613</b>	<b>22,198</b>	<b>9,613</b>
<b>Total comprehensive revenue and expense (deficit) for the year</b>		<b>16,968</b>	<b>7,089</b>	<b>3,899</b>	<b>16,976</b>	<b>3,897</b>
<b>Total comprehensive revenue and expense attributable to Horowhenua District Council</b>		<b>16,968</b>	<b>7,089</b>	<b>3,899</b>	<b>16,976</b>	<b>3,897</b>
Net Interest as percentage of operating revenue		6%	7%	7%	6%	7%
Net Interest to rates		8%	9%	9%	8%	9%

Explanations of major variances against budget are provided on page 16

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

## Explanations of significant variances between the Council's actual results and the Council's budget for 2019/20

### Revenue

**Grants and Subsidies** unfavourable variance of \$1,424k. The significant variance relates to the capital subsidies from Waka Kotahi/NZTA which are lower than expected due to delays or stopped works in roading projects for various reasons, including as a result of COVID-19.

There were a number of key subsidised roading projects which were unable to be completed by 30 June 2020, within the 2019/2020 financial year. The significant variances are:

- Levin Town Spine Shared Pathways with an expected subsidised expenditure of \$400k. Work on this was delayed due to ongoing discussions with KiwiRail. The work is scheduled to be completed in 20/21; however if permission is unable to be obtained from KiwiRail by the end of September 2020, this will be re-allocated to other projects.
- Himatangi Block Road with an expected subsidised expenditure of \$550k. This project originally required earthworks to be completed in private property and was delayed due to negotiations with affected landowners (a trust with 200+ trustees). A solution has been found to complete this work entirely within the road reserve and will be delivered in 2020/2021.
- Poads Road Bridge replacement with \$300k unspent subsidised expenditure. Horizons consenting was delayed due to COVID-19. The physical bridge material (beams, deck etc.) have all been built, ready for installation, just waiting on consents.
- Waitāre Beach Road AWPT with \$350k unspent subsidised expenditure. Construction was due to start February 2020 and required fair weather. Delayed due to COVID-19 lockdown and unable to resume over autumn/winter.
- New Footpaths with \$150k unspent subsidised expenditure. Unable to complete programme due to the COVID-19 lockdown.

There are a number of smaller unspent subsidised capex projects which combined contribute to this total variance. These are a result of small variations and underspending across a number of projects. Some of these were due to the projects being delivered in a more cost effective way than expected, or exist where Officers are withholding payment from the contractor until defects are fixed.

**Gains on Sale of Assets** Total gains were \$847k, with a favourable variance of \$725k.

The gains relate to;

• the gain on sale of commercial properties, plant and equipment	\$595k
• Gain on revaluation of Forestry	\$121k
• Gain on revaluation of Carbon credits	\$124k
• Gain on revaluation of Financial assets	\$ 7k

### Expenditure

**Finance Costs** Favourable variance of \$527k, relates to finance external interest cost, reflecting the unprecedented low interest rates in the bond market

**Other Expenses** – unfavourable variance of \$259k with significant variances noted below:

#### Community Facilities and Services favourable variance \$197k

Lower expenditure particularly within community centres and libraries. This is a result of efficiencies throughout the year, and reduced expenditure with facility closures as a result of COVID-19.

#### Community Support unfavourable variance \$28k

District Marketing and Community Development favourable variance \$27k. This is a result of lower expenditure as a result of efficiencies and refocused efforts with COVID-19.

**Economic Development** unfavourable variance \$56k as a result of higher costs than budgeted.

#### Planning and Regulatory favourable variance \$100k

Lower expenditure than forecasted in the activities of Parking, Building Consents and Dog Control, offset from \$133k to the reported variance due to unplanned costs incurred associated with the demolition of an unsafe house.

**Maintenance** – unfavourable variance of \$1,095k with significant variances noted below:

#### Wastewater unfavourable variance \$625k

Levin Wastewater with variance relating to Alliance contract and day works.



**Water Supply unfavourable variance \$221k**

Levin Water supply is the significant variance at \$359k which relates to Alliance contract works. A slight offset within the activity as a whole exists within:

Foxton Water supply favourable variance \$96k

Foxton Beach Water supply favourable variance \$57k

**Stormwater** unfavourable variance \$59k.

**Roading** unfavourable variance \$602k

The roading expenditure budget in Councils financial management system was increased from what was in the Annual Plan by \$574,520 to match the Waka Kotahi/NZTA agreed programme.

**Solid Waste favourable variance \$270k:**

Landfill favourable \$390k

Recycling favourable \$46k

Roadside collection unfavourable \$170k

**Community Facilities favourable variance \$129k** relating to general contract savings across most activities excluding Aquatics and Street Beautification.

**Loss on derivatives – unbudgeted loss of \$1.3m**

This is an unrealised loss on valuation of Council's interest rate derivatives. A derivative liability reflects the fact that the Council's future interest cash payments will be greater than the variable market rates prevailing at the point in time those cash payments are made.

Council entered into a number of interest rate swaps some time ago when interest rates were expected to remain relatively high, if not increase. These were entered into to protect the Council from increasing interest rates. However, as interest rates have fallen and continue to fall due to the recent uncertain global economic conditions and COVID-19 pandemic, the impact of these swaps is that the Council, for the remaining term of the swaps, is forecast to pay higher cash interest payments than the standard market rates. No one at the time could have predicted that the historical low interest rates of recent years would prevail.

As a result, the accounting standards require Council to recognise the present value of the forecast payments above (or below) market rate as a liability (or asset) at balance date. As a result the change in valuation is required to be recognised as an expense (or revenue) during the year.

**Landfill aftercare provision increase of \$1.6m**

This has arisen from the yearly recalculation of this provision. As a provision it does not represent a cash loss. It represents the future costs of the landfill as it was at balance date (i.e. assuming no extra cells or capacity is created) through to the current expected closure date of 2032 and the ongoing post closure costs through to 2062. This significant increase in the future costs has come about through changes to the consent conditions and the costs of monitoring these new conditions over the years until the finish of the aftercare period of 30 years to 2062.

# Statement of Changes in Ratepayers' Equity

HOROWHENUA DISTRICT COUNCIL  
FOR THE YEAR ENDED 30 JUNE 2020

		Council Actual \$ 30 June 2020 \$000	Council Budget \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
	Note					
Balance at 1 July		471,085	467,584	467,186	471,453	467,556
Total comprehensive revenue and expense for the year		16,968	7,089	3,899	16,976	3,897
<b>Balance at 30 June</b>	<b>21</b>	<b>488,053</b>	<b>474,673</b>	<b>471,085</b>	<b>488,429</b>	<b>471,453</b>

Explanations of major variances against budget are provided on page 20.

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

# Statement of Financial Position

HOROWHENUA DISTRICT COUNCIL  
AS AT 30 June 2020

	Note	Council Actual \$ 30 June 2020 \$000	Council Budget \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	7	15,892	10,571	8,481	15,916	8,499
Debtors and other receivables	8	6,593	5,566	6,766	6,593	6,766
Other financial assets	9	375	542	375	375	375
Non-current assets held for sale	10	4,011	–	5,937	4,011	5,937
<b>Total current assets</b>		<b>26,871</b>	<b>16,679</b>	<b>21,559</b>	<b>26,895</b>	<b>21,577</b>
<b>Non-current assets</b>						
Plant, property and equipment						
– Operational assets	11	56,727	49,081	54,169	56,727	54,169
– Infrastructural assets	11	471,107	471,158	459,020	471,107	459,020
– Restricted assets	11	60,177	49,055	46,001	60,177	46,001
Intangible assets	12	1,479	1,818	1,529	1,479	1,529
Forestry assets	13	1,090	1,131	942	1,090	942
Commercial property	14	–	5,979	–	–	–
Other financial assets:						
– Investments CCO's & similar entities	9	204	204	204	204	204
– Investments in associates		16	16	16	16	16
– Other	9	1,691	6,744	1,570	1,691	1,570
<b>Total non-current assets</b>		<b>592,491</b>	<b>585,186</b>	<b>563,451</b>	<b>592,491</b>	<b>563,451</b>
<b>Total assets</b>		<b>619,362</b>	<b>601,865</b>	<b>585,010</b>	<b>619,386</b>	<b>585,031</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Payables and deferred revenue	15	13,972	10,718	9,644	13,620	9,294
Provisions	16	30	110	30	30	30
Employee benefit liabilities	17	1,060	723	899	1,060	899
Derivative financial instruments	19	465	–	378	465	378
Borrowings and other financial liabilities	18	35,000	9,000	20,000	35,000	20,000
<b>Total current liabilities</b>		<b>50,527</b>	<b>20,551</b>	<b>30,951</b>	<b>50,175</b>	<b>30,601</b>
<b>Non-current liabilities</b>						
Provisions	16	6,425	3,433	4,811	6,425	4,811
Employee benefit liabilities	17	207	137	167	207	167
Borrowings and other financial liabilities	18	71,000	101,565	76,000	71,000	76,000
Derivative financial instruments	19	3,050	–	1,819	3,050	1,819
Other	20	100	1,506	177	100	177
<b>Total non-current liabilities</b>		<b>80,782</b>	<b>106,641</b>	<b>82,974</b>	<b>80,782</b>	<b>82,974</b>
<b>Total liabilities</b>		<b>131,309</b>	<b>127,192</b>	<b>113,925</b>	<b>130,957</b>	<b>113,575</b>
<b>Net assets</b>		<b>488,053</b>	<b>474,673</b>	<b>471,085</b>	<b>488,429</b>	<b>471,453</b>
<b>Equity</b>						
Retained earnings	21	245,387	254,697	250,815	245,763	251,183
Revaluation reserves	21	233,055	210,890	210,857	233,055	210,857
Other reserves	21	9,611	9,086	9,413	9,611	9,413
<b>Total equity</b>		<b>488,053</b>	<b>474,673</b>	<b>471,085</b>	<b>488,429</b>	<b>471,453</b>

Explanations of major variances against budget are provided on page 20

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

## Explanations of significant variances between the Council's actual results and the Council's budget for 2019/20

### Assets

**Cash and cash equivalents** – While difficult to predict year end cash in the Annual Plan 18 months before year end, the \$15.9m balance is sufficient to maintain Council's liquidity in the short-term.

**Debtors and other receivables** – The debtors and other receivables budget is based on previous year balances and the level of rates receivable have increased but are below the prior year's figure

**Other financial assets** – Relates to inventories held and a term deposit held on behalf of the Shannon Community Development Trust.

**Non-current assets for sale** – Council is in the process of selling non-core assets especially commercial assets. The increase reflects this. These assets were previously held as commercial properties.

**Plant, property and equipment assets** – greater than budgeted due to the revaluation of Land Transport assets and land and buildings (\$18.4m) less the \$9.5m of capital expenditure that did not occur. Reference is made in the individual activity statements on capital expenditure.

**Commercial property** – Has all been transferred to "Non-current assets for sale". The sale was initially budgeted to occur during the financial year but will now occur early in the next financial year

**Forestry assets** – Are lower reflecting the harvesting and replanting that occurred at the Pot wastewater to land disposal area.

### Liabilities

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

**Total borrowings** – Overall borrowing is lower by \$4.5m on budget due to some budgeted capital expenditure being delayed, offset by increased costs relating to the increase in levels of service in the Solid Waste recycling activity.

**Derivative financial instruments** – Council does not budget for derivative value movements. The variance is due to the unfavourable impact of decreasing interest rates on the valuation of the interest rate derivatives.

### Equity

**Retained earnings** – Is lower due to the deficit for the year and also some movements to Other Reserves.



# Statement of Cash Flows

HOROWHENUA DISTRICT COUNCIL  
AS AT 30 June 2020

	Council Actual \$ 30 June 2020 \$000	Council Budget \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
Note					
<b>Cashflow from operating activities</b>					
<b>Cash was provided from:</b>					
Revenue from rates	40,985	40,099	37,787	40,985	37,787
Other revenue	15,613	15,498	14,063	15,613	14,063
Interest received	373	209	417	379	424
Net GST movement	226	–	–	226	–
<b>Total cash provided</b>	<b>57,197</b>	<b>55,806</b>	<b>52,267</b>	<b>57,203</b>	<b>52,274</b>
<b>Cash was disbursed to:</b>					
Suppliers, services and employees	39,544	40,099	39,097	39,544	39,097
Interest paid	3,455	3,870	3,580	3,455	3,580
Net GST movement	–	–	196	–	196
<b>Total cash disbursed</b>	<b>42,999</b>	<b>43,969</b>	<b>42,873</b>	<b>42,999</b>	<b>42,873</b>
<b>Net cashflow from operating activity</b>	<b>32</b>	<b>14,198</b>	<b>9,394</b>	<b>14,204</b>	<b>9,401</b>
<b>Cashflows from investing activities</b>					
<b>Cash was provided from:</b>					
Proceeds from asset sales	5,301	7,000	725	5,301	725
Proceeds from investments	–	–	4,799	–	4,799
<b>Total cash provided</b>	<b>5,301</b>	<b>7,000</b>	<b>5,524</b>	<b>5,301</b>	<b>5,524</b>
<b>Cash was disbursed to:</b>					
Purchases of investments	120	–	–	120	–
Purchase of assets	21,968	32,650	23,397	21,968	23,397
<b>Total cash disbursed</b>	<b>22,088</b>	<b>32,650</b>	<b>23,397</b>	<b>22,088</b>	<b>23,397</b>
<b>Net cashflow from investing activity</b>	<b>(16,787)</b>	<b>(25,650)</b>	<b>(17,873)</b>	<b>(16,787)</b>	<b>(17,873)</b>
<b>Cashflows from financing activities</b>					
<b>Cash was provided from:</b>					
Loans raised	67,000	28,813	78,000	67,000	78,000
<b>Total cash provided</b>	<b>67,000</b>	<b>28,813</b>	<b>78,000</b>	<b>67,000</b>	<b>78,000</b>
<b>Cash was disbursed to:</b>					
Repayment of public debt	57,000	15,000	62,000	57,000	62,000
<b>Total cash disbursed</b>	<b>57,000</b>	<b>15,000</b>	<b>62,000</b>	<b>57,000</b>	<b>62,000</b>
<b>Net cashflow from financing activity</b>	<b>10,000</b>	<b>13,813</b>	<b>16,000</b>	<b>10,000</b>	<b>16,000</b>
<b>Net increase (decrease) in cash held</b>	<b>7,411</b>	<b>–</b>	<b>7,521</b>	<b>7,417</b>	<b>7,528</b>
Add opening cash brought forward	8,481	10,571	960	8,481	971
<b>Closing cash balance</b>	<b>15,892</b>	<b>10,571</b>	<b>8,481</b>	<b>15,898</b>	<b>8,499</b>
<b>Closing balance made up of cash and cash equivalents</b>	<b>7</b>	<b>15,892</b>	<b>10,571</b>	<b>15,916</b>	<b>8,499</b>

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 2020

	Annual Plan Forecast 2019 \$000	Annual Report Actual 2019 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	9,533	9,547	10,456	10,501	45
Targeted rates	28,828	29,015	29,644	29,886	242
Subsidies and grants for operating purposes	1,688	1,984	1,773	1,998	225
Fees and charges	5,664	5,355	5,011	4,857	(154)
Interest and dividends from investments	205	423	209	370	161
Local authorities fuel tax, fines, infringement fees, and other receipts	3,660	3,522	4,026	4,006	(20)
<b>Total operating funding (A)</b>	<b>49,578</b>	<b>49,846</b>	<b>51,119</b>	<b>51,618</b>	<b>499</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	35,426	39,118	40,102	40,538	436
Finance costs	3,800	3,607	3,870	3,343	(527)
Other operating funding applications	–	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>39,226</b>	<b>42,725</b>	<b>43,972</b>	<b>43,881</b>	<b>(91)</b>
<b>Surplus (deficit) of operating funding (A–B)</b>	<b>10,352</b>	<b>7,121</b>	<b>7,147</b>	<b>7,737</b>	<b>590</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	4,672	3,539	4,689	3,039	(1,650)
Development and financial contributions	–	–	–	–	–
Increase (decrease) in debt	12,494	16,000	13,813	10,000	(3,813)
Gross proceeds from sale of assets	7,000	791	7,000	5,302	(1,698)
Lump sum contributions	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–
<b>Total sources of capital funding (C)</b>	<b>24,166</b>	<b>20,330</b>	<b>25,502</b>	<b>18,341</b>	<b>(7,161)</b>
<b>Applications of capital funding</b>					
Capital expenditure					
– to meet additional demand	3,933	765	2,112	759	(1,353)
– to improve the level of service	14,882	9,214	15,987	10,308	(5,679)
– to replace existing assets	15,703	12,667	14,550	12,023	(2,527)
Increase (decrease) in reserves	–	9,604	–	2,867	2,867
Increase (decrease) of investments	–	(4,799)	–	121	121
<b>Total applications of capital funding (D)</b>	<b>34,518</b>	<b>27,451</b>	<b>32,649</b>	<b>26,078</b>	<b>(6,571)</b>
<b>Surplus (deficit) of capital funding (C–D)</b>	<b>(10,352)</b>	<b>(7,121)</b>	<b>(7,147)</b>	<b>(7,737)</b>	<b>(590)</b>
<b>Funding balance ((A–B)+(C–D))</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation	13,489	14,383	14,448	14,516	68
<b>Loans</b>					
				<b>External</b>	
				<b>\$000</b>	
Loans as at 1/07/2019				96,000	
Raised during year				67,000	
Repaid during year				57,000	
<b>Loans as at 30/06/2020</b>				<b>106,000</b>	
Interest expense				3,870	

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 2020

	Annual Report Actual 2019 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
<b>Revenue</b>				
<i>Statement of comprehensive revenue and expense</i>				
<b>Total operating revenue</b>	<b>53,894</b>	<b>55,928</b>	<b>56,234</b>	<b>306</b>
<b>Summary funding impact statement</b>				
<i>Sources of operating funding</i>				
Total operating funding	49,846	51,119	51,618	499
<i>Add sources of capital funding</i>				
Subsidies and grants for capital expenditure	3,539	4,687	3,039	(1,648)
Development and financial contributions	—	—	—	—
Gain on derivative financial instruments	—	—	—	—
Other gains	56	122	847	725
Vested assets	453	—	730	730
<b>Total revenue</b>	<b>53,894</b>	<b>55,928</b>	<b>56,234</b>	<b>306</b>
<b>Expenditure</b>			—	—
<i>Statement of comprehensive revenue and expense</i>				
<b>Total operating expenditure</b>	<b>59,608</b>	<b>58,417</b>	<b>61,428</b>	<b>3,010</b>
<b>Summary funding impact statement</b>				
<i>Total application of operating funding</i>	<i>42,725</i>	<i>43,969</i>	<i>43,881</i>	<i>(89)</i>
Loss on derivative financial instruments	975	—	1,318	1,318
Other losses	227	—	99	99
Increase / (decrease) in landfill provision	1,298	—	1,614	1,614
Add depreciation and amortisation expense	14,383	14,448	14,516	68
<b>Total expenditure</b>	<b>59,608</b>	<b>58,417</b>	<b>61,428</b>	<b>3,010</b>

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:

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
<b>Restricted reserves – purpose of the fund</b>				
<b>Foxton Beach Freeholding Fund (Property)</b> 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
<b>Reserve Land Reserve (Parks and Recreation)</b> 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
<b>Road Upgrade Reserve (Roothing Activity)</b> 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
<b>Wairarawa Stream Walkway</b> To hold funds for the construction of a walkway along the Wairarawa stream.	54	1		56
<b>Total restricted reserves</b>	<b>6,592</b>	<b>366</b>	<b>199</b>	<b>6,760</b>

<b>Financial and Capital contributions for Roothing (Roothing Activity)</b> 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
<b>Financial and Capital contributions for Water Supplies (Water Supply Activity)</b> 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
<b>Financial and Capital contributions for Wastewater Schemes (Wastewater Activity)</b> 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
<b>Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity)</b> 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



<b>2020 RESERVE FUNDS</b>	<b>Opening Balance 1 July 2019 \$000s</b>	<b>Deposits for the period of the year \$000s</b>	<b>Withdrawals For the period of the year \$000s</b>	<b>Closing Balance 30 June 2020 \$000s</b>
<b>Election Fund (Representation and Governance Activity)</b> To smooth the rating impact of election costs and to fund any by-election.	85	2	63	24
<b>Capital Projects Fund (All Activities)</b> To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	868	21	–	889
<b>Foxton Citizens Fund (Community Support Activity)</b> To provide a fund for awards in recognition of community service in Foxton.	4	–	–	4
<b>Hockey Turf Replacement Fund (Parks and Recreation – Sports Grounds)</b> To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.	254	31	–	285
<b>Esplanade Fund (Parks and Recreation)</b> 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
<b>Shannon Railway Station Fund (Property Activity)</b> Set aside from grants to preserve the historic Shannon Railway Station.	26	1	–	27
<b>Total Council created reserves</b>	<b>2,822</b>	<b>94</b>	<b>63</b>	<b>2,851</b>
<b>Total all reserve funds</b>	<b>9,413</b>	<b>460</b>	<b>261</b>	<b>9,611</b>

## Reserve Funds

2019 RESERVE FUNDS	Opening Balance 1 July 2018 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2019 \$000s
<b>Restricted reserves – purpose of the fund</b>				
<b>Foxton Beach Freeholding Fund (Property)</b> Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,320	495	245	5,570
<b>Reserve Land Reserve (Parks and Recreation)</b> To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	181	4	–	185
<b>Road Upgrade Reserve (Roothing Activity)</b> To fund transport network improvements as approved by the Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	768	15	–	783
<b>Wairarawa Stream Walkway</b> To hold funds for the construction of a walkway along the Wairarawa stream.	53	2	–	55
<b>Total restricted reserves</b>	<b>6,323</b>	<b>516</b>	<b>245</b>	<b>6,592</b>
<b>Financial and Capital contributions for Roothing (Roothing Activity)</b> To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	84	2	–	86
<b>Financial and Capital contributions for Water Supplies (Water Supply Activity)</b> To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	558	11	–	568
<b>Financial and Capital contributions for Wastewater Schemes (Wastewater Activity)</b> To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	138	3	–	141
<b>Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity)</b> 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.	644	12	–	656
<b>Election Fund (Representation and Governance Activity)</b> To smooth the rating impact of election costs and to fund any by-election.	116	2	33	85
<b>Capital Projects Fund (All Activities)</b> To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	852	17	–	869
<b>Foxton Citizens Fund (Community Support Activity)</b> To provide a fund for awards in recognition of community service in Foxton.	4	–	–	4

<b>2019 RESERVE FUNDS</b>	<b>Opening Balance 1 July 2018 \$000s</b>	<b>Deposits for the period of the year \$000s</b>	<b>Withdrawals For the period of the year \$000s</b>	<b>Closing Balance 30 June 2019 \$000s</b>
<b>Hockey Turf Replacement Fund (Parks and Recreation – Sports Grounds)</b> To fund the replacement of the water turf at Donnelly Park on behalf of the Turf trust.	225	29	–	254
<b>Esplanade Fund (Parks and Recreation)</b> To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	130	3	–	133
<b>Shannon Railway Station Fund (Property Activity)</b> Set aside from grants to preserve the historic Shannon Railway Station.	25	1	–	26
<b>Total Council created reserves</b>	<b>2,776</b>	<b>78</b>	<b>33</b>	<b>2,822</b>
<b>Total all reserve funds</b>	<b>9,099</b>	<b>594</b>	<b>280</b>	<b>9,413</b>

# 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 2 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 29 August 2018.

The Council receives the Trust's annual report. The annual accounts are included in the Group financials for 30 June 2020.

## Manawatū-Whanganui Local Authority Shared Services Limited (MWLASS)

### Nature and scope of activities provided

MW LASS Ltd 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 MWLASS Ltd.

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 October 2018.

# Notes to the Financial Statements

FOR THE YEAR ENDED 30 June 2020

## 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 LIABILITIES
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 2020
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. COVID-19 IMPACT DISCLOSURE

<b>1. RATES REVENUE</b>	<b>Council and Group Actual \$ 30 June 2020 \$000</b>	<b>Council and Group Budget \$ 30 June 2020 \$000</b>	<b>Council and Group Actual \$ 30 June 2019 \$000</b>
<b>Gross rates</b>			
<b>General rates</b>			
Uniform annual general charge	–	–	–
Differential general rates	10,467	10,476	9,567
Penalties	384	388	344
<b>Total general-purpose rates</b>	<b>10,851</b>	<b>10,864</b>	<b>9,911</b>
<b>Targeted rates</b>			
Solid waste rates	447	445	316
Roading rate	3,887	3,882	4,137
Library services and Community Centres rate	4,076	4,064	4,053
Representation and Community Leadership rate	3,567	3,556	3,507
Aquatic centre (Swimming pool) rate	2,396	2,388	2,348
Stormwater rate	1,257	1,254	1,058
Wastewater Disposal rate	7,296	7,271	6,900
<b>Total targeted rates excluding water rates</b>	<b>22,926</b>	<b>22,860</b>	<b>22,319</b>
<b>Water rates</b>			
District wide	4,990	4,969	4,807
Foxton Beach	506	506	482
Metered water supply	1,463	1,308	1,407
<b>Total targeted water rates</b>	<b>6,959</b>	<b>6,783</b>	<b>6,696</b>
<b>Total rates revenue (gross of remissions)</b>	<b>40,736</b>	<b>40,507</b>	<b>38,926</b>
<b>Net rates</b>			
Total rates revenue (gross)	40,736	40,507	38,926
<b>Rates remissions:</b>			
Remissions under the Council remission policy	(350)	(408)	(364)
Penalty remissions	–	–	–
<b>Total rate remissions</b>	<b>(350)</b>	<b>(408)</b>	<b>(364)</b>
<b>Total rates revenue net of remissions</b>	<b>40,386</b>	<b>40,099</b>	<b>38,562</b>
Exchange transaction	–		–
Non exchange transaction	40,386		38,562
<b>Total transactions</b>	<b>40,386</b>		<b>38,562</b>

Total rates revenue include \$463,534 (2019 \$270,810) for rates paid by HDC on properties owned by Council

<b>Rateable properties</b>	<b>30 June 2020</b>	<b>30 June 2019</b>
Total properties	18,203	18,127
Total land value	\$4,940,453,400	\$3,330,735,750
Total capital value	\$9,490,402,300	\$6,805,679,650

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.

<b>2. FINANCE REVENUE AND OTHER REVENUE</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
<b>2a. Finance revenue</b>				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	329	379	339	391
Borrower notes	41	44	41	44
<b>Total finance revenue</b>	<b>370</b>	<b>423</b>	<b>380</b>	<b>435</b>
Exchange transactions	370	423	380	435
Non exchange transactions	–	–	–	–
<b>Total finance revenue transactions</b>	<b>370</b>	<b>423</b>	<b>380</b>	<b>435</b>
<b>2b. Subsidies and grants</b>				
Waka Kotahi/NZTA Government grants	4,899	4,660	4,899	4,660
Private sector grants	48	102	48	102
Other Government grants	91	762	91	762
<b>Total subsidies and grants</b>	<b>5,038</b>	<b>5,524</b>	<b>5,038</b>	<b>5,524</b>
Exchange transactions	–	–	–	–
Non exchange transactions	5,038	5,524	5,038	5,524
<b>Total subsidies and grants transactions</b>	<b>5,038</b>	<b>5,524</b>	<b>5,038</b>	<b>5,524</b>
<b>2c. Fees and charges</b>				
User charges	4,542	4,693	4,542	4,693
Rental revenue from commercial properties	316	662	316	662
<b>Total fees and charges</b>	<b>4,858</b>	<b>5,355</b>	<b>4,858</b>	<b>5,355</b>
Exchange transactions	350	674	350	674
Non exchange transactions	4,508	4,681	4,508	4,681
<b>Total fees and charges transactions</b>	<b>4,858</b>	<b>5,355</b>	<b>4,858</b>	<b>5,355</b>
<b>2d. Other revenue</b>				
Infringements and fines	392	451	392	451
Rendering of services	617	418	617	418
Petrol tax	210	229	210	229
Dividend revenue	134	5	134	5
Insurance recoveries:				
– buildings	–	6	–	6
Regulatory revenue	2,594	2,288	2,594	2,288
Donations	58	124	58	124
<b>Total other revenue</b>	<b>4,005</b>	<b>3,521</b>	<b>4,005</b>	<b>3,521</b>
Exchange transactions	543	490	543	490
Non exchange transactions	3,462	3,031	3,462	3,031
<b>Total other revenue transactions</b>	<b>4,005</b>	<b>3,521</b>	<b>4,005</b>	<b>3,521</b>



2. FINANCE REVENUE AND OTHER REVENUE (cont.)	Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
2e. Vested assets	730	453	730	453
2f. Development contributions	—	—	—	—
<b>Total vested assets and development contributions</b>	<b>730</b>	<b>453</b>	<b>730</b>	<b>453</b>
Exchange transactions	—	—	—	—
Non exchange transactions	730	453	730	453
<b>Total vested assets and development contributions transactions</b>	<b>730</b>	<b>453</b>	<b>730</b>	<b>453</b>

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)		Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
	Note				
<b>Non-financial instruments</b>					
Gain/(loss) on changes in fair value of forestry assets	13	121	(65)	121	(65)
Gain/(loss) on changes in fair value of carbon credits		124	27	124	27
Gain on disposal of property, plant and equipment		595	29	595	29
Loss on disposal of property, plant and equipment		(99)	(155)	(99)	(155)
Gain/(loss) on changes in fair value of investment property	14	—	—	—	—
<b>Total non-financial instruments</b>		<b>741</b>	<b>(164)</b>	<b>741</b>	<b>(164)</b>
<b>Financial instruments</b>					
Gain/(loss) on revaluation of financial liabilities		—	—	—	—
Gain/(loss) on revaluation of financial assets		7	(7)	7	(7)
<b>Total financial instruments</b>		<b>7</b>	<b>(7)</b>	<b>(7)</b>	<b>(7)</b>
<b>Total gains/(losses)</b>		<b>748</b>	<b>(171)</b>	<b>748</b>	<b>(171)</b>

4. EMPLOYEE BENEFIT EXPENSES		Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
	Note				
Salaries and wages		14,196	13,940	14,196	13,940
Increase/(decrease) in employee entitlements		201	206	201	206
Other employee benefit expenses		441	155	441	155
Employer contributions to superannuation schemes		359	360	359	360
<b>Total employee benefit expenses</b>		<b>15,197</b>	<b>14,661</b>	<b>15,197</b>	<b>14,661</b>

5. OTHER OPERATING EXPENSES		Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
	Note				
<b>Fees to principal auditor</b>					
Audit fees for financial statement audit		155	157	155	157
Audit fees for other services		4	4	4	4
<b>Total fees to Audit New Zealand</b>		<b>159</b>	<b>161</b>	<b>159</b>	<b>161</b>
Donations		—	—	—	—
Debtors written off	8	263	5	263	5
Impairment of receivables	8	(147)	(124)	(147)	(124)
Impairment of property, plant and equipment		—	—	—	—
Minimum lease payments under operating leases		186	267	186	267
Professional services		4,547	5,079	4,547	5,079
Asset maintenance contract expenditure		15,679	14,083	15,679	14,083
General grants		594	590	594	590
Expenditure on utilities		1,005	1,091	1,005	1,091
Other		3,055	3,305	3,057	3,319
<b>Total other operating expenses</b>		<b>25,341</b>	<b>24,457</b>	<b>25,343</b>	<b>24,471</b>

6. FINANCE COSTS		Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
	Note				
Interest on borrowings		3,136	3,325	3,136	3,325
Interest rate swaps (presented net)		207	282	207	282
<b>Total finance costs</b>		<b>3,343</b>	<b>3,607</b>	<b>3,343</b>	<b>3,607</b>

7. CASH AND CASH EQUIVALENTS		Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
	Note				
Cash at bank and in hand		7,892	3,481	7,916	3,499
Term deposits with maturities less than three months at acquisition		8,000	5,000	8,000	5,000
<b>Total cash and cash equivalents</b>		<b>15,892</b>	<b>8,481</b>	<b>15,916</b>	<b>8,499</b>
<b>Cash and cash equivalents for the purpose of the statement of cash flows</b>					
Cash at bank and in hand		7,892	3,481	7,916	3,499
Term deposits with maturities less than three months at acquisition		8,000	5,000	8,000	5,000
Bank overdrafts		—	—	—	—
<b>Total cash and cash equivalents for the purpose of the statement of cash flows</b>		<b>15,892</b>	<b>8,481</b>	<b>15,916</b>	<b>8,499</b>

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		Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
	Note				
<b>Gross debtors and other receivables</b>					
Rates receivables		3,168	3,856	3,168	3,856
Related party receivables	24	—	—	—	—
Prepayments		313	267	313	267
GST receivable		800	601	800	601
Other receivables		3,414	3,260	3,414	3,260
<b>Total gross debtors and other receivables</b>		<b>7,695</b>	<b>7,984</b>	<b>7,695</b>	<b>7,984</b>
Less provision for impairment of receivables		(1,102)	(1,218)	(1,102)	(1,218)
<b>Net debtors and other receivables</b>		<b>6,593</b>	<b>6,766</b>	<b>6,593</b>	<b>6,766</b>
Less non-current portion:					
<b>Total current portion debtors and other receivables</b>		<b>6,593</b>	<b>6,766</b>	<b>6,593</b>	<b>6,766</b>
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.		6,515	6,710	6,515	6,710
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.		78	56	78	56
<b>Total debtors and other receivables transactions</b>		<b>6,593</b>	<b>6,766</b>	<b>6,593</b>	<b>6,766</b>

#### 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 2020 and 2019 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 2020 and 2019 are detailed below:

	Gross \$000	2020 Impairment \$000	Net \$000	Gross \$000	2019 Impairment \$000	Net \$000
<b>Council</b>						
Not past due	4,483	–	4,483	3,533	–	3,533
Past due < 1 year	3,009	1,102	1,907	3,317	151	3,166
Past due > 1 year	203	-	203	1,134	1,067	67
<b>Total</b>	<b>7,695</b>	<b>1,102</b>	<b>6,593</b>	<b>7,984</b>	<b>1,218</b>	<b>6,766</b>
<b>Group</b>						
Not past due	4,483	–	4,483	3,536	–	3,536
Past due < 1 year	3,009	1,102	1,907	3,317	151	3,166
Past due > 1 year	203	-	203	1,134	1,067	67
<b>Total</b>	<b>7,695</b>	<b>1,102</b>	<b>6,593</b>	<b>7,987</b>	<b>1,218</b>	<b>6,769</b>

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 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
Individual impairment	1,102	1,218	1,102	1,218
Collective impairment	–	–	–	–
<b>Total provision for impairment</b>	<b>1,102</b>	<b>1,218</b>	<b>1,102</b>	<b>1,218</b>

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:

<b>Individual impairment</b>				
Past due < 1 year	1,102	151	1,102	151
Past due > 1 year	-	1,067	-	1,067
<b>Total individual impairment</b>	<b>1,102</b>	<b>1,218</b>	<b>1,102</b>	<b>1,218</b>

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

At 1 July	1,218	1,099	1,218	1,099
Additional provisions made during the year	147	124	147	124
Debtors written off during period	(263)	(5)	(263)	(5)
Increase in infringement provision	–	–	–	–
<b>At 30 June</b>	<b>1,102</b>	<b>1,218</b>	<b>1,102</b>	<b>1,218</b>

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

<b>9. OTHER FINANCIAL ASSETS</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
<b>Current portion</b>				
Inventories	15	15	15	15
<b>Loans and receivables:</b>				
Short-term deposits with maturities of 4–12 months	350	350	350	350
Community loans	10	10	10	10
<b>Total loans and receivables</b>	<b>360</b>	<b>360</b>	<b>360</b>	<b>360</b>
<b>Total current portion</b>	<b>375</b>	<b>375</b>	<b>375</b>	<b>375</b>
<b>Non-current portion</b>				
<b>Investment in CCO's and similar entities:</b>				
Unlisted shares in NZLGIC Limited	104	104	104	104
Unlisted shares in LGFA	100	100	100	100
<b>Total investment in CCO's and similar entities</b>	<b>204</b>	<b>204</b>	<b>204</b>	<b>204</b>
<b>Investment in associates:</b>				
MWLASS	16	16	16	16
<b>Total investment in associates</b>	<b>16</b>	<b>16</b>	<b>16</b>	<b>16</b>
<b>Other:</b>				
LGFA borrowers notes	1,620	1,506	1,620	1,506
Deposits with maturities of over 12 months	–	–	–	–
Investments carried at cost:				
Community loans	71	64	71	64
<b>Total other</b>	<b>1,691</b>	<b>1,570</b>	<b>1,691</b>	<b>1,570</b>
<b>Total non-current portion</b>	<b>1,911</b>	<b>1,790</b>	<b>1,911</b>	<b>1,790</b>
<b>Total other financial assets</b>	<b>2,286</b>	<b>2,165</b>	<b>2,286</b>	<b>2,165</b>

#### 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.

<b>Maturity analysis and effective interest rates:</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
Short-term deposits with maturities 3 months or less	8,000	5,000	8,000	5,000
Average maturity	90 Days	92 Days	90 Days	92 Days
Weighted average effective interest rate	1.13%	2.5%	1.13%	2.5%
Short-term deposits with maturities of 4–12 months	350	350	350	350
Average maturity	305 Days	180 Days	305 Days	180 Days
Weighted average effective interest rate	2.34%	3.26%	2.34%	3.26%

#### Impairment

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

<b>Community loans</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
At 1 July	74	81	74	81
Amount of new loans granted during the year	—	—	—	—
Fair value adjustment on initial recognition	—	—	—	—
Loans repaid during the year (principle and interest)	—	—	—	—
Unwind of discount and interest charge during the year	7	(7)	7	(7)
<b>At 30 June</b>	<b>81</b>	<b>74</b>	<b>81</b>	<b>74</b>

<b>10. NON-CURRENT ASSETS HELD FOR SALE</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
Land & Buildings	1,411	5,000	1,411	5,000
Land	2,600	937	2,600	937
<b>Total assets held for sale</b>	<b>4,011</b>	<b>5,937</b>	<b>4,011</b>	<b>5,937</b>

These are some properties approved for sale by Council on 6 March 2019 where the sale has not been completed by 30 June 2020. These properties include the Focal Point Cinema and Roe Street. The sales are expected to be completed by the end of the next financial year.

## 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	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
<b>Council operational assets</b>														
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
<b>Total operational assets</b>	<b>59,289</b>	<b>(5,120)</b>	<b>54,169</b>	<b>2,024</b>	<b>–</b>	<b>(413)</b>	<b>240</b>	<b>(1,419)</b>	<b>1,998</b>	<b>4,731</b>	<b>(2,605)</b>	<b>61,123</b>	<b>(4,396)</b>	<b>56,727</b>
<b>Council infrastructural assets</b>														
Wastewater treatment	40,094	(1,219)	38,875	6,120	–	–	–	(960)	–	–	–	46,214	(2,179)	44,035
Wastewater other	68,849	(2,046)	66,803	2,172	486	–	–	(2,126)	–	–	–	71,507	(4,172)	67,335
Water supply treatment	26,389	(992)	25,397	811	–	–	–	(844)	–	–	–	27,200	(1,836)	25,364
Water supply other	55,802	(1,770)	54,032	2,975	244	–	–	(1,922)	–	–	–	59,021	(3,692)	55,329
Stormwater drainage	37,913	(638)	37,275	992	–	–	–	(673)	–	–	–	38,905	(1,311)	37,594
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
<b>Total infrastructural assets</b>	<b>471,284</b>	<b>(12,264)</b>	<b>459,020</b>	<b>19,532</b>	<b>730</b>	<b>–</b>	<b>–</b>	<b>(11,793)</b>	<b>5,932</b>	<b>3,618</b>	<b>–</b>	<b>489,232</b>	<b>(18,125)</b>	<b>471,107</b>
<b>Council restricted assets</b>														
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	(8)	48,233
Endowment properties	6,133	(87)	6,046	100	–	(85)	–	(55)	142	4,493	–	10,499	–	10,499
<b>Total restricted assets</b>	<b>47,722</b>	<b>(1,720)</b>	<b>46,002</b>	<b>1,368</b>	<b>–</b>	<b>(85)</b>	<b>–</b>	<b>(957)</b>	<b>2,669</b>	<b>13,849</b>	<b>–</b>	<b>60,185</b>	<b>(8)</b>	<b>60,177</b>
<b>Total council PPE</b>	<b>578,295</b>	<b>(19,104)</b>	<b>559,191</b>	<b>22,924</b>	<b>730</b>	<b>(498)</b>	<b>240</b>	<b>(14,169)</b>	<b>10,599</b>	<b>22,198</b>	<b>(2,605)</b>	<b>610,540</b>	<b>(22,529)</b>	<b>588,011</b>

### 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.



## 11. PROPERTY, PLANT AND EQUIPMENT (PPE) 2019 – Council & Group

2019	Cost / revaluation 1–Jul–18 \$000	Accumulated depreciation and impairment charges 1–Jul–18 \$000	Carrying amount 1–Jul–18 \$000	Additions 2018/19 \$000	Vested assets 2018/19 \$000	Disposals at cost 2018/19 \$000	Depreciation on disposals 2018/19 \$000	Depreciation 2018/19 \$000	Reversal of accumulated depreciation 2018/19 \$000	Revaluation 2018/19 \$000	Transfers 2018/19 \$000	Cost / revaluation 30–Jun–19 \$000	Accumulated depreciation and impairment charges 30–Jun–19 \$000	Carrying amount 30–Jun–19 \$000
<b>Council operational assets</b>														
Land	15,168	–	15,168	1,060	–	–	–	–	–	–	(650)	15,578	–	15,578
Buildings	36,188	(664)	35,524	326	–	(368)	–	(670)	–	–	–	36,146	(1,334)	34,812
Library books and other lending stock	808	(111)	697	233	–	(143)	–	(90)	(507)	–	–	1,407	(708)	699
Plant and equipment	5,612	(2,720)	2,892	670	–	(124)	122	(480)	–	–	–	6,158	(3,078)	3,080
<b>Total operational assets</b>	<b>57,776</b>	<b>(3,495)</b>	<b>54,281</b>	<b>2,291</b>	<b>–</b>	<b>(635)</b>	<b>122</b>	<b>(1,240)</b>	<b>(507)</b>	<b>–</b>	<b>(650)</b>	<b>59,289</b>	<b>(5,120)</b>	<b>54,169</b>
<b>Council infrastructural assets</b>														
Wastewater treatment	36,314	(1,116)	35,198	3,900	–	(24)	8	(1,170)	1,059	963	–	40,094	(1,219)	38,875
Wastewater other	66,944	(2,003)	64,941	2,427	403	–	–	(2,047)	2,004	1,079	–	68,849	(2,046)	66,803
Water supply treatment	24,548	(864)	23,684	1,066	–	–	–	(906)	778	1,553	–	26,389	(992)	25,397
Water supply other	53,298	(1,719)	51,579	4,854	51	–	–	(1,769)	1,718	(683)	–	55,802	(1,770)	54,032
Stormwater drainage	39,336	(694)	38,642	1,110	–	–	–	(638)	694	(1,839)	–	37,913	(638)	37,275
Solid waste	5,151	(283)	4,868	107	–	–	–	(278)	–	–	–	5,258	(561)	4,697
Roads	163,475	(4,100)	159,375	4,160	–	–	–	(4,114)	4,100	8,459	–	171,994	(4,114)	167,880
Footpaths	39,937	(898)	39,039	1,582	–	–	–	(924)	898	79	–	40,700	(924)	39,776
Land under roads	24,285	–	24,285	–	–	–	–	–	–	–	–	24,285	–	24,285
<b>Total infrastructural assets</b>	<b>453,288</b>	<b>(11,677)</b>	<b>441,611</b>	<b>19,206</b>	<b>454</b>	<b>(24)</b>	<b>8</b>	<b>(11,846)</b>	<b>11,251</b>	<b>9,611</b>	<b>–</b>	<b>471,284</b>	<b>(12,264)</b>	<b>459,020</b>
<b>Council restricted assets</b>														
Cemeteries	1,405	(12)	1,393	101	–	–	–	(21)	–	–	–	1,506	(33)	1,473
Parks and reserves	38,964	(772)	38,192	1,117	–	–	–	(828)	–	–	–	40,083	(1,600)	38,483
Endowment properties	5,595	(34)	5,561	102	–	(214)	–	(53)	–	–	650	6,133	(87)	6,046
<b>Total restricted assets</b>	<b>45,964</b>	<b>(818)</b>	<b>45,146</b>	<b>1,320</b>	<b>–</b>	<b>(214)</b>	<b>–</b>	<b>(902)</b>	<b>–</b>	<b>–</b>	<b>650</b>	<b>47,722</b>	<b>(1,720)</b>	<b>46,001</b>
<b>Total council PPE</b>	<b>556,259</b>	<b>(15,990)</b>	<b>541,038</b>	<b>22,817</b>	<b>454</b>	<b>(873)</b>	<b>130</b>	<b>(13,988)</b>	<b>10,744</b>	<b>9,611</b>	<b>–</b>	<b>578,294</b>	<b>(19,104)</b>	<b>559,190</b>

### Work in progress

Work in progress at 30 June 2019 was \$457,497 in buildings (2018: \$29,954), \$2,918,134 in wastewater (2018: \$808,618), \$177,384 in water (2018: \$1,671,734), \$33,247 in parks (2018: \$17,658), \$31,499 in plant and equipment (2018: \$130,142), \$0 in solid waste (2018: \$0) and \$247,856 in stormwater (2018: \$338,580), \$11,564 in Cemeteries (2018: \$0). 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 2020 – Council & Group													
2020	Cost / revaluation	Accumulated amortisation and impairment charges	Carrying amount 1-Jul- 19	Additions	Vested Assets	Disposals at Cost	Amortisation on Disposals	Amortisation	Revaluation	Transfers	Cost / revaluation	Accumulated amortisation and impairment charges	Carrying amount 30-Jun- 20
	1-Jul-19 \$000	1-Jul-19 \$000	19 \$000	2019/20 \$000	2019/20 \$000	2019/20 \$000	2019/20 \$000	2019/20 \$000	2019/20 \$000	2019/20 \$000	30-Jun-20 \$000	30-Jun-20 \$000	20 \$000
<b>Council intangible assets</b>													
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
<b>Total council intangible assets</b>	<b>4,809</b>	<b>(3,280)</b>	<b>1,529</b>	<b>296</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>(347)</b>	<b>–</b>	<b>–</b>	<b>5,106</b>	<b>(3,627)</b>	<b>1,479</b>

12. INTANGIBLE ASSETS 2019 – Council & Group													
2019	Cost / revaluation	Accumulated amortisation and impairment charges	Carrying amount 1-Jul- 18	Additions	Vested Assets	Disposals at Cost	Amortisation on Disposals	Amortisation	Revaluation	Transfers	Cost / revaluation	Accumulated amortisation and impairment charges	Carrying amount 30-Jun- 19
	1-Jul-18 \$000	1-Jul-18 \$000	18 \$000	2018/19 \$000	2018/19 \$000	2018/19 \$000	2018/19 \$000	2018/19 \$000	2018/19 \$000	2018/19 \$000	30-Jun-19 \$000	30-Jun-19 \$000	19 \$000
<b>Council intangible assets</b>													
Easements	238	–	238	1	–	0	–	–	–	–	239	–	239
Carbon credits	296	–	296	28	–	–	–	–	–	–	324	–	324
Computer software	4,106	(2,885)	1,221	140	–	–	–	(395)	–	–	4,246	(3,280)	966
<b>Total council intangible assets</b>	<b>4,640</b>	<b>(2,885)</b>	<b>1,755</b>	<b>169</b>	<b>–</b>	<b>0</b>	<b>–</b>	<b>(395)</b>	<b>–</b>	<b>–</b>	<b>4,809</b>	<b>(3,280)</b>	<b>1,529</b>

### 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		Council and Group Actual \$ 30 June 2020 \$000	Council and Group Actual \$ 30 June 2019 \$000
	Note		
Balance at 1 July		942	1,108
Gains/(losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	3	121	(65)
Harvest of trees at the POT		28	(101)
<b>Total forestry assets</b>		<b>1,090</b>	<b>942</b>

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, Hokio 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 2020. Valuation assumptions adopted in determining the fair value of the forestry assets include:

- \* a pre-tax discount rate of 8% (2019: 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		Council and Group Actual \$ 30 June 2020 \$000	Council and Group Actual \$ 30 June 2019 \$000
	Note		
Balance at 1 July		—	5,879
Additions from acquisitions		—	—
Additions from subsequent expenditure		—	58
Transfer from/(to) assets held for sale		—	(5,937)
Disposals		—	—
Fair value gains/(losses) on valuation	3	—	—
<b>Total Commercial property</b>		<b>—</b>	<b>—</b>

REVENUE AND EXPENSE FROM COMMERCIAL PROPERTY	Council and Group Actual \$ 30 June 2020 \$000	Council and Group Actual \$ 30 June 2019 \$000
Rental revenue	249	583
Direct operating expenses from commercial property generating revenue	(104)	(133)
Direct operating expenses from commercial property not generating revenue	—	—
Contractual obligations for capital expenditure	—	—
Contractual obligations for operating expenditure	—	—
<b>Surplus/(deficit) from investment property</b>	<b>145</b>	<b>450</b>

15. PAYABLES AND DEFERRED REVENUE	Note	Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
Trade payables		7,662	5,157	7,662	5,157
Amounts due to related parties	24	—	—	—	—
Deposits and bonds		797	690	797	690
Accrued expenses		1,074	1,359	1,074	1,359
Rates and other revenue in advance		2,742	970	2,742	970
Rates instalment		—	—	—	—
Other		1,347	1,118	1,347	1,118
Term deposit held for Shannon Community Trust		350	350	—	—
<b>Total payables and deferred revenue</b>		<b>13,972</b>	<b>9,644</b>	<b>13,622</b>	<b>9,294</b>
Exchange transactions		10,108	8,851	11,072	8,501
Non exchange transactions		3,864	793	2,550	793
<b>Total payables and deferred revenue transactions</b>		<b>13,972</b>	<b>9,644</b>	<b>13,622</b>	<b>9,294</b>

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 2020 \$000	Council and Group Actual \$ 30 June 2019 \$000
<b>Current provisions are represented by:</b>		
Landfill aftercare	30	30
<b>Total current provisions</b>	<b>30</b>	<b>30</b>
<b>Non-current provisions are represented by:</b>		
Landfill aftercare	6,425	4,811
<b>Total non-current provisions</b>	<b>6,425</b>	<b>4,811</b>
<b>Total provisions</b>	<b>6,455</b>	<b>4,841</b>
<b>Landfill aftercare</b>		
Opening balance	4,841	3,543
Additional provisions made during the year	1,614	1,298
Unwinding of discount	—	—
Amounts used during the year	—	—
<b>Closing landfill aftercare balance</b>	<b>6,455</b>	<b>4,841</b>

### 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 2020 (30 June 2019: \$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. 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 0.22% to 2.14% (2019: 1.68% to 3.77%). The inflation factor is the Treasury's CPI assumption with rates ranging from 0.83% to 2.00% (2019: 1.52% to 2.00%). The gross provision before discounting was \$9.74m (2019: \$10.08m).

The management of the landfill will influence the timing of recognition of some liabilities – for example a liability relating to each cell will only be created when that cell is commissioned and when refuse begins to accumulate in the cell.

The provision was estimated by P Landmark of Montgomery Watson as at 30 June 2020 (2019: 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 MfE Closed Landfills Guideline.

The remaining capacity of the consented landfill is approximately 472,180 cubic metres (2019: 521,780) (comprising: refuse, clean fill and cover).

The estimated remaining life is approximately 13 years (2019: 14 years).

<b>17. EMPLOYMENT BENEFIT LIABILITIES</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
Accrued pay	–	–	–	–
Annual leave	1,060	899	1,060	899
Long service leave	207	167	207	167
Retirement gratuities	–	–	–	–
<b>Total employee benefit liabilities</b>	<b>1,267</b>	<b>1,066</b>	<b>1,267</b>	<b>1,066</b>
<b>Comprising:</b>				
Current	1,060	899	1,060	899
Non-current	207	167	207	167
<b>Total employee benefit liabilities</b>	<b>1,267</b>	<b>1,066</b>	<b>1,267</b>	<b>1,066</b>

### 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 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
<b>Current</b>				
Bank overdraft	–	–	–	–
Secured loans	35,000	20,000	35,000	20,000
<b>Total current borrowings</b>	<b>35,000</b>	<b>20,000</b>	<b>35,000</b>	<b>20,000</b>
<b>Non-current</b>				
Secured loans	71,000	76,000	71,000	76,000
<b>Total non-current borrowings</b>	<b>71,000</b>	<b>76,000</b>	<b>71,000</b>	<b>76,000</b>
<b>Total borrowings</b>	<b>106,000</b>	<b>96,000</b>	<b>106,000</b>	<b>96,000</b>

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 2019.

#### Fixed rate debt

Horowhenua District Council's secured debt of \$67,000,000 (2019: \$63,000,000) is issued at rates of interest fixed at time of issue.

#### Floating rate debt

Horowhenua District Council has \$39,000,000 on current floating rate (2019: \$33,000,000). 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 (2019: Nil).

#### Committed cash advance facility

Horowhenua District Council has a CCAF (Committed Cash Advance Facility) of \$10m that has not been included in the financial statements.

#### Credit card

Horowhenua District Council has a \$15,000 MasterCard facility that has not been included in the financial statements.

#### Security

All HDC's secured loans are secured under the terms of the Debenture Trust Deed between HDC and Foundation Corporate Trust 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, HDC has issued to its bankers security certificates totalling \$136.3m to secure the various bank loan facilities and guarantees issued on behalf of HDC and other general banking facilities. An additional \$12,437.56m of security certificates have been issued as part of the LGFA 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.

	Secured Loans Actual \$ 30 June 2020 \$000	Secured Loans Actual \$ 30 June 2019 \$000	Bank Overdraft Actual \$ 30 June 2020 \$000	Bank Overdraft Actual \$ 30 June 2019 \$000
<b>Council and Group</b>				
Less than one year	35,000	20,000	–	–
Effective weighted average interest rate	2.72%	2.02%	–	–
Later than one year but not more than five years	52,000	52,000	–	–
Effective weighted average interest rate	2.94%	4.02%	–	–
Later than five years	19,000	24,000	–	–
Effective weighted average interest rate	2.80%	4.02%	–	–
<b>Total borrowings</b>	<b>106,000</b>	<b>96,000</b>	<b>–</b>	<b>–</b>

## Fair value of borrowings

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

	Carrying amounts		Fair values	
	Actual \$ 30 June 2020 \$000	Actual \$ 30 June 2019 \$000	Actual \$ 30 June 2020 \$000	Actual \$ 30 June 2019 \$000
<b>Council and Group</b>				
Secured Loans	106,000	96,000	106,000	96,000
<b>Total borrowings</b>	<b>106,000</b>	<b>96,000</b>	<b>106,000</b>	<b>96,000</b>

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 average borrowing rates ranging from 0.555% to 5.9852% (2019: 1.68% to 5.9852%).

## Internal borrowings

Information about internal borrowings per activity is provided on the activity funding impact statements on pages 93–178.

LGFA COVENANT COMPLIANCE	Council limits	LGFA lending policy	Actual 30 June 2020	Actual 30 June 2019
Net debt to total operating revenue	< 195%	< 250%	165%	164%
Net interest to total operating revenue	< 20%	< 20%	5%	6%
Net interest to annual rates revenue	< 25%	< 25%	7%	8%
Available financial accommodation to external indebtedness	> 110%	> 110%	111%	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 250% 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 Poors.

19. DERIVATIVE FINANCIAL INSTRUMENTS	Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
<b>Current liability</b>				
Interest rate swaps – cashflow hedges	465	378	465	378
<b>Non-current liability</b>				
Interest rate swaps – cashflow hedges	3,050	1,819	3,050	1,819
<b>Total derivative financial instrument liability</b>	<b>3,515</b>	<b>2,197</b>	<b>3,515</b>	<b>2,197</b>
<b>Gain or loss on derivative financial instruments</b>				
Opening balance	2,197	1,222	2,197	1,222
Closing balance	3,515	2,197	3,515	2,197
<b>Derivative gain/(loss)</b>	<b>(1,318)</b>	<b>(975)</b>	<b>(1,318)</b>	<b>(975)</b>

## 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 HDC were \$26.0m (2019: \$26m and for the HDC group were \$26m (2019: \$26m). At 30 June 2020, the fixed interest rate of the cash flow hedge interest rate swaps varied from 2.150% and 4.750% (2019 2.150% and 4.750%).



<b>20. OTHER NON-CURRENT LIABILITIES</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
Development contributions	–	–	–	–
LGFA amortisations	100	177	100	177
<b>Total other non-current liabilities</b>	<b>100</b>	<b>177</b>	<b>100</b>	<b>177</b>

<b>21. EQUITY</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
<b>Retained earnings</b>				
As at 1 July	250,815	256,774	251,184	257,146
Transfers to:				
Special funds	(460)	(593)	(460)	(593)
Transfers from:				
Special funds	262	280	262	280
Asset revaluation reserve on disposals	–	68	–	68
Surplus/(deficit) for the year	(5,230)	(5,714)	(5,222)	(5,716)
<b>As at 30 June</b>	<b>245,387</b>	<b>250,815</b>	<b>245,764</b>	<b>251,185</b>
<b>Other reserve funds (refer to separate schedule on page 24)</b>				
As at 1 July	9,413	9,099	9,413	9,099
Transfers to:				
Retained earnings	(262)	(280)	(262)	(280)
Transfers from:				
Retained earnings	460	594	460	594
<b>As at 30 June</b>	<b>9,611</b>	<b>9,413</b>	<b>9,611</b>	<b>9,413</b>
<b>Asset revaluation reserves</b>				
As at 1 July	210,857	201,312	210,857	201,312
Revaluation gains/(losses)	22,198	9,613	22,198	9,613
Transfers to:				
Retained earnings on disposal of property, plant and equipment	–	(68)	–	(68)
<b>As at 30 June</b>	<b>233,055</b>	<b>210,857</b>	<b>233,055</b>	<b>210,857</b>
<b>Asset revaluation reserves consist of:</b>				
<b>Operational assets</b>				
Land and Buildings	15,867	11,137	15,867	11,137
<b>Infrastructural assets</b>				
Sewerage system	48,970	48,971	48,970	48,971
Water system	34,212	34,212	34,212	34,212
Stormwater drainage system	20,896	20,896	20,896	20,896
Solid waste	1,845	954	1,845	954
Roading network	81,657	78,930	81,657	78,930
<b>Restricted assets</b>				
Cemeteries	94	235	94	235
Parks and reserves	22,359	12,860	22,359	12,860
Endowment property	7,155	2,662	7,155	2,662
<b>Total asset revaluation reserves</b>	<b>233,055</b>	<b>210,857</b>	<b>233,055</b>	<b>210,857</b>
<b>Total equity</b>	<b>488,053</b>	<b>471,085</b>	<b>488,430</b>	<b>471,454</b>

Refer to reserve funds statement, pages 24–26, for details on restricted reserves and Council created reserve funds.

The revaluation amounts calculated are net of impairment, which is the cost to bring the earthquake prone buildings up to standard. Land and buildings asset class had \$620,000 of impairment and parks and reserves had \$388,000.

<b>22. CAPITAL COMMITMENTS AND OPERATING LEASES</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
<b>PPE capital commitments</b>				
Wastewater treatment	—	—	—	—
Water treatment	—	—	—	—
Wastewater other	—	—	—	—
Water other	—	—	—	—
Stormwater	—	—	—	—
Buildings	—	—	—	—
Parks	—	—	—	—
<b>Total PPE capital commitments</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>—</b>

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:

<b>OPERATING LEASES AS LESSEE</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
<b>Non-cancellable operating leases as lessee</b>				
Less than one year	171	199	171	199
Later than one year but not more than five years	190	330	190	330
Later than five years	—	—	—	—
<b>Total non-cancellable operating leases</b>	<b>361</b>	<b>529</b>	<b>361</b>	<b>529</b>

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:

<b>OPERATING LEASES AS LESSOR</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
<b>Non-cancellable operating leases as lessor</b>				
Less than one year	553	502	553	502
Later than one year but not more than five years	1,171	1,013	1,171	1,013
Later than five years	1,008	1,277	1,008	1,277
<b>Total non-cancellable operating leases</b>	<b>2,732</b>	<b>2,792</b>	<b>2,732</b>	<b>2,792</b>

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.

<b>23. CONTINGENCIES</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
Guarantees	5,219	5,219	5,219	5,219
Government grant	—	—	—	—
<b>Total contingencies</b>	<b>5,219</b>	<b>5,219</b>	<b>5,219</b>	<b>5,219</b>

### 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 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 less than \$50,000.

Horowhenua District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA 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 31 local authority shareholders and 8 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100k. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Horowhenua District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2020, NZLGFA had borrowings totalling \$11,908m (2019: \$9,531m).

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 NZLGFA defaulting on repayment of interest or capital to be very low on the basis that:

- We 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 Waitārerere Beach Motor Camp and Levin Holiday Park include provisions for Council to buy-back the lessee's fixtures and improvements in certain circumstances totalling \$945,000. 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 2020 (2019: 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 2020 there were 24 facilities having an approximate value of \$20.56m (2019: 24 facilities, \$18.50m). 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 (MWLASS)

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 2019/20 and 2018/19.

RELATED PARTY TRANSACTIONS	Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000
Total MWLASS related party transactions	94	145

### Shannon Community Development Trust

The Council holds \$350,000 (2019: \$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:

<b>TRANSACTIONS WITH KEY MANAGEMENT PERSONNEL</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>
Wayne Bishop Builder Limited – in which Cr Wayne Bishop is a director / shareholder.	–	3
The George Café 2018 Limited – in which Cr Wayne Bishop is a director / shareholder.	–	2
Brady Electrical and Control Ltd – in which Nicki Brady is a director / shareholder.	3	1
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 / shareholder.	8	–
<b>Total transactions with key management personnel</b>	<b>24</b>	<b>6</b>

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2019: \$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:

<b>RELATED PARTY TRANSACTIONS</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>
<b>Foxton Beach Community Board members</b>		
Mastermix Packaging Ltd (in which Tricia Metcalf is a shareholder)	9	–
<b>Total transactions with Foxton Beach Community Board members</b>	<b>9</b>	<b>–</b>

<b>KEY MANAGEMENT PERSONNEL COMPENSATION</b>	<b>Council Actual \$ 30 June 2020</b>	<b>Council Actual \$ 30 June 2019</b>
<b>Remuneration</b>		
Councillors	512,563	410,902
Senior management team, including the Chief Executive	1,229,592	1,315,023
<b>Total key management personnel remuneration</b>	<b>1,742,155</b>	<b>1,725,925</b>
<b>Full-time equivalent key management personnel</b>		
Councillors*	11	11
Senior management team, including the Chief Executive	6	7
<b>Total full-time equivalent key management personnel</b>	<b>17</b>	<b>18</b>

\*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 2020	Council Actual \$ 30 June 2019
<b>Chief Executive</b>			
Salary		313,128	326,103
Vehicle (FBT value)		15,000	15,000
<b>Total Chief Executive remuneration</b>		<b>328,128</b>	<b>341,103</b>
		Council Actual \$ 30 June 2020	Council Actual \$ 30 June 2019
Elected representatives	Other Remuneration Allowances	Other Remuneration Allowances	Other Remuneration Allowances
<b>Mayor</b>			
B Wanden	89,814	1,273	–
M Feyen	35,245	6,543	109,494
<b>Councillors:</b>			
D Allen	25,982	1,216	–
W Bishop	38,539	230	39,105
R Brannigan	34,877	230	27,797
R Campbell	9,005	1,676	27,797
N Gimblett	9,996	73	30,856
T Isaacs	25,981	157	–
S Jennings	25,981	157	–
B Judd	9,996	73	30,856
V Kaye-Simmons	39,596	230	27,797
R Ketu	25,981	470	–
J Mason	55,732	634	33,809
C Mitchell	37,237	230	27,797
P H Tukapua	39,596	230	27,797
B Wanden	9005	73	27,797
<b>Total elected representatives remuneration</b>	<b>512,563</b>	<b>13,495</b>	<b>410,902</b>
<b>Foxton Beach Community Board</b>			
D Roache (Chair)	12,528	230	12,273
D Allan	1,902	73	6,137
T Chambers	4,392	157	–
J Girling	6,269	530	6,137
J Lundie	1,902	73	6,137
P Metcalf	6,269	230	6,137
N Newland	4,392	157	–
<b>Total Foxton Beach Community Board remuneration</b>	<b>37,654</b>	<b>1,450</b>	<b>36,821</b>
		Council Actual \$ 30 June 2020	Council Actual \$ 30 June 2019
<b>Council employees</b>			
Total annual remuneration by band			
<60,000		125	123
\$60,000 – \$79,999		53	51
\$80,000 – \$99,999		34	31
\$100,000 – \$119,999		12	13
\$120,000 – \$219,999		15	9
\$220,000 – \$339,999		1	1
<b>Total Council employee remuneration</b>		<b>240</b>	<b>228</b>

At balance date, the Council employed 144 (2019: 149) full-time employees, with the balance of staff representing 57 (2019: 43) 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 2020 Horowhenua District Council made 0 severance payments to employees totalling \$0 (2019: \$159,355).

## 27. EVENTS AFTER THE BALANCE SHEET DATE

Council received \$38.1 million over 4 years from the crown for the shovel ready project Tara-Ika.  
Council received \$3.86 million funding from the provincial growth funding for the Foxton river loop

## 28. FINANCIAL INSTRUMENTS

28a. FINANCIAL INSTRUMENT CATEGORIES		Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
	Note				
<b>Financial assets</b>					
<b>Loans and receivables</b>					
Cash and cash equivalents	7	15,892	8,481	15,892	8,499
Debtors and other receivables	8	6,593	6,499	6,593	6,499
Other financial assets:					
– Term deposits	9	350	350	350	350
– Community loan	9	81	74	81	74
<b>Total loans and receivables</b>		<b>22,916</b>	<b>15,404</b>	<b>22,916</b>	<b>15,422</b>
<b>Fair value through other comprehensive revenue and expense</b>					
Unlisted shares in NZLGIC Limited	9	104	104	104	104
Unlisted shares in MWLASS	9	16	16	16	16
Unlisted shares in LGFA	9	100	100	100	100
LGFA borrowers notes	9	1,620	1,506	1,620	1,506
<b>Total fair value through other comprehensive revenue and expense</b>		<b>1,840</b>	<b>1,726</b>	<b>1,840</b>	<b>1,726</b>
<b>Total financial assets</b>		<b>24,756</b>	<b>17,130</b>	<b>24,756</b>	<b>17,148</b>
<b>Financial Liabilities</b>					
<b>Fair Value through surplus or deficit – held for trading</b>					
Derivative financial instrument liabilities	19	3,515	2,197	3,515	2,197
<b>Financial liabilities at amortised cost</b>					
Creditors and other payables	15	13,972	9,644	13,622	9,297
Borrowings:					
– bank overdraft	7	–	–	–	–
– secured loans	18	106,000	96,000	106,000	96,000
<b>Total financial liabilities at amortised cost</b>		<b>119,972</b>	<b>105,644</b>	<b>119,622</b>	<b>105,297</b>
<b>Total financial liabilities</b>		<b>123,487</b>	<b>107,841</b>	<b>123,137</b>	<b>107,494</b>

## 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:

	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
<b>Council 2020</b>				
<b>Financial assets</b>				
Shares	220	–	–	220
LGFA borrower notes	1,620	–	–	1,620
<b>Financial liabilities</b>				
Swap derivatives	3,515	–	3,515	–
<b>Group 2020</b>				
<b>Financial assets</b>				
Shares	220	–	–	220
LGFA borrower notes	1,620	–	–	1,620
<b>Financial liabilities</b>				
Swap derivatives	3,515	–	3,515	–
<b>Council 2019</b>				
<b>Financial assets</b>				
Shares	220	–	–	220
LGFA borrower notes	1,506	–	–	1,506
<b>Financial liabilities</b>				
Swap derivatives	2,197	–	2,197	–
<b>Group 2019</b>				
<b>Financial assets</b>				
Shares	220	–	–	220
LGFA borrower notes	1,506	–	–	1,506
<b>Financial liabilities</b>				
Swap derivatives	2,197	–	2,197	–

## 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 (2019: \$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 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
Cash at bank and term deposits	7	15,892	8,481	15,916	8,849
Debtors and other receivables	8	6,593	6,766	6,593	6,766
<b>Total credit risk</b>		<b>22,485</b>	<b>15,247</b>	<b>22,509</b>	<b>15,615</b>

### 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 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
<b>Cash at bank and term deposits:</b>					
AA-	7	15,892	8,481	15,916	8,849
<b>Total cash at bank and term deposits</b>		<b>15,892</b>	<b>8,481</b>	<b>15,916</b>	<b>8,849</b>

## 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 2020	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	13,972	13,972	13,972	–	–	–
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
<b>Total</b>		<b>123,487</b>	<b>130,717</b>	<b>50,188</b>	<b>12,963</b>	<b>45,356</b>	<b>22,210</b>
<b>Group 2020</b>							
Creditors and other payables	15	13,622	13,622	13,622	–	–	–
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
<b>Total</b>		<b>123,137</b>	<b>130,367</b>	<b>49,838</b>	<b>12,963</b>	<b>45,356</b>	<b>22,210</b>
<b>Council 2019</b>							
Creditors and other payables	15	9,644	9,644	9,644	–	–	–
Secured loans	18	96,000	106,557	20,221	20,709	36,839	28,798
Swap derivatives	19	2,197	2,195	328	345	1,254	268
<b>Total</b>		<b>107,841</b>	<b>118,396</b>	<b>30,183</b>	<b>21,054</b>	<b>38,093</b>	<b>29,066</b>
<b>Group 2019</b>							
Creditors and other payables	15	9,297	9,297	9,297	–	–	–
Secured loans	18	96,000	106,557	20,211	20,709	36,839	28,798
Swap derivatives	19	2,197	2,195	328	345	1,254	268
<b>Total</b>		<b>107,494</b>	<b>118,049</b>	<b>29,836</b>	<b>21,054</b>	<b>38,093</b>	<b>29,066</b>

### 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.

	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1–2 Years \$000	2–5 Years \$000	>5 Years \$000
<b>Council 2020</b>							
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
<b>Total</b>		<b>22,916</b>	<b>22,936</b>	<b>22,846</b>	<b>20</b>	<b>30</b>	<b>40</b>
<b>Group 2020</b>							
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
<b>Total</b>		<b>22,940</b>	<b>22,960</b>	<b>22,870</b>	<b>20</b>	<b>30</b>	<b>40</b>
<b>Council 2019</b>							
Cash and cash equivalents	7	8,481	8,481	8,481	–	–	–
Debtors and other receivables	8	6,766	6,766	6,766	–	–	–
Other financial assets:							
Term deposits	9	350	356	356	–	–	–
Community loan	9	74	100	20	20	30	30
<b>Total</b>		<b>15,671</b>	<b>15,703</b>	<b>15,623</b>	<b>20</b>	<b>30</b>	<b>30</b>
<b>Group 2019</b>							
Cash and cash equivalents	7	8,499	8,499	8,499	–	–	–
Debtors and other receivables	8	6,766	6,766	6,766	–	–	–
Other financial assets:							
Term deposits	9	350	356	356	–	–	–
Community loan	9	74	100	20	20	30	30
<b>Total</b>		<b>15,689</b>	<b>15,721</b>	<b>15,641</b>	<b>20</b>	<b>30</b>	<b>30</b>

### 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 2020 –100bps	Council & Group 30 June 2020 +100bps	Council & Group 30 June 2019 –100bps	Council & Group 30 June 2019 +100bps
<b>Financial assets</b>				
Cash and cash equivalents	(159)	159	(85)	85
<b>Financial liabilities</b>				
Borrowings	550	(550)	440	(440)

Cash and cash equivalents include deposits at call totalling \$15,892,000 (2019: \$8,481,000) which are at floating rates. A movement of interest rates of plus or minus 1% has an effect on interest revenue of \$158,920 (2019: \$84,810).

Borrowings include total debt of \$55,000,000 (2019: \$44,000,000) on current floating rates.

## 29. BUDGETS FOR YEAR ENDED 30 June 2020

Budgets are as per the 2018/38 long term plan year 2, 2019/20.

## 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 (2019: \$Nil).

32. RECONCILIATION OF SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES	Council Actual \$ 30 June 2020 \$000	Council Actual \$ 30 June 2019 \$000	Group Actual \$ 30 June 2020 \$000	Group Actual \$ 30 June 2019 \$000
Surplus (deficit)	(5,230)	(5,714)	(5,222)	(5,716)
<b>Add/(less) non-cash items:</b>				
Depreciation and amortisation	14,516	14,382	14,516	14,382
Other including vested and donated assets	(730)	(453)	(730)	(453)
Net gains and losses and other non-current movements	2,067	2,106	2,067	2,106
Impairment of non-current assets	–	–	–	–
<b>Add/(less) movements in working capital:</b>				
Increase/(decrease) in accounts receivable	173	(1,199)	171	(1,205)
Increase/(decrease) in stock on hand	–	–	–	–
Increase/(decrease) in current liabilities	3,402	272	3,402	287
<b>Net cash flows from operating activities</b>	<b>14,198</b>	<b>9,394</b>	<b>14,204</b>	<b>9,401</b>

## 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 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 24–26 for Council created reserves.

<b>34. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>
Community support	9	12
Regulatory services	70	65
Community facilities & services	1,692	1,573
Property	266	255
Roading	4,913	5,037
Solid waste	388	310
Stormwater	673	638
Wastewater	3,087	3,218
Water supply	2,760	2,668
Council operating assets	658	607
<b>Total</b>	<b>14,516</b>	<b>14,383</b>

<b>35. INSURANCE OF ASSETS</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>
Total value of assets covered by insurance contracts	137,113	127,064
Maximum amount of insurance	218,330	210,118
Total value of assets covered by financial risk sharing arrangements	159,634	158,285
Maximum amount available under those arrangements	333,198	308,270
Total value of assets that are self-insured	292,560	280,720
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.

<b>36. REPLACEMENT COST OF CORE INFRASTRUCTURAL ASSETS</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>
Water other	105,179	105,189
Water treatment plant and facilities	40,705	39,913
Waste water treatment plant and facilities	51,221	43,127
Wastewater other	146,148	146,148
Stormwater	56,666	56,666
Solid waste	8,675	8,784
Roading and footpaths	376,844	355,600
<b>Total replacement cost of core infrastructure assets</b>	<b>785,438</b>	<b>755,427</b>

Refer to Note 11 for vested assets and additions.

<b>37. TAX</b>	<b>Council Actual \$ 30 June 2020 \$000</b>	<b>Council Actual \$ 30 June 2019 \$000</b>	<b>Group Actual \$ 30 June 2020 \$000</b>	<b>Group Actual \$ 30 June 2019 \$000</b>
<b>Components of tax expense</b>				
Current tax	36	–	36	–
<b>Tax expense</b>	<b>36</b>	<b>–</b>	<b>36</b>	<b>–</b>
<b>Relationship between tax expense and accounting surplus</b>				
Surplus/(deficit) before tax	(5.230)	(5.714)	(5.222)	(5.716)
Tax at 28%	(1,464)	(1,600)	(1,462)	(1,600)
<b>Plus/(less) tax effect of:</b>				
Non-deductible expense	–	–	–	–
Non-assessable revenue	1,464	1,600	1,462	1,600
<b>Tax expense</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>

### 38. COVID-19 IMPACT DISCLOSURE

The COVID-19 pandemic resulted in operational changes to several Council activities, including the closure of most non-essential facilities during alert levels 3 & 4 and reduced services during alert level 2.

Although COVID-19 resulted in a drop in revenue for our public facing revenue generating activities during alert levels 3 & 4 (from late March to late May), it did not have a significant impact on the operational financial results for the year. The activities that saw a reduction of more than 50% in revenue during this period include Aquatic Centres, Libraries, Resource Planning, Parking and Community Centres.

There was no effect on rates revenue collection, assets valuations and treasury management.

#### Capital Expenditure

Some subsidised roading projects were delayed due to the lock downs such as the Poads Road bridge replacement, Waitārerere Beach Road AWPT and new footpath programme. The result of the delays to these projects was less Waka Kotahi/NZTA subsidy than budgeted.

#### Non-Financial Performance Measures

COVID-19 impacted on the following 3 measures; relating to parking enforcement days, swim school numbers and Older Persons' Network meeting numbers. Had it not been for the lockdown it is assumed that these measures would have been met.

#### Asset valuations

Valuers expect limited impact from the COVID-19 pandemic on DRC values. Key drivers of a DRC valuation are replacement cost, useful life and remaining useful life (linked to asset condition). There hasn't been evidence of any reduced or increased direct costs of materials and/or labour for assets since the COVID-19 lockdown from 26 March 2020. Therefore no material adjustment to the replacement cost to the components or assets during the 2020 Asset Valuations were made.

# Benchmarks Disclosure Statement

## FOR THE YEAR ENDED 30 June 2020

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.

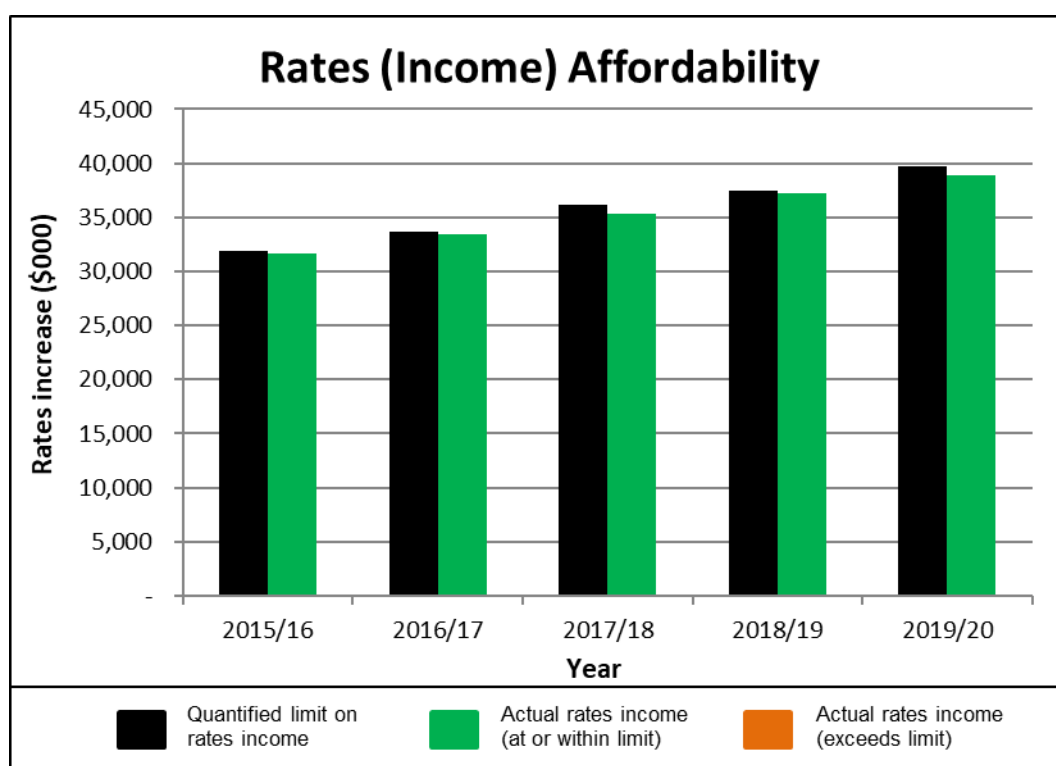
### Rates affordability benchmarks

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

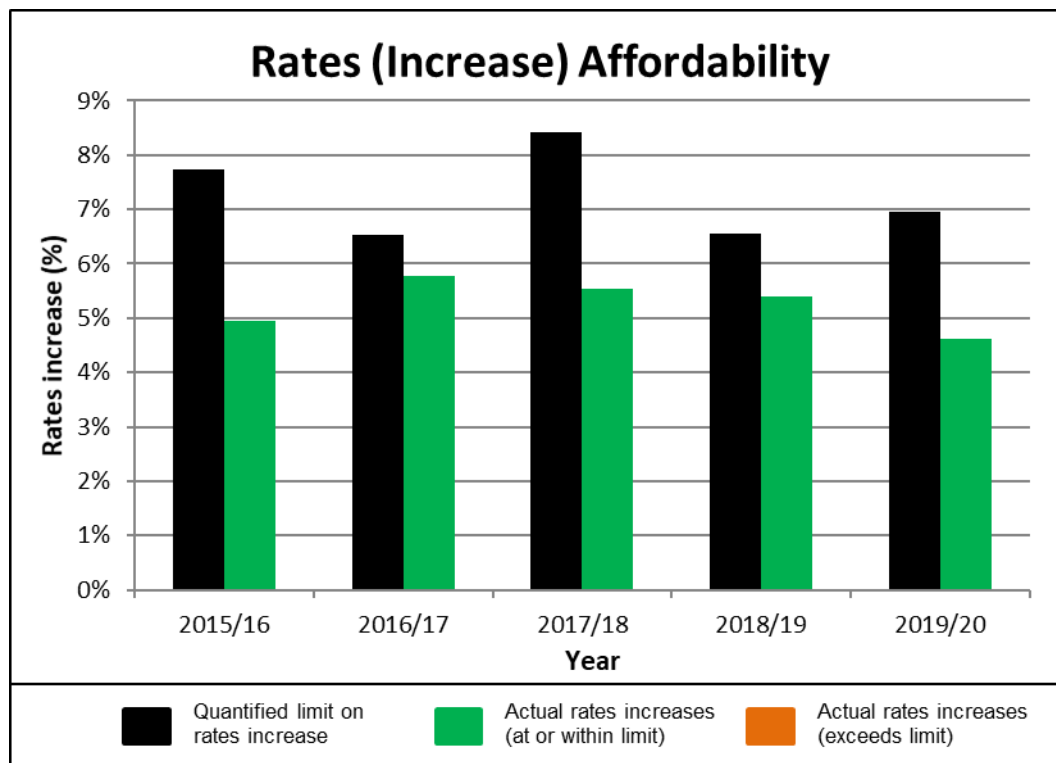
The following graph compares the Council's actual rates income with a quantified limit on rates contained in the financial strategy included in the Council's long-term plan (LTP). The quantified limit is \$31,858,000 (2015/16), \$33,619,000 (2016/17), \$36,109,000 (2017/18), \$37,457,000 (2018/19) and \$39,686,000 (2019/20).





### Rates (increases) affordability

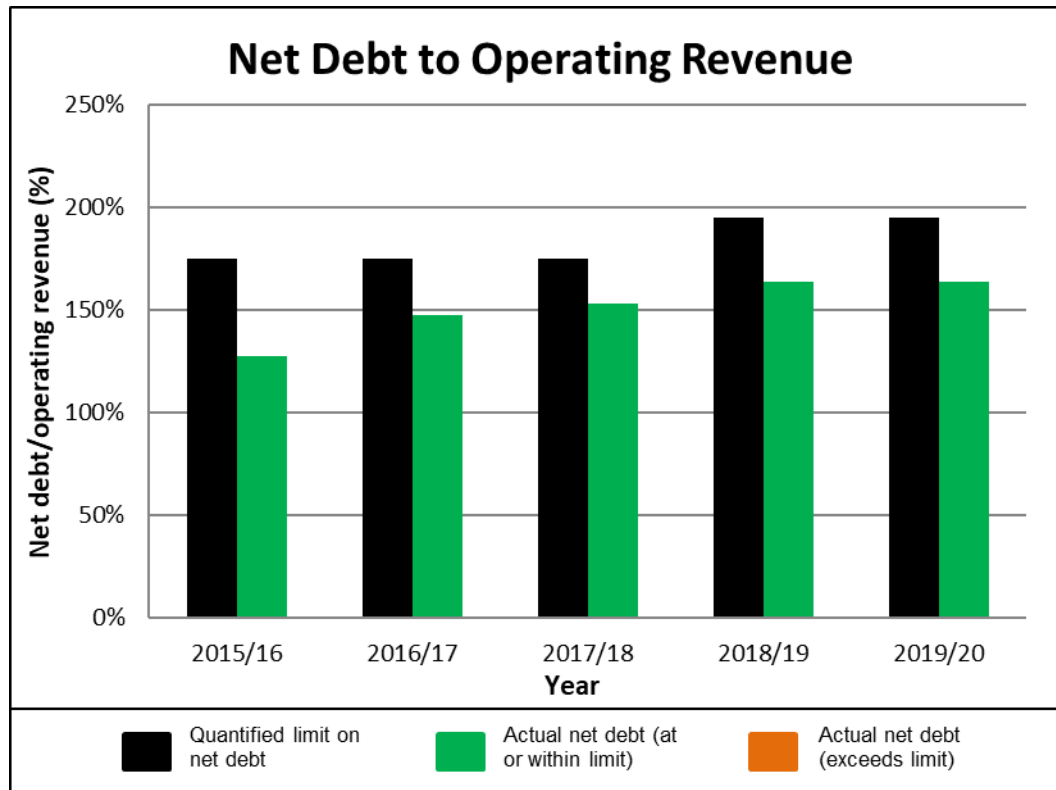
The following graph compares the Council's actual rate increase with a quantified limit on rates increases included in the financial strategy in the Council's LTP. The quantified limits are 7.74% (2015/16), 6.52% (2016/17), 8.43% (2017/18), 6.55% (2018/19), and 6.96% (2019/20).



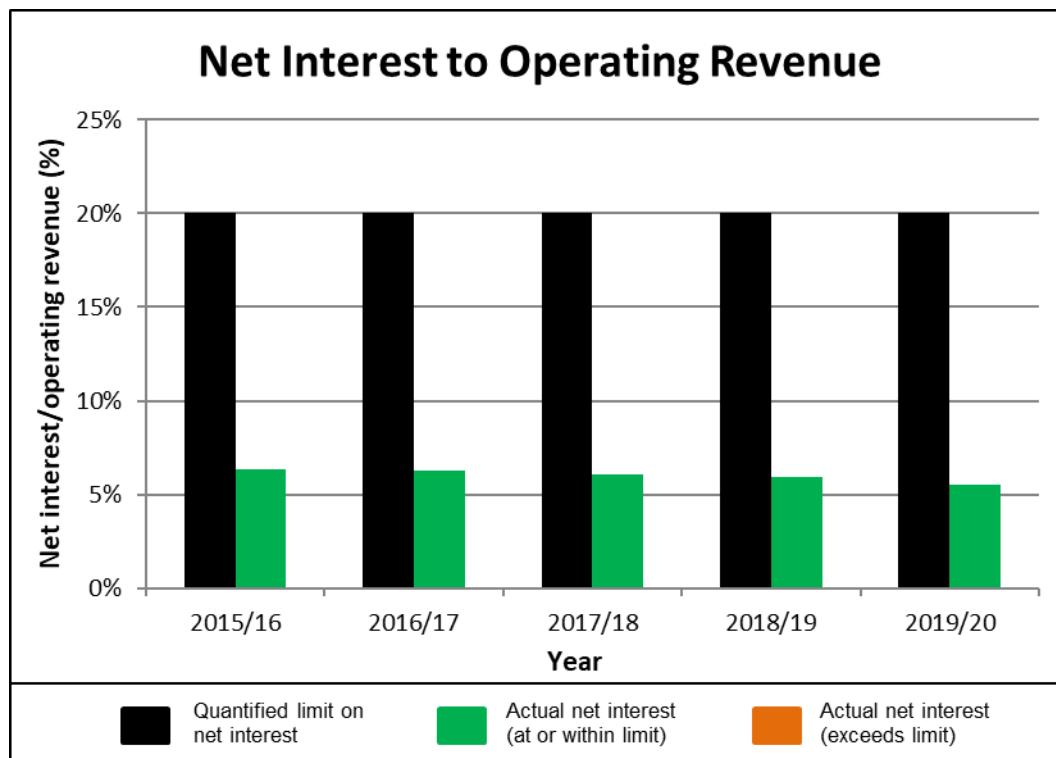
## Debt affordability benchmark

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

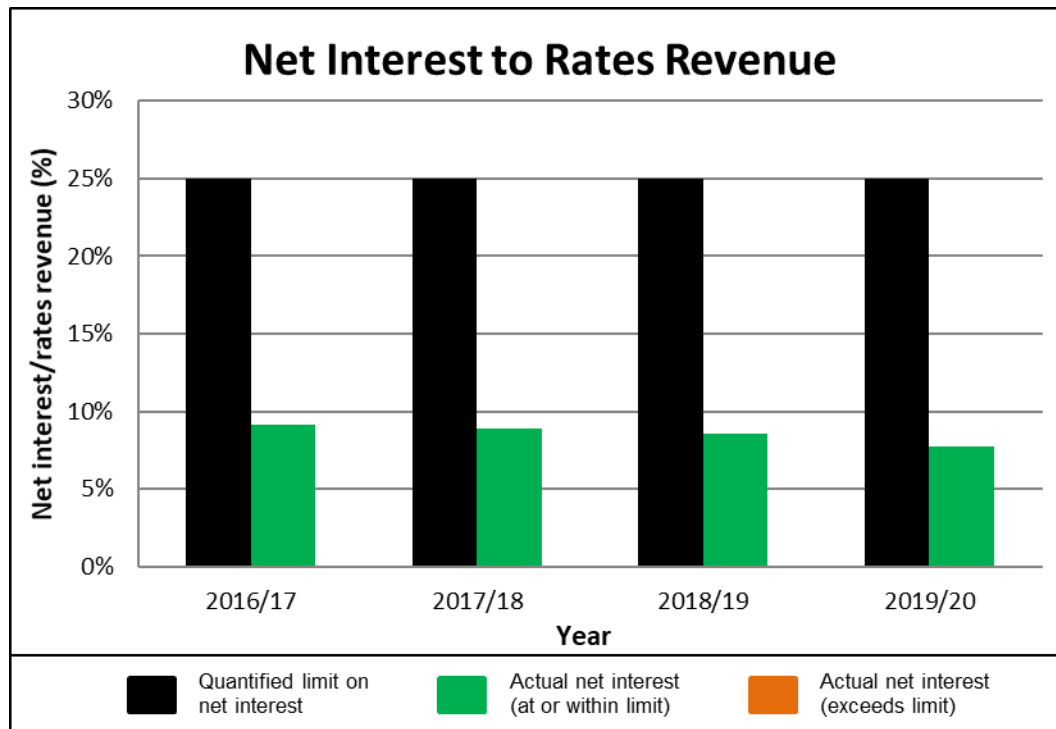
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limits are net debt to operating revenue should be below 195%.



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%.



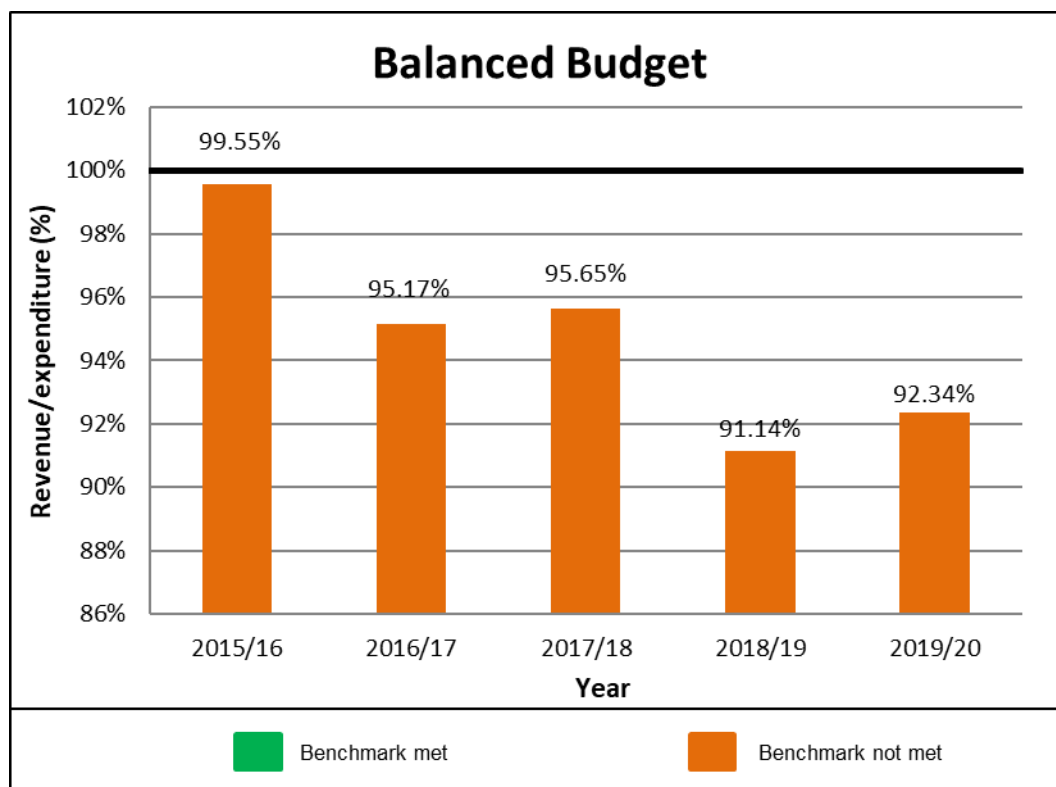
The following graph compares the Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in the Council's LTP. The quantified limits are net interest to annual rates revenue should be below 25%.



## 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

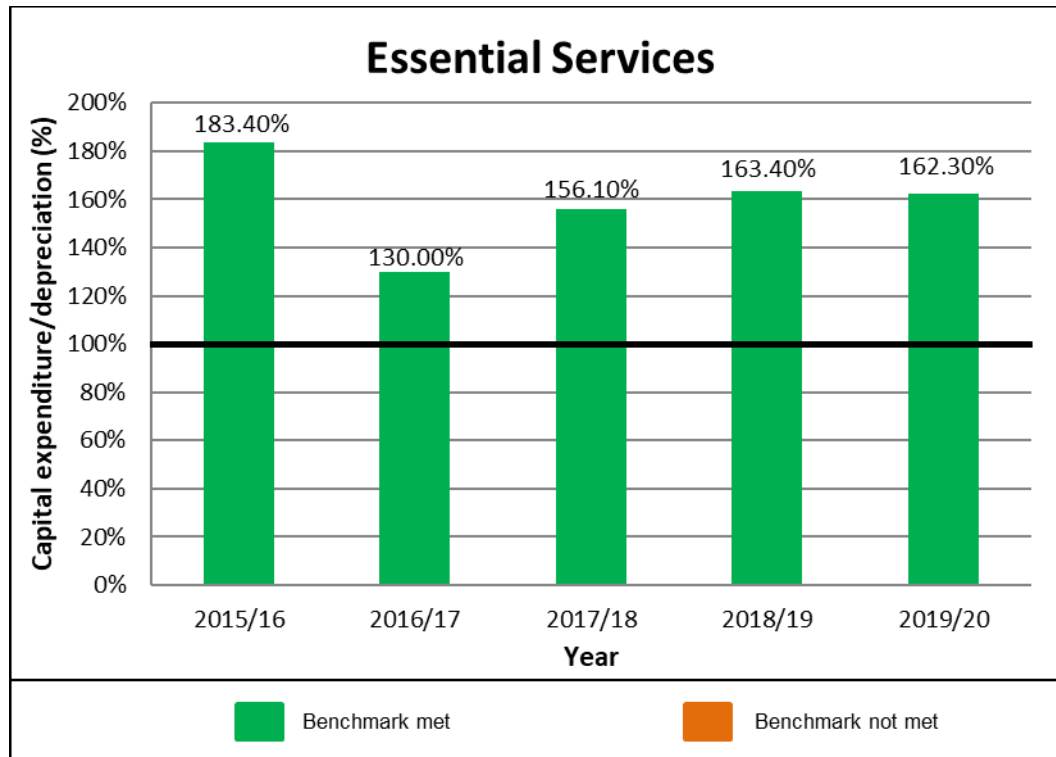
In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only 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.

## 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.

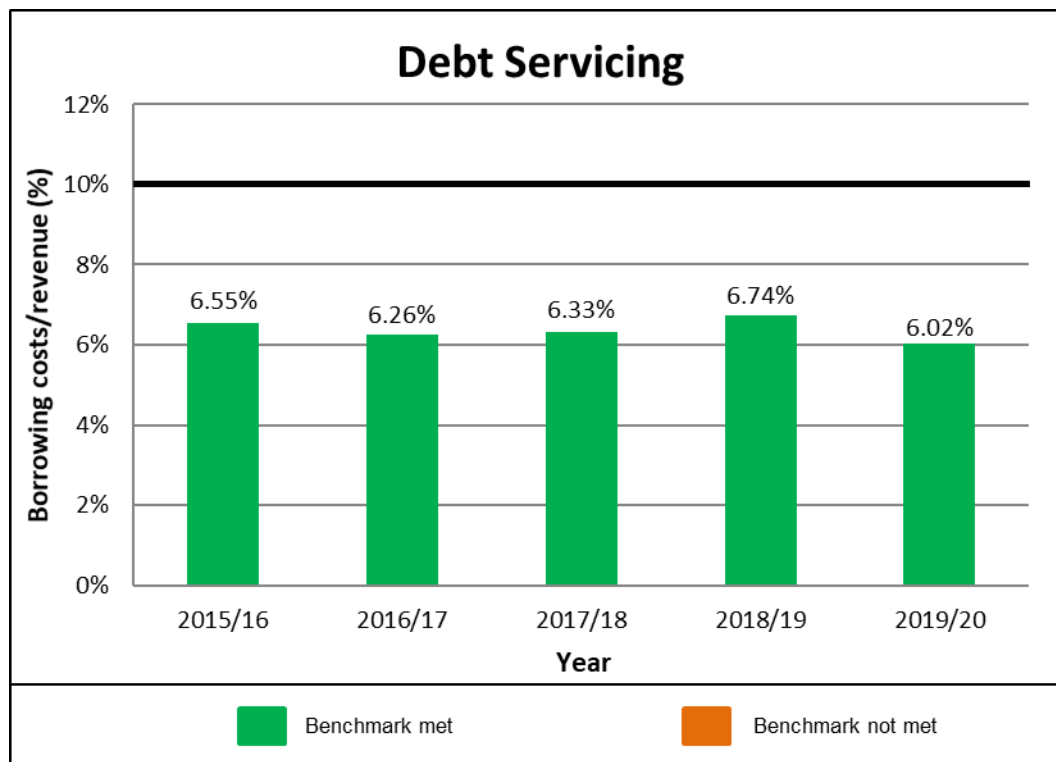
The Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

Network services is defined in the regulations as infrastructure relating to water supply, sewage and the treatment and disposal of sewage, 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.

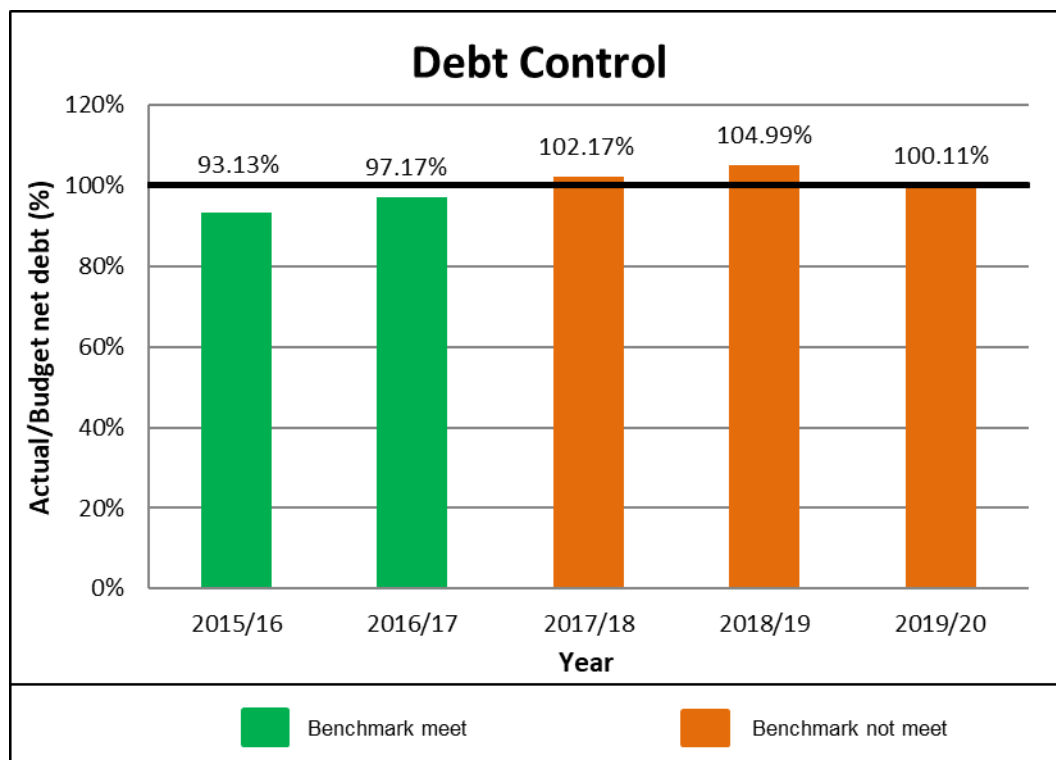


Because Statistics New Zealand projects the Council's population will grow more slowly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 10% of its revenue, (excluding development contributions, financial contributions, vested 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.



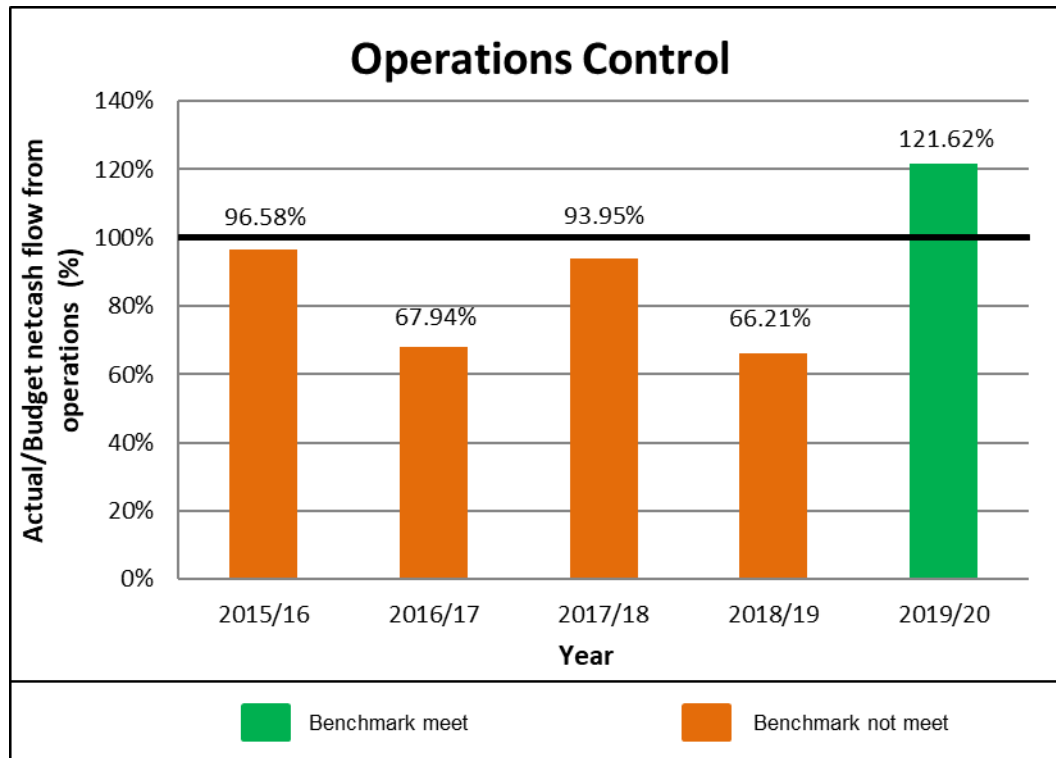
### Explanation on debt control benchmark

The benchmark was not met in the 2017/18 year due to lower than expected cash balance and higher payables balance as a result of increased capital work in the last two months of the financial year as more resources were employed to catch up with delayed projects. 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. The benchmark was not met in the 2019/20 year due to not all the commercial properties sales were completed in the 2019/20 year.

## 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 they 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. Revenue from Waka Kotahi/NZTA was less than budgeted as a result of lower capital expenditure. The increase in expenditure is outlined in explanation of variances in the comprehensive revenue and expense statement.



# 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 2020. The financial statements were authorised for issue by Council on 25 November 2020.

## 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).

### 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. Council does not intend to early adopt the amendment.

#### *PBE IPSAS 41 Financial Instruments*

The XRB issued PBE IPSAS 41 Financial Instruments in March 2019. This standard supersedes PBE IFRS 9 Financial Instruments, which was issued as an interim standard. It is effective for reporting periods beginning on or after 1 January 2022. Although Council has not assessed the effect of the new standard, it does not expect any significant changes as the requirements are similar to PBE IFRS 9.

#### *PBE FRS 48 Service Performance Reporting*

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 and is effective for reporting periods beginning on or after 1 January 2021. Council has not yet determined how application of PBE FRS 48 will affect its statement of performance.

### Other changes in accounting policies

*PBE IPSAS 36: Investments in Associates and Joint Ventures* has been adopted by Council beginning 1 July 2019. This change in accounting standard required Council to change the method in which it accounts for interest in investment entities to equity method.

## 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 institute'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 recognised 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. They 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 2 year period.

### **Subsidised revenue**

Council receives revenue from Wake 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 agent 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 as 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.

## **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 and sewer pump stations.

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
<b>Operational assets</b>		
<b>Land</b>	N/A	N/A
<b>Buildings:</b>		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
<b>Plant, equipment and vehicles</b>	4 to 25 years	4% to 25%
<b>Library assets</b>	10 years	10%
<b>Solid waste management:</b>		
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%
<b>Restricted assets</b>		
<b>Land</b>	N/A	N/A
<b>Buildings:</b>		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
<b>Infrastructural assets</b>		
<b>Roading:</b> (average lives and depreciation rates of major components)		
Land	N/A	N/A
Formation	N/A	N/A
Berms	100 years	1%
Surface water channels	50 to 100 years	1% to 2%
Bridges and culverts	40 to 100 years	1% to 2.5%
Drainage	80 years	1.25%
Sealed pavement	78 years	1.29%
Basecourse	60 years	1.66%
Footpaths – concrete	60 years	1.66%
Footpaths – metal	100 years	1.0%
Footpaths – other	20 to 45 years	2.22% to 5%
Crossings	50 years	2.0%
Streetlights – poles	30 to 50 years	2% to 3.33%
Streetlights – lights	25 years	4.0%
Signage	12 years	8.33%
Surfacing	1 to 25 years	4% to 100%

	Useful Life	Depreciation Rate
<b>Stormwater:</b>		
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%
<b>Water:</b>		
Land	N/A	N/A
Buildings:		
Structure	50 to 100 years	1% to 2%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment facilities	8 to 100 years	1% to 12.5%
Pipes	20 to 80 years	1.25% to 5%
Laterals	50 to 90 years	1.11% to 2%
Tobies	60 years	1.67%
Valves	60 years	1.67%
Hydrants	60 years	1.67%
Meters	20 years	5%
<b>Sewer:</b>		
Land	N/A	N/A
Buildings:		
Structure	25 to 70 years	1.43% to 4%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment and disposal facilities	10 to 100 years	1% to 10%
Pipes	60 to 80 years	1.25% to 1.67%
Laterals	60 to 100 years	1% to 1.67%
Pump stations	50 to 60 years	1.67% to 2%
Manholes	80 years	1.25%
Pumps	10 to 25 years	4% to 10%

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.

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.

### 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 Blackmore Associates 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 Blackmore Associates and the valuation is effective as at 30 June 2020.

### Infrastructural asset classes: roads, water reticulation, sewerage reticulation and stormwater systems:

At "fair value" was determined on a depreciated replacement cost basis by Council staff. At balance date Horowhenua District Council assesses the carrying values of its infrastructural assets to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.



**Valuations completed by:**

The roading infrastructure assets were valued as at 1 July 2019 using unit rates reviewed by Ross Nicholson (Masters of Engineering Science, BE (Hons) Civil Engineering, BA and chartered professional engineer) . Wastewater assets, water supply assets and stormwater assets were valued as at 1 July 2018. The valuation calculations were performed by Council. Land and buildings associated with the water supply and wastewater activities was valued by B D Lavender (ANZIV, SNZPI) of Blackmore Associates and the valuation is effective as at 30 June 2018.

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.

**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**

Carbon credits are initially recognised at cost. After initial recognition they are not amortised but all carbon credits are measured, annually, at fair value. The net revaluation result is credited or debited to other comprehensive revenue and expense and is accumulated to fair value through general reserve. Where this results in a debit balance in the reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase in revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense. They are derecognised when they are used to satisfy carbon emission obligations.

**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 derecognised. 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 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 24 to 26.

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 2018/38 Year 1 of the long term 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 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.

Experienced independent valuers peer review the Council's infrastructural asset revaluations performed by Council staff.

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 2 2019/20. 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 2 2019/20.

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, 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. pensioner flats, commercial property, 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 2019/20.

# 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 is 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.	<ul style="list-style-type: none"> <li>• Exuberant economy</li> <li>• Stunning environment</li> </ul>	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.	<ul style="list-style-type: none"> <li>• Thriving communities</li> </ul>	Regulator/provider
Respond to health related complaints and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none"> <li>• Exuberant economy</li> </ul>	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.	<ul style="list-style-type: none"><li>• Thriving communities</li></ul>	Regulator/provider
Respond to complaints relating to non-compliance with liquor licensing requirements and take appropriate action when non-compliance is observed.	<ul style="list-style-type: none"><li>• Exuberant economy</li></ul>	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.	<ul style="list-style-type: none"><li>• Exuberant economy</li><li>• Enabling infrastructure</li></ul>	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 our 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.	<ul style="list-style-type: none"><li>Thriving communities</li></ul>	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.	<ul style="list-style-type: none"><li>Thriving communities</li></ul>	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.	<ul style="list-style-type: none"><li>Thriving communities</li><li>Enabling infrastructure</li></ul>	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.	<ul style="list-style-type: none"><li>Thriving communities</li><li>Stunning environment</li><li>Enabling infrastructure</li></ul>	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.	<ul style="list-style-type: none"><li>• Thriving communities</li></ul>	Regulator/provider

## 2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
Processing of applications under the Resource Management Act (RMA) 1991.	Applications under the RMA will be processed within statutory timeframes.	Achieve	<b>Not Achieved</b> As at 30 June 2019, 228 consents approved. Five consents were processed outside statutory timeframes. Three of these instances were due to an issue with the workflow being incorrect and two were due to errors with administrative processes (which has now been rectified).	<b>Not Achieved</b> 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.
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	<b>Not Achieved</b> As at 30 June 2019, 7 of 12 months of which all building consent applications were processed within 20 working days or less. 716 consents were granted. Five of 710 consents were processed in >20 days. One consent (25 days) in July, one (21 days) in September, one (23 days) in October and one in March (21 days) were processed over the 20-day timeframe. One multi-proof consent was processed over the 10-day timeframe. Processes have been reviewed and amended as a result of this and additional monitoring systems have been put in place.	<b>Achieved</b> As at 30 June 2020, 698 building consents were granted YTD, 100% within statutory timeframes.
	Council will maintain its accredited status as a Building Consent Authority.	Achieve	<b>Achieved</b> As at 30 June 2019, Council is an accredited BCA. The last accreditation re-assessment was held from 15–18 April 2019, six general non-compliances were raised (2 of which were resolved during the audit) and these will be resolved by 27 September 2019.	<b>Achieved</b> 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.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
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	<b>Not Achieved</b> As at 30 June 2019, 115 Food businesses have been verified. Four businesses were identified in January where the verification timeframe was not met, this has had a flow on affect for the remaining months of the year (financial). Manual reporting measures have been put in place to ensure no further businesses are affected.	<b>Achieved</b> 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.
Food safety – Food businesses are monitored to ensure compliance with legislation.	Food premises operating under the Food Hygiene Regulations 1974 are inspected.	N/A	<b>Achieved</b> As at 30 November 2018 all food businesses operate under the new Food Regulations 2015 and therefore there are no longer businesses requiring inspection under the Food Hygiene Regulations. Prior to 30 November 2018 all business were inspected.	<b>N/A</b> 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	<b>Achieved</b> 100% of third year transitioning food businesses were provided with written material about the Food Act 2014. Training was provided to businesses on an as required basis when providing the written material.	<b>N/A</b> 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	<b>Achieved</b> As at 30 June 2019, 70 licensed premises holding 71 operative licences exist. 100% were inspected during the year.	<b>Achieved</b> As at 30 June 2020, 71 licensed premises holding 71 operative licences exist. 100% were inspected during the year.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
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	<b>Achieved</b> 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.	<b>Not achieved – Due to COVID-19</b> Due to the COVID-19 Level 4, 3 & 2 restrictions, Parking Services ceased during the lockdown period.
Carry out territorial authority functions including enforcement of legislation.	Reported cases of illegal building work will be responded to within five working days.	Achieve	<b>Achieved</b> As at 30 June 2019, 16 reported instances have been received by Council. 100% have been responded to within 5 working days	<b>Achieved</b> As at 30 June 2020, 8 instances of illegal building work were issued Notices to Fix.
	Percentage of private swimming pools on register inspected annually for compliance.	> 33%	<b>Achieved</b> As at 30 June 2019, 284 pools are on the register. 36% were inspected.	<b>Achieved</b> As at 30 June 2020, 287 pools are on the register. 33% were inspected during the year.
Carry out territorial authority functions including enforcement of legislation.	100% of BWOs are renewed or Notices to Fix are issued.	Achieve	<b>Achieved</b> As at 30 June 2019, 309 BWOs are on the register with 5 Notice to Fix's during the year.	<b>Achieved</b> As at 30 June 2020, 310 BWOs are maintained on the register and 1 Notice to Fix issued during the year.
Monitoring of District Plan requirements, resource consent compliance and complaints.	Known and reported instances of non-compliance with the District Plan and any resource consents will be responded to within five working days.	Achieve	<b>Achieved</b> As at 30 June 2019, 58 complaints have been received and responded to within five working days.	<b>Achieved</b> As at 30 June 2020, 59 reports of non-compliance were received and responded to within 5 working days.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
	All resource consents that are required to be monitored for the year are monitored for compliance with conditions.	Achieve	<b>Achieved</b> As at 30 June 2019, 100% of the 105 resource consents received monitoring during the year.	<b>Achieved</b> As at 30 June 2020, 249 resource consents received monitoring during the year.
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%	<b>Achieved</b> As at 30 June 2019, 1,108 complaints were received during the year. 100% were responded to.	<b>Achieved</b> As at 30 June 2020, 1,067 complaints were received during the year. 100% were responded to.
	An after-hours emergency response will be continuously provided.	Achieve	<b>Achieved</b> The service is provided by staff on a weekly roster.	<b>Achieved</b> 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%	<b>Achieved</b> As at 30 June 2019, Of the 6,402 dogs on Council's database, 6,306 were registered (98%).  Dog owners of all dogs that were not registered as at 1 September 2018 were visited by Animal Control staff to encourage compliance. As at 31 October 2018, 106 dogs remained unregistered for which dog owners were issued an infringement for failing to register.	<b>Achieved</b> As at 30 June 2020, Of the 6,274 dog on the Council's database 6,133 were (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.
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	<b>Achieved</b> As at 30 June 2019, 1,122 complaints have been received. 95% were responded to within 60 minutes.  The service is provided by way of Contract.	<b>Achieved</b> 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.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																								
Public safety bylaws and other legislation will be enforced.	Percent of reported non-compliances and complaints that are responded to within five working days.	100%	<b>Achieved</b> As at 30 June 2019, 78 complaints received and responded to within five working days, comprising of:	<b>Achieved</b> 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>8</td></tr><tr><td>Health Act</td><td>32</td></tr><tr><td>Local Government Act</td><td>1</td></tr><tr><td>Council Bylaws</td><td>37</td></tr><tr><td><b>Total</b></td><td><b>78</b></td></tr></table>	Issue	Number of complaints	Smoke	8	Health Act	32	Local Government Act	1	Council Bylaws	37	<b>Total</b>	<b>78</b>	<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><b>Total</b></td><td><b>44</b></td></tr></table>	Issue	Number of complaints	Smoke	4	Health Act	12	Local Government Act	0	Council Bylaws	28	<b>Total</b>	<b>44</b>
			Issue	Number of complaints																								
			Smoke	8																								
			Health Act	32																								
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			<b>Total</b>	<b>78</b>																								
Issue	Number of complaints																											
Smoke	4																											
Health Act	12																											
Local Government Act	0																											
Council Bylaws	28																											
<b>Total</b>	<b>44</b>																											

### 3. ACQUISITION AND RENEWAL OF ASSETS

Regulatory Services	Annual Plan Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of project</b>				
Animal Control – Body worn video equipment	6	4	2	
Vehicle	37	40	(3)	
Vehicle	37	46	(9)	
Parking – Mobile ticket device	23	–	23	
Parking – Body worn video equipment	6	3	3	
Replacement/upgrade of parking meters	10	–	10	
<b>Total renewal projects</b>	<b>119</b>	<b>93</b>	<b>26</b>	
<b>Level of service portion of project</b>				
Pound – Pup kennel extension	5	–	5	
<b>Total level of service projects</b>	<b>5</b>	<b>–</b>	<b>5</b>	
<b>Growth portion of project</b>				
	–	–	–	
<b>Total growth projects</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	119	93	26	
Improve level of service	5	–	5	
Growth – To meet additional demand	–	–	–	
<b>Total Regulatory Services projects</b>	<b>124</b>	<b>93</b>	<b>31</b>	

#### NOTES:

#### 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 2020 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 2020

		LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		1,905	2,115	1,659	1,658	(1)
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		2,849	2,760	2,988	3,032	44
Internal charges and overheads recovered		–	–	–	–	–
<b>Total operating funding (A)</b>		<b>4,763</b>	<b>4,884</b>	<b>4,656</b>	<b>4,698</b>	<b>42</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1	449	434	504	622	118
Finance costs		–	2	–	1	1
Internal charges and overheads applied	2	4,235	4,368	4,073	4,221	148
Other operating funding applications		–	–	–	–	–
<b>Total applications of operating funding (B)</b>		<b>4,684</b>	<b>4,804</b>	<b>4,577</b>	<b>4,844</b>	<b>267</b>
<b>Surplus (deficit) of operating funding (A–B)</b>		<b>79</b>	<b>80</b>	<b>79</b>	<b>(146)</b>	<b>(225)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt		(31)	42	45	(1)	(46)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
<b>Total sources of capital funding (C)</b>		<b>(31)</b>	<b>42</b>	<b>45</b>	<b>(1)</b>	<b>(46)</b>
<b>Applications of capital funding</b>						
Capital expenditure		–	–	–	–	–
– to meet additional demand		–	–	–	–	–
– to improve the level of service		25	5	5	–	(5)
– to replace existing assets		23	117	119	93	(26)
Increase (decrease) in reserves		–	–	–	(240)	(240)
Increase (decrease) of investments		–	–	–	–	–
<b>Total applications of capital funding (D)</b>		<b>48</b>	<b>122</b>	<b>124</b>	<b>(147)</b>	<b>(271)</b>
<b>Surplus (deficit) of capital funding (C–D)</b>		<b>(79)</b>	<b>(80)</b>	<b>(79)</b>	<b>146</b>	<b>225</b>
<b>Funding balance ((A–B)+(C–D))</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation		79	79	79	70	(9)
<b>Loans</b>						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2019		–	26	26		
Raised during year		–	–	–		
Repaid during year		–	(1)	(1)		
<b>Loans as at 30/06/2020</b>		<b>–</b>	<b>25</b>	<b>25</b>		
Interest expense		–	1	1		

**NOTES:**

1. Overspend due to the use of contractors as a result of staff leaving and not being able to recruit their roles, coupled with a corresponding increase in the number of consents compared to previous years.
2. Overspend due to salary costs over budget in overhead cost centres.

Activity Expenditure	LTP	LTP	Annual		
	Forecast	Forecast	Plan	Actual	Variance
	2019	2020	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000
Animal Control	253	262	262	263	1
Building Consents	1,119	1,131	1,116	1,063	(53)
Building Policy	289	298	263	285	22
Dog Control	608	627	618	578	(40)
Environmental Health	278	285	391	335	(56)
Environmental Health Policy	91	95	79	72	(7)
Liquor Licensing	224	232	233	210	(23)
Liquor Policy	60	63	41	60	19
Parking	577	583	495	463	(32)
Planning Policy	320	331	276	302	26
Resource Management	687	712	594	971	377
Safety Licensing	256	262	290	312	22
<b>Total activity expenditure</b>	<b>4,762</b>	<b>4,881</b>	<b>4,658</b>	<b>4,914</b>	<b>256</b>

# 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.	<ul style="list-style-type: none"> <li>• Stunning environment</li> <li>• Vibrant cultures</li> <li>• Thriving communities</li> </ul>	Funder/provider/advocate
Manage a beautification programme across the District.	<ul style="list-style-type: none"> <li>• Stunning environment</li> <li>• Vibrant cultures</li> <li>• Thriving communities</li> </ul>	Funder/provider
Maintain sports grounds for public use.	<ul style="list-style-type: none"> <li>• Exuberant economy</li> <li>• Stunning environment</li> <li>• Vibrant cultures</li> <li>• Thriving communities</li> <li>• Enabling infrastructure</li> </ul>	Funder/provider.
Operate cemeteries	<ul style="list-style-type: none"> <li>• Vibrant cultures</li> <li>• Thriving communities</li> <li>• Enabling infrastructure</li> </ul>	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.	<ul style="list-style-type: none"> <li>• Thriving communities</li> </ul>	Provider
Recreation opportunities are provided for the community.	<ul style="list-style-type: none"> <li>• Thriving communities</li> </ul>	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 wifi.

- 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.	<ul style="list-style-type: none"> <li>• Exuberant economy</li> <li>• Vibrant cultures</li> <li>• Thriving communities</li> <li>• Partnerships with Tangata Whenua</li> </ul>	Funder/provider

## 2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
Reserves are available for Community use.	Residential dwellings in urban areas are within 400 metres to local reserves, either Council or privately provided.	≥ 80%	<b>Achieved</b> As at 30 June 2019 Council has 83% of residential dwellings in urban areas that are within 400 metres to local reserves, either Council or privately provided.	<b>Achieved</b> 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.
	Residential dwellings in urban areas are within 800 metres of playgrounds or destination reserves.	≥ 80%	<b>Achieved</b> As at 30 June 2019 Council has 91.6% of residential dwellings in urban areas that are within 800 metres of playgrounds or destination reserves.	<b>Achieved</b> 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.
Reserves meet local needs.	Percentage of customers satisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 80%	<b>Achieved</b> As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 92.4% of customers were satisfied with the services.	<b>Achieved</b> June 2020 survey results, 92% satisfaction overall:  
Playgrounds are safe for users.	Playground facilities comply with relevant National Playground standards.	Achieve	<b>Achieved</b> As at 30 June 2019, 100% of playground facilities complied.	<b>Achieved</b> As at 30 June 2020, 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%	<b>Achieved</b> As at 30 June 2019, 100% of sports grounds were available for use during their opening hours.	<b>Achieved</b> As at 30 June 2020, 100% of sports grounds were available for use during their opening hours outside of COVID-19 lockdown.
Sports grounds meet local needs.	Number of Customer Request Management complaints reporting of ground conditions per annum	< 5	<b>Achieved</b> As at 30 June 2019, 0 complaints have been received.	<b>Achieved</b> As at 30 June 2020, 0 complaints have been received.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																				
Community Halls are available for public use.	Number of uses per fortnight for Community Halls.	10	<b>Achieved</b> As at 30 June 2019, <table><tr><th>Hall</th><th>Times used</th></tr><tr><td>Levin Memorial Hall</td><td>341</td></tr><tr><td>Shannon Memorial Hall</td><td>19</td></tr><tr><td>Foxton Memorial Hall</td><td>8</td></tr><tr><td><b>Total</b></td><td><b>368</b></td></tr></table> Average of 14.15 times per fortnight.	Hall	Times used	Levin Memorial Hall	341	Shannon Memorial Hall	19	Foxton Memorial Hall	8	<b>Total</b>	<b>368</b>	<b>Achieved</b> 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><b>Total</b></td><td><b>345</b></td></tr></table> Average of 13.27 times per fortnight.	Hall	Times used	Levin Memorial Hall	330	Shannon Memorial Hall	5	Foxton Memorial Hall	10	<b>Total</b>	<b>345</b>
Hall	Times used																							
Levin Memorial Hall	341																							
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<b>Total</b>	<b>368</b>																							
Hall	Times used																							
Levin Memorial Hall	330																							
Shannon Memorial Hall	5																							
Foxton Memorial Hall	10																							
<b>Total</b>	<b>345</b>																							
Safe aquatic facilities are operating in the District.	Compliance with relevant standards including Pool Safe accreditation.	Achieved	<b>Achieved</b> As at 30 June 2019, Levin = 100% Foxton = 100%  Both Foxton and Levin pools have received Pool Safe accreditation during February 2019 until April 2020.	<b>Achieved</b> 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.																				
Aquatics centres meet customer needs.	Percent of customers satisfied, based on the Annual Customer Satisfaction Survey.	≥ 90%	<b>Achieved</b> As at 30 June 2019, there was a 92% Satisfaction score for Aquatics Horowhenua in the 2019 Customer Satisfaction Survey (Levin Aquatic Centre 91% and Foxton Aquatic Centre 93%).	<b>Not achieved</b> 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: <div><div>Swimming Pools</div><div><div>85% Overall</div><div>85% Non-Users</div><div>85% Users</div></div><div><div>KPI: 90%</div><div>KPI Met?</div></div></div>																				

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020												
A high quality Swim School operates at the Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes.	≥ 400 per term	<b>Achieved</b> As at 30 June 2019, Term Three = 437 (LAC only as Foxton closed) Term Four = 416 LAC and 76 Foxton Term One (2019) = 459 LAC and 76 Foxton Term Two (2019) = 485 (Foxton closed)	<b>Not achieved – Due to COVID-19</b> 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.												
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	<b>Achieved</b> As at 30 June 2019, Levin Aquatic Centre Special Olympics Horowhenua Levin Swim Club (Gala) Special Olympics NZ Interschool’s Masters – May 2019	<b>Achieved</b> As at 30 June 2020, 1. Levin Masters Swim Meet 2. Levin East Swim Sports 3. Ōhau School Swim Sports 4. Levin Intermediate Swim Sports 5. Inter-Schools Swimming Sports 6. Special Olympics Horowhenua 7. Levin Swim Club meet 8. Police Road Patrol Event 9. Foxton Fun Session 10. Sport Manawatū Whanau Fit Programme (with fitness support)  The measure is reported as ‘Achieved’, as the target has been met.												
	Number of events per year for: Children; General public; and Retirees.	≥ 3 ≥ 3 ≥ 3	<b>Achieved</b> As at 30 June 2019, 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>4</td></tr></table>	Children	General public	Retirees	6	7	4	<b>Achieved</b> 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>	Children	General public	Retirees	6	7	3
Children	General public	Retirees														
6	7	4														
Children	General public	Retirees														
6	7	3														

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																								
Council provides community facilities for residents, ratepayers, and visitors to access Community services including library services.	Communities with library and community facilities providing an integrated and District wide service.	Levin, Foxton, and Shannon	<b>Achieved</b> As at 30 June 2019 Library Services are delivered in in Levin, Shannon and Foxton.	<b>Achieved</b> As at 30 June 2020 Library Services are delivered in in Levin, Shannon and Foxton.																								
Libraries and community facilities meet the public's needs.	Percent of residents and non-residents satisfied with library and Community services based on the Annual Customer Satisfaction Survey.	> 90%	<b>Achieved</b> As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 90.4% of residents and non-residents were satisfied with Library and Community Services.	<b>Achieved</b> June 2020 survey results, 94% satisfaction overall: <div><div>Library services</div><div><div>KPI: 90%</div><div>KPI Met?</div></div><div><div>94% Overall</div><div>89% Non-Users</div><div>96% Users</div></div></div>																								
Community facilities are available for public use.	Number of booking counts for community facilities.	≥ 1,200	<b>Achieved</b> As at 30 June 2019, 1,497 bookings have been made for community facilities.	<b>Achieved</b> As at 30 June 2020 1,202 bookings have been made for community facilities.																								
Customers have access to a range of current information in both print and digital format.	Number of items loaned from the libraries across the District, including books, magazines etc.	≥ 320,000	<b>Not Achieved</b> As at 30 June 2019, Broken down as follows: <table><tr><th>Library</th><th>Issues</th></tr><tr><td>Levin</td><td>231,148</td></tr><tr><td>Foxton</td><td>26,293</td></tr><tr><td>Shannon</td><td>6,602</td></tr><tr><td>Digital</td><td>3,940</td></tr><tr><td>Total</td><td>267,983</td></tr></table>	Library	Issues	Levin	231,148	Foxton	26,293	Shannon	6,602	Digital	3,940	Total	267,983	<b>Not achieved</b> 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>	Library	Issues	Levin	190,081	Foxton	23,915	Shannon	6,277	Digital	7,589	Total	227,862
Library	Issues																											
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Library	Issues																											
Levin	190,081																											
Foxton	23,915																											
Shannon	6,277																											
Digital	7,589																											
Total	227,862																											



Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																								
	Percent of increase in use of website.  ( <b>Note:</b> These numbers include statistics for Te Takeretanga o Kura-hau-pō website, OPAC, and Kete Horowhenua.)	+> 1%	<b>Not Achieved</b> As at 30 June 2019: <table><tr><th></th><th>2018/19</th><th>2017/18</th><th>% change</th></tr><tr><td>Unique users</td><td>55,767</td><td>79,416</td><td>–2%</td></tr><tr><td>Sessions</td><td>113,667</td><td>117,454</td><td>–3%</td></tr></table>		2018/19	2017/18	% change	Unique users	55,767	79,416	–2%	Sessions	113,667	117,454	–3%	<b>Achieved</b> 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>		2019/20	2018/19	% change	Unique users	83,663	55,767	50%	Sessions	119,121	113,667	5%
	2018/19	2017/18	% change																									
Unique users	55,767	79,416	–2%																									
Sessions	113,667	117,454	–3%																									
	2019/20	2018/19	% change																									
Unique users	83,663	55,767	50%																									
Sessions	119,121	113,667	5%																									
Customers have access to programmes and initiatives that enhance the wellbeing of the District.	Number of programmes delivered in: Levin Foxton Shannon	≥ 60 ≥ 30 ≥ 10	<b>Achieved</b> As at 30 June 2019, 626 programmes have been delivered. The programmes that have been delivered are broken down as follow: <table><tr><th>Levin</th><th>Foxton</th><th>Shannon</th></tr><tr><td>306</td><td>157</td><td>163</td></tr></table>	Levin	Foxton	Shannon	306	157	163	<b>Achieved</b> As at 30 June 2020, 474 programmes have been delivered* <i>*This reporting does not include the Youth Space</i> 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. <i>** online activities or programmes were delivered.</i>	Levin	Foxton	Shannon	284**	81**	109**												
Levin	Foxton	Shannon																										
306	157	163																										
Levin	Foxton	Shannon																										
284**	81**	109**																										

### 3. ACQUISITION AND RENEWAL OF ASSETS

Community Facilities and Services	Annual Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
District Halls (& Pavilions) Reactive Renewals	60	3	57	
Foxton Centre – Planned Renewals	–	12	(12)	
Levin Aquatic Centre – Planned renewals	–	107	(107)	1
Public toilets – Minor renewals	65	43	22	
Reserves renewals	454	303	151	2
Sportsgrounds renewals	258	7	251	2
District play equipment	79	83	(4)	
Endowment – Foxton Beach reserves renewals	197	104	93	
Hall renewals	58	28	30	
Levin Adventure Park renewals	15	16	(1)	
Library books	232	181	51	
DVD's	15	11	4	
Audio books	8	9	(1)	
Levin Aquatic Centre – Replace hydroslide	100	20	80	
Pollard management Oxford Street	27	24	3	
Community hubs – Digital equipment replacement	5	4	1	
Community hubs – Security surveillance replacement	37	20	17	
Te Takeretanga o Kura-hau-pō – Redevelopment	5	–	5	
RFID equipment replacement	158	41	117	3
Levin Adventure Park playground renewals	184	142	42	
Waikawa Beach pedestrian bridge	52	14	38	
Levin Aquatic Centre – Chemical controller renewal	37	32	5	
Vehicles – Replacing HQN114	30	–	30	
Vehicles – Replacing MEF99	–	1	(1)	
Te Takeretanga o Kura-hau-pō – furniture replacement	21	22	(1)	
Music studio equipment replacement	8	5	3	
Shannon Library – Refurbishment	27	26	1	
Community hubs meeting rooms audio & visual equipment	42	41	1	
Shannon Library – Library shelving units	27	26	1	
Foxton Library – Library shelving units	–	5	(5)	
Public toilets – Major renewals	211	1	210	2
Park lighting upgrade	85	22	63	
Waitārere dune management	–	–	–	
<b>Total renewal projects</b>	<b>2,497</b>	<b>1,353</b>	<b>1,144</b>	
<b>Level of service portion of projects</b>				
Benches in high pedestrian use areas	10	9	1	
Cemetery – Avenue – Extend burial and cremation sites	9	6	3	
Cemetery – Avenue – Redevelop front entrance	61	1	60	
Cemetery – Avenue Rd & Levin – Upgrade	151	140	11	
Cemetery – Foxton ashes area	–	–	–	
Community & Youth space storage area	20	13	7	
District fencing contingency	32	20	12	
Donnelly Park improve cricket facilities	110	80	30	
Donnelly Park strategic plan & design	156	53	103	2
Driscoll Reserve improvement plan	52	52	–	
Equipment – General	2	–	2	
Foxton Aquatic Centre – Improved disabled access	15	8	7	
Foxton Aquatic Centre – Poolside furniture	10	5	5	
Foxton Aquatic Centre – Plantroom miscellaneous	5	5	–	
Foxton River Loop Walkway & viewing & recreation	11	–	11	
Foxton Beach Coastal Reserve Implement Actions	–	10	(10)	

Community Facilities and Services	Annual Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
Hyde Park and Te Maire Park improvements	–	4	(4)	
Ihakara Gardens landscaping	12		12	
Levin Aquatic Centre – Improved disabled access	26	4	22	
Levin Aquatic Centre – Plantroom miscellaneous	1	–	1	
Levin Aquatic Centre – pumps	5	3	2	
Playford Park improvements	51	2	49	
Solway Park Pump Track	–	7	(7)	
Foxton wharf project	–	–	–	
Levin Aquatic Centre – upstairs remodelling	–	–	–	
Stream management plan	42	44	(2)	
Waitārere Domain improvement plan	69	71	(2)	
Waitārere foreshore accretion	–	6	(6)	
<b>Total level of service projects</b>	<b>850</b>	<b>543</b>	<b>307</b>	

Community Facilities and Services	Annual Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Growth portion of projects</b>				
Levin Aquatic Centre – Feasibility study – Future needs	16	–	16	
Innovative technology projects	5	–	5	
Library services vehicle	20	21	(1)	
<b>Total growth projects</b>	<b>41</b>	<b>21</b>	<b>20</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	2,497	1,353	1,144	
Improve level of service	850	543	307	
Growth – To meet additional demand	41	21	20	
<b>Total Community Facilities and Services projects</b>	<b>3,388</b>	<b>1,917</b>	<b>1,471</b>	

**NOTES:**

1. Levin Aquatic Centre planned renewals – Work brought forward to take advantage of the pools being closed during COVID-19 lockdowns.
2. Work deferred to 2020–21 due to COVID-19 lockdown.
3. Most RFID equipment was replaced with leased equipment with some of the budget used to replace the RFID gates.

**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 2020 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Social  Cultural	Thriving communities	<p>Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom provide a cultural experience for residents and visitors to the Horowhenua District.</p> <p>Multi-functional facilities that provide a wide range of services to both the community and to visitors to the Horowhenua District, including:</p> <ul style="list-style-type: none"> <li>• spaces for social interaction</li> <li>• bookable rooms for community and commercial entities</li> <li>• a creative hub that allows for music and visual performance and exhibition</li> <li>• museums that share stories and insight into the lives of the people in our area, and beyond</li> <li>• events that enrich our community</li> <li>• providing AA Services for our community</li> <li>• providing Visitor information services through two sites (Levin and Foxton)</li> <li>• delivery of Council Services (e.g. dog registrations at Shannon and Foxton).</li> </ul> <p>District wide library services in Levin, Foxton and Shannon deliver programmes and services that:</p> <ul style="list-style-type: none"> <li>• provide equitable access to information for leisure, entertainment, research, education and career development across the district</li> <li>• foster and enhance literacy (including digital) and lifelong learning</li> <li>• deliver events and programmes for children, young people, adults and elders</li> <li>• recognise and support those with special needs and requirements</li> <li>• encourage the development of partnerships for the delivery of services and programmes</li> <li>• promote opportunities for people and communities to connect with each other</li> <li>• protects, conserves and maintains Horowhenua's heritage resources</li> <li>• provide opportunities for access to local history and heritage resources</li> <li>• operate a dedicated youth space that encourages and promotes inclusion, safety and interaction in both structured and unstructured settings.</li> </ul> <p>Horowhenua Aquatics provide public access to swimming pools, fitness, rehabilitation, and swimming programmes to enhance community wellbeing through providing healthy recreational and social opportunities by:</p> <ul style="list-style-type: none"> <li>• providing opportunities for recreation to improve physical fitness and wellbeing including off site and outreach services</li> <li>• providing a focal point for local communities where they can meet and participate in leisure and recreational activities</li> <li>• providing swimming pools for general use including assisting clubs and organisations to host and run events</li> <li>• providing a certified Swim School Programme in Levin and Foxton</li> <li>• providing safe venues for fun activities and social interaction</li> <li>• providing a venue for Aquatic Sports and competitive activity</li> <li>• Providing land and water based fitness and rehabilitation classes both on- and off-site. Managing Shannon School Swimming Pool during the summer school holidays</li> <li>• facilitating a targeted swimming programme for the rural community within Horowhenua.</li> </ul>

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Social	Thriving communities	<p>Responding to the COVID-19 pandemic Community Facilities played a critical role in mobilising, celebrating and creating conditions for civic connectedness and creativity – even when we were unable to open our doors.</p> <p>By definition and nature of these facilities provided a role in the community recovery options. Providing relief during the lockdown and through all alert levels allowed opportunities for Libraries and Aquatics to utilise their online and e-platforms, and extensive networks with our customers and community through phone or email contact to support needs.</p> <p>In response to COVID-19, Community Facilities proudly delivered:</p> <ul style="list-style-type: none"> <li>• A comprehensive renewals and maintenance budget in both the Levin and Foxton Aquatic Centres commencing 04 May 2020.</li> <li>• through Alert Level 4 lockdown, the Aquatic Services staff contacted swim school families offering credits or refunds of remaining swim school lessons that were unable to be completed due to facility closures.</li> <li>• Aquatics Swim School staff posted swimming skills videos for practice on dry land. These practices were available through Facebook, were free and with many children now familiar with remote learning practices implemented with our schools, these had a high uptake.</li> <li>• Carried out 2,118 check-in calls to library members and offered support, and in some cases assistance to access the extensive online and e-platform information available.</li> <li>• Registered 124 e-memberships via email or phone.</li> <li>• Purchased and loaded approximately 200 new titles for eBooks and e-audio for immediate community uptake over e-membership.</li> <li>• Created and sent out three newsletters to 6,000 recipients.</li> <li>• Ordered and entered 900 books into the Library Management System in preparation for Alert Level 2.</li> <li>• Assisted 100 people in accessing SkinnyJUMP, a subsidised broadband initiative for Kiwi homes. It should be noted that this is usually a face to face process of 45 minutes, however Officers delivered this over the phone.</li> <li>• Implemented a blanket waiver of overdue fees on library book returns for the period of lockdown and facility closures.</li> <li>• Catalogued approximately 1000 books.</li> <li>• Signed up 130 new Homelink customers in preparation for Alert Level 3.</li> <li>• Reviewed 10,830 memberships on Koha.</li> <li>• Active in the social media space to engage and connect our community, and provide educational and creative outlets. It should be noted our post reach is up by 209% and engagement up by 96% for April 2020.</li> <li>• Programming traditionally offered within the physical library space was offered on social media platforms through streaming, video and online content. A comprehensive Digital Marketing review to establish a greater online presence for Te Awahou Nieuwe Stroom, Te Awahou Riverside Cultural Park its partners and stakeholders, including: <ul style="list-style-type: none"> <li>○ the creation of a Wikipedia Page for Te Awahou Nieuwe Stroom</li> <li>○ the creation of a Wikipedia Page for Oranjehof Updates to Horowhenua, Foxton and Foxton Beach Wikipedia pages</li> <li>○ numerous links to Te Awahou Nieuwe Stroom on other pages</li> <li>○ a presence on NewZealand.com</li> <li>○ a presence on NZMuseums.co.nz</li> <li>○ a presence on Manawatunz.co.nz</li> <li>○ a presence on NZPlaces.nz</li> <li>○ updates to TripAdvisor pages</li> <li>○ updates to Google Maps</li> <li>○ updated listings on numerous other sites</li> </ul> </li> </ul>

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Environmental	Stunning environment	<p>District wide library services in Levin Foxton and Shannon deliver programmes and services that:</p> <ul style="list-style-type: none"> <li>• provide a healthy, accessible and attractive environment where people have a sense of belonging and visitors and new arrivals feel welcome</li> <li>• support vibrant arts and diverse cultural experiences</li> <li>• promotes and celebrates Horowhenua's heritage resources</li> </ul> <p>Careful management of aquatic facility water quality and implementing water conservation measures contributes to improving environmental outcomes.</p> <p>Championing and enabling the community to share sustainable and environmentally acceptable practice within our spaces.</p> <p>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.</p>
Economic	Enabling infrastructure	<p>Any development of community facilities are planned and developed for the District to meet current and future needs.</p> <p>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.</p>
Economic	Exuberant economy	<p>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.</p> <p>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 asset, and provides jobs for a range of locals via its contracted services portfolio.</p>
Cultural	Partnership with Tangata Whenua	<p>We acknowledge our partnership with the Tangata Whenua of our District and value working together to achieve common goals.</p> <p>Council is actively involving Iwi in its coastal restoration and a resiliency building programme. Prior to sand dune recontouring and planting, Council engages with Tangata Whenua in terms of cultural monitoring and maintenance relocation of indigenous bio-diversity e.g. Katipo spiders. Iwi are an active member of many of the local groups that Council works with including Progressive Associations and special interest groups.</p>

# Community Facilities and Services

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2020

		LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		4,900	5,163	5,198	5,193	(5)
Targeted rates		6,396	7,094	6,451	6,472	21
Subsidies and grants for operating purposes		14	14	14	–	(14)
Fees and charges	1	1,604	1,665	1,673	1,089	(584)
Local authorities fuel tax, fines, infringement fees, and other receipts		229	214	215	125	(90)
Internal charges and overheads recovered		–	–	–	3	3
<b>Total operating funding (A)</b>		<b>13,143</b>	<b>14,150</b>	<b>13,551</b>	<b>12,882</b>	<b>(669)</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	2	8,598	9,403	8,867	8,489	(378)
Finance costs	3	960	1,037	859	740	(119)
Internal charges and overheads applied		2,243	2,326	2,443	2,491	48
Other operating funding applications		–	–	–	–	–
<b>Total applications of operating funding (B)</b>		<b>11,801</b>	<b>12,766</b>	<b>12,169</b>	<b>11,720</b>	<b>(449)</b>
<b>Surplus (deficit) of operating funding (A–B)</b>		<b>1,342</b>	<b>1,384</b>	<b>1,382</b>	<b>1,162</b>	<b>(220)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	4	1,547	3,091	1,914	172	(1,742)
Gross proceeds from sale of assets		–	–	–	5	5
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
<b>Total sources of capital funding (C)</b>		<b>1,547</b>	<b>3,091</b>	<b>1,914</b>	<b>177</b>	<b>(1,737)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
– to meet additional demand		111	26	42	21	(21)
– to improve the level of service	4	1,102	843	852	543	(309)
– to replace existing assets	4	1,910	3,551	2,498	1,353	(1,145)
Increase (decrease) in reserves		(234)	55	(96)	(578)	(482)
Increase (decrease) of investments		–	–	–	–	–
<b>Total applications of capital funding (D)</b>		<b>2,889</b>	<b>4,475</b>	<b>3,296</b>	<b>1,339</b>	<b>(1,957)</b>
<b>Surplus (deficit) of capital funding (C–D)</b>		<b>(1,342)</b>	<b>(1384)</b>	<b>(1382)</b>	<b>(1,162)</b>	<b>220</b>
<b>Funding balance ((A–B)+(C–D))</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation		1,115	1,165	1,304	1,692	388
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2019		19,400	373	19,773		
Raised during year		600	385	985		
Repaid during year		(600)	(213)	(813)		
<b>Loans as at 30/06/2020</b>		<b>19,400</b>	<b>545</b>	<b>19,945</b>		
Interest expense		731	9	740		

**NOTES:**

1. Fees and charges down as a result of the COVID-19 lockdowns.
2. Underspend largely in Community Centres as a result of the COVID-19 lockdown.
3. Interest costs were down due to the lower than expected interest rates experienced globally.
4. Some planned capital expenditure projects and renewals were deferred to 2020/2021 due to closure during COVID-19 lockdowns.

Activity Expenditure	LTP	LTP	Annual		
	Forecast	Forecast	Plan	Actual	Variance
	2019	2020	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000
Cemeteries	415	440	437	437	–
Public Toilets	338	347	350	327	(23)
Beautification	688	704	727	758	31
Reserves	1,948	2,143	2,138	2,142	4
Sportsgrounds	1,149	1,172	1,187	1,212	25
Halls	242	246	249	236	(13)
Library Services	2,697	3,143	3,250	3,485	235
Community Centres	2,159	2,351	1,785	1,471	(314)
Aquatic Centres	2,897	2,993	2,958	2,973	15
Urban Cleaning	385	393	394	371	(23)
<b>Total activity expenditure</b>	<b>12,918</b>	<b>13,932</b>	<b>13,475</b>	<b>13,412</b>	<b>(63)</b>



# 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.	<ul style="list-style-type: none"><li>• Exuberant economy</li><li>• Thriving communities</li></ul>	Funder/provider

## 2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
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.	<b>Achieved</b> The change in the number of fatalities and serious injury crashes on the local road network from the previous financial year is –6. There were 12 serious injury crashes and no fatal crashes occurred in council road reserve 2018/19 year. There were 14 serious injury and 4 fatality crashes reported in the previous financial year.	<b>Achieved</b> 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.
Roads in good condition*.	The average quality of ride on a sealed local road network measured by smooth travel exposure.	Minimum 85%	<b>Achieved</b> As at 30 June 2019, the Smooth Travel Exposure is 91% across the sealed local road network.	<b>Achieved</b> 92%.
Roads that are maintained well*.	The percentage of the sealed local road network that is resurfaced annually.	Minimum of 5% of total area	<b>Not Achieved</b> As at 30 June 2019, 4.47% of the sealed local road network was resurfaced. Increase in price of bitumen has affected the quantity of resurfacing which could be completed. Budgets have been increased for 2019/20 to allow for the increase in cost.	<b>Achieved</b> Reseal minimum of 5% of total surface area achieved in 2019/20.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
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.	<b>Not Achieved</b> As at 30 June 2019, 13.3% of footpaths are of excellent condition and 5.8% 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.	<b>Not achieved</b> 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 2020/2021 (\$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.
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%	<b>Achieved</b> As of 30 June 2019, 1,896 CRMs have been received with 96% closed within 15 working days.	<b>Not achieved</b> 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 CRM's remained open. These have been resolved.

\* 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 Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Subsidised – Renewals	3,056	2,746	310	1
Subsidised Roading – Bridge renewals	419	–	419	2
Footpath renewals	411	423	(12)	
<b>Total renewal projects</b>	<b>3,886</b>	<b>3,169</b>	<b>717</b>	
<b>Level of service portion of project</b>				
Shared pathways	350	30	320	3
New footpaths	449	75	374	4
Shared pathways – Cycle facilities	412	77	335	3
Foxton Townscape Main Street Upgrade	–	–	–	
Queen St West Improvements (Oxford St to Salisbury St)	–	92	(92)	
Queen St/Tiro Tiro Roundabout	–	17	(17)	
Subsidised – Seal extensions & minor improvements	1,417	1,624	(207)	
Subsidised – Road improvements for rail crossings	502	–	502	5
Subsidised – Road improvements due to Ō2NL	515	–	515	6
Subsidised – Road improvements	955	390	565	7
<b>Total level of service projects</b>	<b>4,600</b>	<b>2,305</b>	<b>2,295</b>	
<b>Growth portion of project</b>				
	–	–	–	
<b>Total growth projects</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	3,886	3,169	717	
Improve level of service	4,600	2,305	2,295	
Growth – To meet additional demand	–	–	–	
<b>Total Land Transport projects</b>	<b>8,486</b>	<b>5,474</b>	<b>3,012</b>	

#### NOTES:

1. Himatangi Block Road: This project originally required earthworks to be completed in private property and was delayed due to negotiations with affected landowners.(a trust with 200+ trustees). A solution has been found to complete this work entirely within the road reserve and will be delivered in 2020/2021, In addition some rehabilitation projects could not proceed during COVID-19 lockdown.
2. Poads Road Bridge replacement: Horizons consenting was delayed due to COVID-19.The physical bridge material (beams, deck etc.) have all been built, ready for installation, just waiting on consents.
3. Levin Town Spine Shared Pathways with an expected subsidised expenditure of \$400k. Work on this was delayed due to ongoing discussions with KiwiRail. The work is scheduled to be completed in 20/21, however if permission is unable to be obtained from KiwiRail by the end of September 2020, this will be re-allocated to other projects.
4. New Footpaths. Unable to complete programme due to the COVID-19 lockdown.
5. This budget is no longer required as Waka Kotahi/NZTA now funds this work.
6. This capital expenditure has been delayed until further planning work to identify, investigate and design these projects is undertaken. Planning work with O2NL has taken longer than expected.
7. Part of the Himatangi Block Road as per the explanation in 1 above, together with delays due to COVID-19.

**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 2020 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 we maintain and improve our network. Almost all of the material that is dug out of our network is reused in some way. We try to incorporate sustainable construction methodologies whenever practicable in our projects, and monitor our contractors closely to ensure our 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 our district's growth, the Ō2NL expressway and Levin town centre.
Economic	Exuberant economy	Transport infrastructure is a requirement of our economy, by providing safe, affordable and accessible transport to the community and, service and goods providers, we promote an exuberant economy.

# Land Transport

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2020

		LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates		4,110	3,486	3,882	3,887	5
Subsidies and grants for operating purposes		1,647	1,436	1,731	1,904	173
Fees and charges		–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts		340	359	358	348	(10)
Internal charges and overheads recovered		–	–	–	–	–
<b>Total operating funding (A)</b>		<b>6,097</b>	<b>5,281</b>	<b>5,971</b>	<b>6,139</b>	<b>168</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers		2,949	2,593	3,095	3,369	274
Finance costs		91	185	106	90	(16)
Internal charges and overheads applied	1	1,001	961	1,431	728	(703)
Other operating funding applications		–	–	–	–	–
<b>Total applications of operating funding (B)</b>		<b>4,041</b>	<b>3,739</b>	<b>4,632</b>	<b>4,187</b>	<b>(445)</b>
<b>Surplus (deficit) of operating funding (A–B)</b>		<b>2,056</b>	<b>1,542</b>	<b>1,339</b>	<b>1,952</b>	<b>613</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure	2	4,368	4,308	4,666	2,995	(1,671)
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	2	1,891	1,835	2,314	890	(1,424)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
<b>Total sources of capital funding (C)</b>		<b>6,259</b>	<b>6,143</b>	<b>6,980</b>	<b>3,885</b>	<b>(3,095)</b>
<b>Applications of capital funding</b>						
Capital expenditure		–	–	–	–	–
– to meet additional demand		–	–	–	–	–
– to improve the level of service	2	4,062	4,209	4,599	2,305	(2,294)
– to replace existing assets	2	3,784	3,458	3,886	3,169	(717)
Increase (decrease) in reserves		469	18	(166)	363	529
Increase (decrease) of investments		–	–	–	–	–
<b>Total applications of capital funding (D)</b>		<b>8,315</b>	<b>7,685</b>	<b>8,319</b>	<b>5,837</b>	<b>(2,482)</b>
<b>Surplus (deficit) of capital funding (C–D)</b>		<b>(2,056)</b>	<b>(1,542)</b>	<b>(1,339)</b>	<b>(1,952)</b>	<b>(613)</b>
<b>Funding balance ((A–B)+(C–D))</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation		4,993	5,143	5,140	4,924	(216)
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2020		2,300	94	2,394		
Raised during year		1,000	164	1,164		
Repaid during year		(200)	(74)	(274)		
<b>Loans as at 30/06/2020</b>		<b>3,100</b>	<b>184</b>	<b>3,284</b>		
Interest expense		88	2	90		

**NOTES:**

1. Higher internal labour was capitalised than budgeted.
2. Significant projects were delayed due to COVID-19 lockdowns. As a result there were lower Waka Kotahi/NZTA subsidies received, lower debt was incurred and less expenditure spent. More detailed explanations are shown above in section 3.

Activity Expenditure	LTP	LTP	Annual		
	Forecast	Forecast	Plan	Actual	Variance
	2019	2020	2020	2020	2020
	\$000	\$000	\$000	\$000	\$000
Subsidised Roothing	7,700	7,482	8,448	7,624	(824)
Footpaths	1,051	1,076	1,037	1,013	(24)
Shared Pathways	—	38	41	30	(11)
Unsubsidised Roothing	283	288	247	432	185
<b>Total activity expenditure</b>	<b>9,034</b>	<b>8,884</b>	<b>9,773</b>	<b>9,099</b>	<b>(674)</b>

# 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.	<ul style="list-style-type: none"><li>• Exuberant economy</li></ul>	Funder/provider
Provide a means of ensuring minimal contamination of the receiving water course.	<ul style="list-style-type: none"><li>• Stunning environment</li></ul>	Funder/provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	<ul style="list-style-type: none"><li>• Thriving communities</li></ul>	Funder/provider



## 2. MEASURING PERFORMANCE

Measuring Performance

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019			Actual Performance 2019/2020													
An adequate stormwater system*.	Number of flooding events that occur in the District.	< 5 per year	Achieved As at 30 June 2019: There were 0 flooding events.			Achieved As at 30 June 2020: There were 0 flooding events.													
	For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.	2 or less	Achieved As at 30 June 2019: <table><thead><tr><th>Flooding event</th><th>Per 1,000 connections</th><th>Habitable floors affected</th></tr></thead><tbody><tr><td>No flooding events</td><td>0</td><td>0</td></tr></tbody></table> <div>There were 12,740 connections as at 1 July 2018.</div>			Flooding event	Per 1,000 connections	Habitable floors affected	No flooding events	0	0	Achieved As at 30 June 2020: <table><thead><tr><th>Flooding event</th><th>Per 1,000 connections</th><th>Habitable floors affected</th></tr></thead><tbody><tr><td>No flooding events</td><td>0</td><td>0</td></tr></tbody></table> <div>There were 12,807 connections as at 1 July 2019.</div>			Flooding event	Per 1,000 connections	Habitable floors affected	No flooding events	0
Flooding event	Per 1,000 connections	Habitable floors affected																	
No flooding events	0	0																	
Flooding event	Per 1,000 connections	Habitable floors affected																	
No flooding events	0	0																	
Response to faults*.	The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.	< 1 hour	Achieved As at 30 June 2019: <table><thead><tr><th>Time</th><th>Comment</th></tr></thead><tbody><tr><td>0</td><td>No flooding events</td></tr></tbody></table>			Time	Comment	0	No flooding events	Achieved As at 30 June 2020: <table><thead><tr><th>Time</th><th>Comment</th></tr></thead><tbody><tr><td>0</td><td>No flooding events</td></tr></tbody></table>			Time	Comment	0	No flooding events			
Time	Comment																		
0	No flooding events																		
Time	Comment																		
0	No flooding events																		
Customer satisfaction*.	The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.	< 10 per year	Achieved As at 30 June 2019: <table><thead><tr><th>Complaints per 1,000 connections</th><th>Number of complaints</th></tr></thead><tbody><tr><td>0.63</td><td>8</td></tr></tbody></table> <div>There were 12,740 connections as at 1 July 2018.</div>			Complaints per 1,000 connections	Number of complaints	0.63	8	Achieved As at 30 June 2020: <table><thead><tr><th>Complaints per 1,000 connections</th><th>Number of complaints</th></tr></thead><tbody><tr><td>6.79</td><td>87</td></tr></tbody></table> <div>There were 12,807 connections as at 1 July 2019.</div>			Complaints per 1,000 connections	Number of complaints	6.79	87			
Complaints per 1,000 connections	Number of complaints																		
0.63	8																		
Complaints per 1,000 connections	Number of complaints																		
6.79	87																		

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																				
Customer satisfaction.	Percentage of customers satisfied with the stormwater service. As per the Annual Resident Satisfaction Survey.	≥ 80%	<b>Not Achieved</b> As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 57.2% of customers were satisfied with the stormwater service.	<b>Not achieved</b> June 2020 survey results, 73% satisfaction overall: 																				
A sustainable stormwater service.	<p>The number of:</p> <p>Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions</p> <p>Received by Council in relation to Horizons Regional Council resource consents* for discharge from its stormwater system**</p>	<p>0 0 0 0</p>	<b>Achieved</b> As at 30 June 2019: <table><thead><tr><th></th><th>Number of</th></tr></thead><tbody><tr><td>Abatement Notice</td><td>0</td></tr><tr><td>Infringement Notice</td><td>0</td></tr><tr><td>Enforcement Order</td><td>0</td></tr><tr><td>Convictions</td><td>0</td></tr></tbody></table>		Number of	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0	<b>Achieved</b> As at 30 June 2020: <table><thead><tr><th></th><th>Number of</th></tr></thead><tbody><tr><td>Abatement Notice</td><td>0</td></tr><tr><td>Infringement Notice</td><td>0</td></tr><tr><td>Enforcement Order</td><td>0</td></tr><tr><td>Convictions</td><td>0</td></tr></tbody></table>		Number of	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
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Enforcement Order	0																							
Convictions	0																							

\* 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 Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Districtwide reticulation – Planned renewals	7	1	6	
Districtwide reticulation – Unplanned renewals	54	46	8	
Stormwater Telemetry	–	49	(49)	
Condition assessment for renewals	24	17	7	
<b>Total renewal projects</b>	<b>85</b>	<b>113</b>	<b>(28)</b>	
<b>Level of service portion of project</b>				
Tokomaru catchment management plan	–	–	–	
Ōhau catchment management plan	–	–	–	
Levin catchment management plan	35	6	29	
Hokio Beach catchment management plan	–	–	–	
Waikawa Beach catchment management plan	–	–	–	
Districtwide improvement works	1,411	416	995	1
Development planning Foxton Beach	1	2	(1)	
Development planning Waitārere Beach	8	–	8	
Improvements NE Levin	5	9	(4)	
Ōhau – Development planning	–	–	–	
Lake Horowhenua water quality improvement project	341	58	283	2
Levin Queen Street	92	52	40	
Queen St discharge & resource consent	105	62	43	
Stormwater telemetry	–	–	–	
New Stormwater connections	–	–	–	
Stansells Drain land purchase	–	–	–	
Hydraulic modelling	72	52	20	
<b>Total level of service projects</b>	<b>2,070</b>	<b>657</b>	<b>1,413</b>	
<b>Growth portion of project</b>				
Tokomaru catchment management plan	–	–	–	
Ōhau catchment management plan	–	–	–	
Hokio Beach catchment management plan	–	–	–	
Levin catchment management plan	2	–	2	
Waikawa Beach catchment management plan	–	–	–	
Districtwide improvement works	65	16	49	
Development planning Foxton Beach	28	33	(4)	
Development planning Waitārere Beach	151	–	151	
Improvements NE Levin	98	171	(73)	
Ōhau – Development planning	–	–	–	
Levin Tararua industrial development	–	–	–	
<b>Total growth projects</b>	<b>345</b>	<b>220</b>	<b>125</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	85	113	(28)	
Improve level of service	2,070	657	1,413	
Growth – To meet additional demand	345	220	125	
<b>Total Stormwater projects</b>	<b>2,500</b>	<b>990</b>	<b>1,510</b>	

#### NOTES:

- Various projects including new SW pipe installations in Shannon & Levin, iSW investigations and installation of new pipes and other materials to alleviate the historical flooding problems in Kennedy Dr, Queenwood Rd & Lakewood Grove, by improving the SW drainage system. New SW PS in Foxton Beach and other SW drainage improvements in the District. A number of these projects were delayed due to COVID-19 lockdown and resource constraints after lockdown.
- This project has been delayed due to COVID-19.

**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 2020 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 2020

		LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates		1,051	1,331	1,254	1,257	3
Subsidies and grants for operating purposes		–	–	–	–	–
Fees and charges		–	–	–	4	4
Local authorities fuel tax, fines, infringement fees, and other receipts		89	92	70	74	4
Internal charges and overheads recovered		–	–	–	–	–
<b>Total operating funding (A)</b>		<b>1,140</b>	<b>1,423</b>	<b>1,324</b>	<b>1,335</b>	<b>11</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers		410	421	423	489	66
Finance costs		254	412	321	280	(41)
Internal charges and overheads applied		94	98	97	122	25
Other operating funding applications		–	–	–	–	–
<b>Total applications of operating funding (B)</b>		<b>758</b>	<b>931</b>	<b>841</b>	<b>891</b>	<b>50</b>
<b>Surplus (deficit) of operating funding (A–B)</b>		<b>382</b>	<b>492</b>	<b>483</b>	<b>444</b>	<b>(39)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	1	3,143	1,006	2,114	577	(1,537)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
<b>Total sources of capital funding (C)</b>		<b>3,143</b>	<b>1,006</b>	<b>2,114</b>	<b>577</b>	<b>(1,537)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
– to meet additional demand	1	1,274	285	345	220	(125)
– to improve the level of service	1	2,073	1,050	2,070	657	(1,413)
– to replace existing assets		86	75	86	113	27
Increase (decrease) in reserves		92	88	96	31	(65)
Increase (decrease) of investments		–	–	–	–	–
<b>Total applications of capital funding (D)</b>		<b>3,525</b>	<b>1,498</b>	<b>2,597</b>	<b>1,021</b>	<b>(1,576)</b>
<b>Surplus (deficit) of capital funding (C–D)</b>		<b>(382)</b>	<b>(492)</b>	<b>(483)</b>	<b>(444)</b>	<b>39</b>
<b>Funding balance ((A–B)+(C–D))</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation		562	657	679	673	(6)
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2019		7,400	66	7,466		
Raised during year		800	76	876		
Repaid during year		(200)	(99)	(299)		
<b>Loans as at 30/06/2020</b>		<b>8,000</b>	<b>43</b>	<b>8,043</b>		
Interest expense		278	2	280		

**NOTES:**

1. A number of projects were delayed due to COVID-19 resulting in lower expenditure and less debt required. Refer to detailed explanation in section 3 above..

Activity Expenditure	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Stormwater Drainage	1,321	1,587	1,519	1,562	43
<b>Total activity expenditure</b>	<b>1,321</b>	<b>1,587</b>	<b>1519</b>	<b>1,562</b>	<b>43</b>

# 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.	<ul style="list-style-type: none"> <li>• Exuberant economy</li> <li>• Enabling infrastructure</li> </ul>	Funder/Provider
Resource consents restricting water usage are monitored and adhered to through demand management.	<ul style="list-style-type: none"> <li>• Stunning environment</li> </ul>	Funder/Provider
Deliver education to the Community to encourage sustainable use of the natural water resource.	<ul style="list-style-type: none"> <li>• Stunning environment</li> </ul>	Provider/Advocate
The water supply is safe to drink.	<ul style="list-style-type: none"> <li>• Thriving communities</li> </ul>	Funder/Provider
There is adequate supply of water for firefighting.	<ul style="list-style-type: none"> <li>• Thriving communities</li> <li>• Enabling infrastructure</li> </ul>	Funder/Provider
The water supply can be quickly restored following a natural disaster event.	<ul style="list-style-type: none"> <li>• Thriving communities</li> <li>• Enabling infrastructure</li> </ul>	Funder/Provider

## 2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																								
Safe water supply*.	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	Achieved Achieved Achieved Achieved  Achieved	<b>Achieved</b> As at 30 June 2019: <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>  From the 1st of July 2018 to the 30th of June 2019, 1,342 samples were collected of which 1,341 were analysed. An alert was received for 1 count of E.coli from a Levin reservoir sample taken on the 27th of May. All following samples from the reservoir and 2 extra samples taken from the reticulation following the incident came back clear. A transgression report is being prepared, attaching evidence of investigations, for the office of the DWAU.  One sample taken from the Levin reservoir on the 20th of October was not tested as it was frozen. The issue was notified to the DWAs with chlorine, turbidity and pH data for the 20th October. Samples taken on the 28th of December did not make it to the lab in time due to courier issues. These were still tested and FAC, pH and turbidity data were sent to the DWAs to verify safety of supply.  A reported positive E.coli result was received for the sample taken on the 1st of January 2019. A report listing investigations done as well as results of consecutive samples after the reservoir and reticulation, was submitted to the DWAs on the 4th of February.  1,009 samples complied with the New Zealand Drinking Water Standards (NZDWS) requirements of <1 E.coli.	Scheme	% compliant	Levin	100%	Shannon	100%	Foxton	100%	Foxton Beach	100%	Tokomaru	100%	<b>Achieved</b> 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>	Scheme	% compliant	Levin	100%	Shannon	100%	Foxton	100%	Foxton Beach	100%	Tokomaru	100%
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Tokomaru	100%																											



Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																								
Safe water supply*.	(b) part 5 of the Drinking Water Standards (protozoa compliance criteria) in:  Levin Shannon Foxton Foxton Beach Tokomaru	  Achieved Achieved Achieved Achieved  Achieved	<b>Achieved</b> As at 30 June 2019: <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> Results are based on data collected and displayed in Infrastructure Data. There was a reported failure for Shannon due to a faulty unit and this is being investigated. Reported failure was due to 3 x 3 minute turbidity events over the month of June 2019, however, this did not affect the results.	Scheme	% compliant	Levin	100%	Shannon	100%	Foxton	100%	Foxton Beach	100%	Tokomaru	100%	<b>Achieved</b> 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>	Scheme	% compliant	Levin	100%	Shannon	100%	Foxton	100%	Foxton Beach	100%	Tokomaru	100%
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Levin	100%																											
Shannon	100%																											
Foxton	100%																											
Foxton Beach	100%																											
Tokomaru	100%																											
Customer Satisfaction*	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 84%	<b>Not Achieved</b> As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 73.2% of customers were not dissatisfied with the service.	<b>Not Achieved</b> June 2020 survey results, 81% satisfaction overall: <div><div>KPI: 84%</div><div>81%</div><div>Satisfied with drinking water</div><div>KPI Met? </div></div>																								

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019			Actual Performance 2019/2020		
Drinking water that tastes and looks satisfactory*.	The total number of complaints received about any of the following (expressed per 1000 connections):		<b>Not Achieved</b>			<b>Not Achieved</b>		
			As at 30 June 2019:			As at 30 June 2020:		
				Number of complains per 1,000 connections	Number of complaints		Number of complains per 1,000 connections	Number of complaints
	Drinking water clarity;	1	Clarity	1.08	12	Clarity	0.63	8
	Drinking water taste;	1	Taste	0.99	11	Taste	0.24	3
	Drinking water odour;	1	Odour	0.09	1	Odour	0.24	3
	Drinking water pressure or flow;	1	Pressure or flow	2.24	25	Pressure or flow	1.35	17
	Continuity of supply; and	1	Continuity of supply	2.60	29	Continuity of supply	0.08	1
	Council's response to any of these issues.		Council's response	0.18	2	Council's response	0.16	2
	Total:	≤ 6	<b>Total</b>	<b>7.18</b>	<b>80</b>	<b>Total</b>	<b>2.70</b>	<b>34</b>
			Number of properties charged with water rates = 13,136			Number of properties charged with water rates = 13,304		

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
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%	<p><b>Achieved</b></p> <p>As at 30 June 2019,</p> <p>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%.</p> <p>No testing was done after December 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.</p> <p>The rest of the hydrants across the district are planned to be tested before 2021.</p>	<p><b>No new update</b></p> <p>As at 30 June 2020,</p> <p>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%.</p> <p>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.</p> <p>The rest of the hydrants across the district are planned to be tested before 2021.</p>
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	<p><b>Achieved</b></p> <p>As at 30 June 2019,</p> <p>100% of water connections checked across the district were measured to be equal to or exceeded pressures of 250kPa at the property boundary.</p>	<p><b>Achieved</b></p> <p>As at 30 June 2020,</p> <p>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.</p>

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																								
Water supply is sustainable*	Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan – Section 5.4.3.1). lpcd – litres per capita per day.	≤ 350 lpcd	<p><b>Achieved</b></p> <p>The average consumption for June 2019 = 323 L/capita/day.</p> <p>For the period from July 2018 to 30 June 2019, the average consumption is 328 L/capita/day.</p> <p>Individual supplies are shown in table below:</p> <table><tr><th>Supply</th><th>L/capita/day</th></tr><tr><td>Levin</td><td>409</td></tr><tr><td>Shannon</td><td>510</td></tr><tr><td>Foxtan</td><td>325</td></tr><tr><td>Foxtan Beach</td><td>195</td></tr><tr><td>Tokomaru</td><td>203</td></tr></table>	Supply	L/capita/day	Levin	409	Shannon	510	Foxtan	325	Foxtan Beach	195	Tokomaru	203	<p><b>Achieved</b></p> <p>The average consumption for June 2020 = 251 L/capita/day.</p> <p>For the period from 1 July 2019 to 30 June 2020, the average consumption is 282 L/capita/day.</p> <p>Individual supplies are shown in table below:</p> <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>Foxtan</td><td>287</td></tr><tr><td>Foxtan Beach</td><td>161</td></tr><tr><td>Tokomaru</td><td>206</td></tr></table>	Supply	L/capita/day	Levin	351	Shannon	404	Foxtan	287	Foxtan Beach	161	Tokomaru	206
Supply	L/capita/day																											
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Tokomaru	206																											

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019			Actual Performance 2019/2020		
Response to faults*.	The median time from the time that Council received notification, to the time that service personnel: Reach the site for urgent call outs;^ Confirm resolution of the fault or interruption of urgent call outs;^ Reach the site for non-urgent call outs; and^ Confirm resolution of the fault or interruption of no-urgent call outs.^		<b>Achieved</b> As at 30 June 2019;			<b>Achieved</b> As at 30 June 2020;		
				<b>Time</b>	<b>Comment</b>		<b>Time</b>	<b>Comment</b>
			Reach the site for urgent call outs	0hr 34mins	Received 21 urgent call outs and attended to 17 within 1 hour or less.	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 13mins	Received 21 urgent call outs and resolved 20 within 8 hours 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 56mins	Received 528 non urgent call outs and attended to 499 within 3 days 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	7hrs 28mins	Received 528 non urgent call outs and resolved 496 in 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.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																								
Minimal water losses*.	Percentage of real water loss from the network as measured by the standard World Bank Institute Band for Leakage.	Band “B”	<p><b>Not achieved</b></p> <p>The assessment which determines achievement/non achievement currently needs to be completed on a yearly basis from flow data of September of every year. This was last performed in September 2018 with the results as below:</p> <table><tr><th>Supply</th><th>"Snapshot" Infrastructure Leakage Index</th></tr><tr><td>Levin</td><td>C</td></tr><tr><td>Shannon &amp; Mangaore</td><td>D</td></tr><tr><td>Foxton</td><td>D</td></tr><tr><td>Foxton Beach</td><td>A</td></tr><tr><td>Tokomaru</td><td>C</td></tr></table> <p>A new system for the monthly reporting of night flow trends, which form the basis of this assessment, is in the process of being implemented for Levin, Shannon and Foxton. Expected completion date is end of November 2019.</p> <p>The pressure management intervention to reduce water losses in Levin is in progress, with the first of four Pressure Reducing Valves commissioned in January 2019. Three more will be installed in the next year.</p>	Supply	"Snapshot" Infrastructure Leakage Index	Levin	C	Shannon & Mangaore	D	Foxton	D	Foxton Beach	A	Tokomaru	C	<p><b>Not achieved</b></p> <p>A system for the monitoring of night flow trends, which form the basis of this performance assessment, has been implemented for all the supplies. The assessment which determines achievement/non achievement has been updated with the latest values as at September 2020.</p> <table><tr><th>Supply</th><th>"Snapshot" Infrastructure Leakage Index</th></tr><tr><td>Levin</td><td>C</td></tr><tr><td>Shannon &amp; 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> <p>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.</p> <p>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.</p>	Supply	"Snapshot" Infrastructure Leakage Index	Levin	C	Shannon & Mangaore	C	Foxton	C	Foxton Beach	A	Tokomaru	C
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Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																				
Sustainable water supply management	The number of:		<b>Achieved</b>	<b>Achieved</b>																				
			As at 30 June 2019	As at 30 June 2020																				
	Abatement Notices;	0	<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>		Number	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0	<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>		Number	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
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Enforcement Orders; and	0																							
Convictions	0																							
Received by Council in relation to Horizons Regional Council resource consents.																								

### 3. ACQUISITION AND RENEWAL OF ASSETS

Water Supply	Annual Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Condition assessment for renewals – Water Supply	53	63	(10)	
Foxton Beach consents – Renewal	–	17	(17)	
Foxton Beach Edinburgh Terrace Bore – Renewal	107	–	107	
Foxton Beach reticulation – Renewals	164	3	161	
Foxton Beach treatment plant – Renewals	65	30	35	
Foxton Reticulation – Renewals	88	–	88	
Foxton Water Treatment Plant – Renewals	256	74	182	
Levin Reticulation – Renewals	724	2,027	(1,303)	1
Levin treatment plant – Renewals	279	167	112	
Reactive renewals – District Wide	143	262	(119)	
Shannon – Mangaore Consents – Renewal	–	51	(51)	
Shannon – Mangaore Reticulation – Renewals	46	–	46	
Shannon Treatment Plant – Renewals	92	98	(6)	
Tokomaru Consents – Renewal	–	181	(181)	2
Tokomaru Water Treatment Plant – Renewals	29	5	24	
<b>Total renewal projects</b>	<b>2,046</b>	<b>2,978</b>	<b>(932)</b>	
<b>Level of service portion of project</b>				
dNet Loggers and oNet PRV Control Systems	–	121	(121)	3
Drone	28	14	14	
Hydraulic Modelling – Water Supply	21	7	14	
Levin reticulation – Demand management	174	196	(22)	
New Water Connections Foxton	–	14	(14)	
New Water Connections Foxton Beach	–	21	(21)	
Foxton concrete reservoir and raw water tanks	–	1	(1)	
New Water Connections Levin	–	99	(99)	
New Water Connections Shannon	–	4	(4)	
Tokomaru treatment plant – LOS	118	65	53	
<b>Total level of service projects</b>	<b>341</b>	<b>542</b>	<b>(201)</b>	
<b>Growth portion of project</b>				
Foxton Beach development plan	112	–	112	
Levin growth area	108	213	(105)	
Ōhau future supply of water services	56	34	22	
Waitāre Beach future supply of water services	56	32	24	
<b>Total growth projects</b>	<b>332</b>	<b>279</b>	<b>53</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	2,046	2,978	(932)	
Improve level of service	341	542	(201)	
Growth – To meet additional demand	332	279	53	
<b>Total Water projects</b>	<b>2,719</b>	<b>3,799</b>	<b>(1,080)</b>	

#### NOTES:

1. Some Levin reticulation renewals was considered essential and could not be deferred. Decision was made to overspend this budget and underspend others to get the essential work completed.
2. Consent work was brought forward.
3. Budget was utilised from other projects to complete this work.

### 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 2020 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 2020

		LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates	1	6,561	6,748	6,784	6,960	176
Subsidies and grants for operating purposes		–	–	–	–	–
Fees and charges		123	126	126	201	75
Local authorities fuel tax, fines, infringement fees, and other receipts		136	122	61	76	15
Internal charges and overheads recovered		–	–	–	–	–
<b>Total operating funding (A)</b>		<b>6,820</b>	<b>6,996</b>	<b>6,971</b>	<b>7,237</b>	<b>266</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	2	2,999	3,093	3,008	3,301	293
Finance costs		640	674	696	543	(153)
Internal charges and overheads applied	3	479	497	493	734	241
Other operating funding applications		–	–	–	–	–
<b>Total applications of operating funding (B)</b>		<b>4,118</b>	<b>4,264</b>	<b>4,197</b>	<b>4,578</b>	<b>381</b>
<b>Surplus (deficit) of operating funding (A–B)</b>		<b>2,702</b>	<b>2,732</b>	<b>2,774</b>	<b>2,659</b>	<b>(115)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	4	685	625	75	719	644
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
<b>Total sources of capital funding (C)</b>		<b>685</b>	<b>625</b>	<b>75</b>	<b>719</b>	<b>644</b>
<b>Applications of capital funding</b>						
Capital expenditure						
– to meet additional demand		439	1,138	333	279	(54)
– to improve the level of service	5	758	24	341	542	201
– to replace existing assets	5	2,672	2,350	2,045	2,978	933
Increase (decrease) in reserves	6	(482)	(155)	130	(421)	(551)
Increase (decrease) of investments		–	–	–	–	–
<b>Total applications of capital funding (D)</b>		<b>3,387</b>	<b>3,357</b>	<b>2,849</b>	<b>3,378</b>	<b>529</b>
<b>Surplus (deficit) of capital funding (C–D)</b>		<b>(2,702)</b>	<b>(2,732)</b>	<b>(2,774)</b>	<b>(2,659)</b>	<b>115</b>
<b>Funding balance ((A–B)+(C–D))</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation		2,566	2,611	2,712	2,700	(12)
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2019		14,200	316	14,516		
Raised during year		1,300	91	1,391		
Repaid during year		(500)	(172)	(672)		
<b>Loans as at 30/06/2020</b>		<b>15,000</b>	<b>235</b>	<b>15,235</b>		
Interest expense		535	8	543		

**NOTES:**

1. Water by meter revenue above budget.
2. Above budget in plant operational costs.
3. The budget had overhead costs included in direct costs. There was a change to this process for the last quarter of 2019/2020 where overhead costs were included in the overhead cost
4. 2019 had overspent its capital budget and loans had to be increased to fund the excess.
5. Some Levin reticulation renewals was considered essential and could not be deferred. Decision was made to overspend this budget and underspend others to get the essential work completed.
6. More reserve funding used to fund the more than budgeted renewal projects.

Activity Expenditure	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Foxton Water	1,059	1,094	1,063	999	(64)
Foxton Beach Water	823	841	821	782	(39)
Levin Water	3,625	3,714	3,843	4,290	447
Shannon Water	750	767	729	819	90
Tokomaru Water	426	456	454	47	(7)
Ōhau Water	–	2	–	–	–
Waitārere Beach Water	–	2	–	–	–
<b>Total activity expenditure</b>	<b>6,683</b>	<b>6,876</b>	<b>6,910</b>	<b>7,337</b>	<b>427</b>

# 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<sup>1</sup>.
- 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.	<ul style="list-style-type: none"> <li>• An exuberant economy</li> <li>• Enabling infrastructure</li> </ul>	Funder/provider
Resource consent conditions on the quality of discharges are met	<ul style="list-style-type: none"> <li>• Stunning environment</li> </ul>	Funder/provider
The collection network is reliable and has minimal blockages or overflows	<ul style="list-style-type: none"> <li>• Enabling infrastructure</li> </ul>	Funder/provider

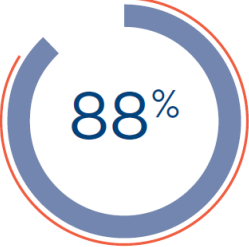
<sup>1</sup> Council does not provide a wastewater disposal service for Waikawa Beach, Hokio Beach, Manakau and Ōhau (although it accepts septic waste from these areas at the Levin treatment plant)

## 2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																				
Reliable wastewater collection and disposal*.	The number of dry weather wastewater overflows from the wastewater system per 1000 connections.	≤ 2	<b>Achieved</b> As at 30 June 2019: <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>0.80</td><td>10</td></tr><tr><td colspan="3">Number of connections as at 01 July 2018 – 12,468</td></tr></table>		Number of overflows per 1,000 connections	Number. of overflows	Number of overflows	0.80	10	Number of connections as at 01 July 2018 – 12,468			<b>Achieved</b> 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>		Number of overflows per 1,000 connections	Number. of overflows	Number of overflows	1.58	20	Number of connections as at 01 July 2019 – 12,634				
	Number of overflows per 1,000 connections	Number. of overflows																						
Number of overflows	0.80	10																						
Number of connections as at 01 July 2018 – 12,468																								
	Number of overflows per 1,000 connections	Number. of overflows																						
Number of overflows	1.58	20																						
Number of connections as at 01 July 2019 – 12,634																								
Safe disposal of wastewater*.	<div>The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions</div> <div>Received by Council in relation to Horizons Regional Council resource consents.</div>	<div>0</div> <div>0</div> <div>0</div> <div>0</div>	<b>Achieved</b> As at 30 June 2019: <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>		Number	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0	<b>Not Achieved</b> 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>		Number	Abatement Notice	0	Infringement Notice	1	Enforcement Order	0	Convictions	0
	Number																							
Abatement Notice	0																							
Infringement Notice	0																							
Enforcement Order	0																							
Convictions	0																							
	Number																							
Abatement Notice	0																							
Infringement Notice	1																							
Enforcement Order	0																							
Convictions	0																							

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020								
Council provides a good response to wastewater system faults reported*.	The median time (hrs) from the time that Council receives a notification, to the time that services personnel reach the site in responding to an overflow resulting from a wastewater blockage or other fault.*	< 1 hour	<b>Achieved</b> As at 30 June 2019: <table><tr><th></th><th>Median time</th></tr><tr><td>Response time</td><td>0hr 28mins</td></tr></table>		Median time	Response time	0hr 28mins	<b>Achieved</b> As at 30 June 2020: <table><tr><th></th><th>Median time</th></tr><tr><td>Response time</td><td>0hrs 26mins</td></tr></table>		Median time	Response time	0hrs 26mins
		Median time										
Response time	0hr 28mins											
	Median time											
Response time	0hrs 26mins											
	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.*	< 12 hours	<b>Achieved</b> As at 30 June 2019: <table><tr><th></th><th>Median time</th></tr><tr><td>Response time</td><td>2hrs 11mins</td></tr></table>		Median time	Response time	2hrs 11mins	<b>Achieved</b> 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>		Median time	Response time	3hrs 07mins
	Median time											
Response time	2hrs 11mins											
	Median time											
Response time	3hrs 07mins											



Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
	Percentage of customers not dissatisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 84%	<b>Not achieved</b> As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 77.3% of customers were not dissatisfied with the service.	<b>Achieved</b> June 2020 survey results, 88% satisfaction overall: <div data-bbox="1429 347 1691 750"> <div>KPI: 84%</div>  <p>Satisfied with <b>sewerage or wastewater services</b></p> <p>KPI Met? </p> </div>



### 3. ACQUISITION AND RENEWAL OF ASSETS

Wastewater	Annual Plan Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Condition assessment for renewals – Waste water	97	49	48	
Districtwide – Reticulation – Unplanned renewals	171	183	(12)	
Foxton Wastewater Reticulation – Renewals	158	22	136	
Foxton Beach Wastewater Treatment Plant – Unplanned renewals	17	6	11	
Foxton Beach Wastewater Treatment Plant – Planned renewals	187	53	134	
Foxton Beach Wastewater Treatment Plant – Strategic upgrade	139	18	121	
Foxton Beach Green Sand Filters	–	–	–	
Foxton Wastewater Treatment Plant – Planned renewals	18	–	18	
Foxton Wastewater Treatment Plant – Pond desludge	374	(2)	376	1
Foxton Wastewater Treatment Plant – Unplanned renewals	18	22	(4)	
Levin Wastewater Reticulation – Renewals	716	1,064	(348)	2
Levin Wastewater Treatment Plant – Planned renewals	1,276	550	726	
Levin wastewater treatment plant – POT	540	709	(169)	
Levin Wastewater Treatment Plant – Unplanned renewals	93	120	(27)	
Shannon Wastewater Treatment Plant – Planned renewals	274	2	272	3
Shannon Wastewater Treatment Plant – Unplanned renewals	25	42	(17)	
Tokomaru Wastewater Treatment Plant – Consent renewal	–	256	(256)	4
Tokomaru Wastewater Treatment Plant – Planned renewals	22	24	(2)	
Tokomaru Wastewater Treatment Plant – Unplanned renewals	6	22	(16)	
Waitārere wastewater treatment plant – Planned renewals	92	147	(55)	
Waitārere wastewater treatment plant – Strategic upgrade	43	18	25	
Waitārere wastewater treatment plant – Unplanned renewals	9	9	–	
<b>Total renewal projects</b>	<b>4,275</b>	<b>3,314</b>	<b>961</b>	
<b>Level of service portion of project</b>				
District Reticulation – Planned Pump Renewals	56	80	(24)	
Development planning – Foxton Beach	–	8	(8)	
Development Planning Waitārere Beach	–	13	(13)	
Forestry at The Pot – Contracts	–	12	(12)	
Forestry at The Pot – MfE Trial of Native Ecosystem Planting	–	225	(225)	5
Foxton Beach Wastewater Treatment Plant – Strategic upgrade	166	21	145	
Foxton wastewater treatment plant – Pond desludge	41	–	41	
Foxton wastewater treatment plant – Strategic upgrade	3,649	2,459	1,190	6
Hydraulic Modelling – Wastewater	62	–	62	
Levin pump stations – Strategic upgrade	254	15	239	6
Levin wastewater treatment plant – Strategic upgrade POT	615	887	(272)	5
Levin wastewater treatment plant – Strategic upgrade	484	621	(137)	
New Sewer Connections Foxton	–	14	(14)	
New WW Connections Foxton Beach	–	30	(30)	
New WW Connections Levin	–	96	(96)	
New WW Connections Waitārere	–	8	(8)	
Shannon pump stations – Strategic upgrade	86	28	58	
Tokomaru wastewater to land project	47	–	47	
Tokomaru Wastewater Treatment Plant – Upgrade	521	61	460	6
Waitārere wastewater treatment plant – Strategic upgrade	390	162	228	6
New WW Connections Shannon	–	4	(4)	
New WW Connections Tokomaru	–	–	–	
Waitārere Beach pump stations	–	1	(1)	
Levin WWTP Discharge – Additional Land (Wider Operations)	–	–	–	
<b>Total level of service projects</b>	<b>6,371</b>	<b>4,745</b>	<b>1,626</b>	

	Annual Plan Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Wastewater</b>				
<b>Growth portion of project</b>				
Levin – Network upgrades – Pump stations	106	11	95	
Levin growth area – Wastewater	239	58	181	6
Ōhau future supply of wastewater services	51	60	(9)	
Levin – Network upgrades	744	108	636	6
<b>Total growth projects</b>	<b>1,140</b>	<b>237</b>	<b>903</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	4,275	3,314	961	
Improve level of service	6,371	4,745	1,626	
Growth – To meet additional demand	1,140	237	903	
<b>Total Wastewater projects</b>	<b>11,786</b>	<b>8,296</b>	<b>3,490</b>	

#### NOTES:

1. Project was put on hold while project implementation issues were sorted. This project has been carried over to next year.
2. Delays in getting consents have held up this project but the consents have been issued and work has begun with unspent budget carried over till next year.
3. The Levin – Network upgrades – Pump stations project was reprioritised and some of the budget carried over to next year.
4. The expected start date and the amount of work in the early stages was over estimated. The project will continue through to next year.
5. Work required as part of consent application.
6. Delays outside of our control resulted in underspend on some projects.

#### 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 2020 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 2020

		LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates		6,890	7,734	7,271	7,298	27
Subsidies and grants for operating purposes		–	–	–	–	–
Fees and charges	1	1,058	1,085	1,085	1,270	185
Local authorities fuel tax, fines, infringement fees, and other receipts		177	178	162	179	17
Internal charges and overheads recovered		–	–	–	–	–
<b>Total operating funding (A)</b>		<b>8,125</b>	<b>8,997</b>	<b>8,518</b>	<b>8,747</b>	<b>229</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	2	2,411	2,546	2,588	3,156	568
Finance costs		1,072	1,474	1,007	880	(127)
Internal charges and overheads applied	3	435	449	486	840	354
Other operating funding applications		–	–	–	–	–
<b>Total applications of operating funding (B)</b>		<b>3,918</b>	<b>4,469</b>	<b>4,081</b>	<b>4,876</b>	<b>795</b>
<b>Surplus (deficit) of operating funding (A–B)</b>		<b>4,207</b>	<b>4,528</b>	<b>4,437</b>	<b>3,871</b>	<b>(566)</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		304	–	22	44	22
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	4	8,030	3,777	7,465	3,952	(3,513)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
<b>Total sources of capital funding (C)</b>		<b>8,334</b>	<b>3,777</b>	<b>7,487</b>	<b>3,996</b>	<b>(3,491)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
– to meet additional demand	5	1,823	2,149	1,140	237	(903)
– to improve the level of service	5	5,237	3,363	6,368	4,745	(1,623)
– to replace existing assets	5	5,389	2,270	4,279	3,314	(965)
Increase (decrease) in reserves	6	92	5,23	137	(429)	(566)
Increase (decrease) of investments		–	–	–	–	–
<b>Total applications of capital funding (D)</b>		<b>12,541</b>	<b>8,305</b>	<b>11,924</b>	<b>7,867</b>	<b>(4,057)</b>
<b>Surplus (deficit) of capital funding (C–D)</b>		<b>(4,207)</b>	<b>(4,528)</b>	<b>(4,437)</b>	<b>(3,871)</b>	<b>566</b>
<b>Funding balance ((A–B)+(C–D))</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation		3,118	3,349	3,341	3,087	(254)
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2019		23,200	315	23,515		
Raised during year		4,700	271	4,971		
Repaid during year		(700)	(319)	(1,019)		
<b>Loans as at 30/06/2020</b>		<b>27,200</b>	<b>267</b>	<b>27,467</b>		
Interest expense		872	8	880		

**NOTES:**

1. Above budget revenue from Trade Waste due to increased usage and higher utility connection fees. Proceeds from the sale of the surplus farm house on the Shannon Wastewater discharge area.
2. Above budget in plant operational costs.
3. The budget had overhead costs included in direct costs. There was a change to this process for the last quarter of 2019/2020 where overhead costs were included in the overhead cost line.
4. A number of projects were delayed by COVID-19 resulting in lower expenditure requiring less borrowing.
5. A number of projects were delayed by COVID-19 resulting in lower expenditure.
6. Decrease in reserves due to funding capex from reserves and lower operating surplus.

Activity Expenditure	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Foxton Wastewater	661	917	737	729	(8)
Foxton Beach Wastewater	617	674	660	725	65
Levin Wastewater	3,936	4,257	4,127	4,711	584
Shannon Wastewater	1,175	1,191	1,151	1,238	87
Tokomaru Wastewater	210	253	270	193	(77)
Waitāre Beach Wastewater	439	524	477	369	(108)
<b>Total activity expenditure</b>	<b>7,038</b>	<b>7,816</b>	<b>7,422</b>	<b>7,965</b>	<b>543</b>

# 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.	<ul style="list-style-type: none"><li>• Stunning environment</li><li>• Thriving communities</li><li>• Enabling infrastructure</li></ul>	Provider
Provision of waste transfer stations, recycling, and refuse collection. These help reduce waste and minimise its negative environmental effects.	<ul style="list-style-type: none"><li>• Stunning environment</li><li>• Enabling infrastructure</li></ul>	Provider
Provision of waste minimisation education to the community.	<ul style="list-style-type: none"><li>• Stunning environment</li></ul>	Provider/advocate

## 2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																		
Provision of landfill but minimising the amount that is sent there.	Quantity of waste going to the landfill per person per year.	≤ 400 kg per person per year	<b>Not achieved</b> As at 30 June 2019, 14,984.96 tonnes of general waste was produced and disposed in the Horowhenua District. This is an average 450.53kg per person based the population of 33,261.	<b>Not achieved</b> 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.																		
Recycling is encouraged	Level of recycling at: Kerbside Transfer stations	≥ 40% of total waste ≥ 50% of total waste	<b>Unable to report correctly</b> 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>1,707.85 tonnes</td></tr><tr><td>Percentage of Waste Production</td><td>10.51%</td></tr></table>		Result	Total Recycling	1,707.85 tonnes	Percentage of Waste Production	10.51%	<b>Unable to report correctly</b> 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>		Result	Total Recycling	2,125.43 tonnes	Percentage of Waste Production	11.9%						
	Result																					
Total Recycling	1,707.85 tonnes																					
Percentage of Waste Production	10.51%																					
	Result																					
Total Recycling	2,125.43 tonnes																					
Percentage of Waste Production	11.9%																					
Waste transfer and recycling stations have a minimal impact on the immediate and surrounding environment.	Number of odour complaints and minimal reports of solid waste in or around: Waste transfer stations; Recycling stations per month.	< 4 per month < 4 per month	<b>Achieved</b> As at 30 June 2019: <table><tr><th></th><th>Monthly average number of complaints</th><th>Number of complaints</th></tr><tr><td>Waste transfer stations</td><td>1.58</td><td>19</td></tr><tr><td>Recycling stations</td><td>1.75</td><td>21</td></tr></table>		Monthly average number of complaints	Number of complaints	Waste transfer stations	1.58	19	Recycling stations	1.75	21	<b>Achieved</b> 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> <b>Note:</b> In June 2020 there was 1 complaint relating to the Foxton Transfer Station. This complaint was unrelated to odour or waste.		Monthly average number of complaints	Number of complaints	Waste transfer stations	0	1	Recycling stations	0	5
	Monthly average number of complaints	Number of complaints																				
Waste transfer stations	1.58	19																				
Recycling stations	1.75	21																				
	Monthly average number of complaints	Number of complaints																				
Waste transfer stations	0	1																				
Recycling stations	0	5																				

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																		
Response to service requests regarding Council's Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days	<b>Not Achieved</b> As at 30 June 2019: <table><tr><th>Number of requests responded to</th><th>Still Open</th></tr><tr><td>442/1089</td><td>488/1089</td></tr></table>  The high number of still open CRMs at 30 June 2019 is due to enquiries regarding the new recycling service which started on 1 July 2019.	Number of requests responded to	Still Open	442/1089	488/1089	<b>Not Achieved</b> As at 30 June 2020: <b>Responses within 3 working days</b> <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>	June	2019/2020 Year	49/102	744/1920	Number of requests responded to	Still Open	1920/1956	36/1956						
Number of requests responded to	Still Open																					
442/1089	488/1089																					
June	2019/2020 Year																					
49/102	744/1920																					
Number of requests responded to	Still Open																					
1920/1956	36/1956																					
Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per-month about non collection of: Kerbside recycling Kerbside refuse	< 6 per month < 6 per month	<b>Not Achieved</b> As at 30 June 2019: <table><tr><th></th><th>Monthly average number of complaints</th><th>Number of complaints</th></tr><tr><td>Kerbside recycling</td><td>9.08</td><td>109</td></tr><tr><td>Kerbside refuse</td><td>13.67</td><td>164</td></tr></table>  The new contractors began rubbish bag collections in October 2018 which resulted in a high number of non-collections for that month. This threw the entire year out but was expected, and will decrease over the coming months.		Monthly average number of complaints	Number of complaints	Kerbside recycling	9.08	109	Kerbside refuse	13.67	164	<b>Not Achieved</b> 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>  <b>Note:</b> This service started for the first time in July 2019 and was suspended over the Alert Level 4 lockdown, restarting 4 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.		Monthly average number of complaints	Number of complaints	Kerbside recycling	18.91	227	Kerbside refuse	6.66	80
	Monthly average number of complaints	Number of complaints																				
Kerbside recycling	9.08	109																				
Kerbside refuse	13.67	164																				
	Monthly average number of complaints	Number of complaints																				
Kerbside recycling	18.91	227																				
Kerbside refuse	6.66	80																				
Recycling stations are available and accessible in urban centres in summer.	Recycling stations are available at the agreed locations on the agreed days and times outlined on Council's website.	Achieve	<b>Achieved</b> As at 30 June 2019, the recycling stations have been available at all times specified on the website.	<b>Achieved</b> 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.																		

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020																				
Customers are content with Council's transfer stations, recycling collection, and refuse collection services offered.	Percentage of customers satisfied with their solid waste services: Kerbside recycling Kerbside refuse	≥ 80% ≥ 80%	<b>Not Fully Achieved</b> As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 75.1% of customers were satisfied with their Kerbside Recycling services and that 80.3% of customers were satisfied with their Kerbside Refuse services.	<b>Achieved</b> 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>		2020	Achieved?	Kerbside recycling	86%	Yes	Kerbside refuse	91%	Yes											
	2020	Achieved?																						
Kerbside recycling	86%	Yes																						
Kerbside refuse	91%	Yes																						
Customers are educated on waste minimisation practices.	Number of school aged students waste education is provided to each year	≥ 300 students per year	<b>Achieved</b> As at 30 June 2019, 3,130 students have been educated.	<b>Achieved</b> As at 30 June 2020, 1,755 students have been educated.																				
Customers are educated on waste minimisation practices.	Number of events Council attends to promote ways to minimise waste	≥ 5 events per year	<b>Achieved</b> As at 30 June 2019, Council has held four events on waste minimisation, and promoted waste minimisation at four other events.	<b>Not Achieved</b> As at 30 June 2020 Council has held 2 event on waste minimisation, and promoted waste minimisation at 2 other events.																				
Sustainable solid waste management.	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions  Received by Council in relation to Horizons Regional Council resource consents.	0 0 0 0	<b>Achieved</b> As at 30 June 2019: <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>  There is currently an abatement notice (#887) still active with relation to odour from the landfill, however. this notice was dated 27 June 2017 and took effect at 1700hrs on 30 June 2017 which was last financial year. This notice remains in force until Horizons Regional Council revoke it.	Type	Number	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0	<b>Achieved</b> 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>	Type	Number	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
Type	Number																							
Abatement Notice	0																							
Infringement Notice	0																							
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Type	Number																							
Abatement Notice	0																							
Infringement Notice	0																							
Enforcement Order	0																							
Convictions	0																							



### 3. ACQUISITION AND RENEWAL OF ASSETS

Solid Waste	Annual Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Landfill stage development	386	110	276	1
Opiki recycling renewals	—	—	—	
Shannon recycling renewals	5	2	3	
<b>Total renewal projects</b>	<b>391</b>	<b>112</b>	<b>279</b>	
<b>Level of service portion of project</b>				
Landfill Development	246	77	169	2
Wheelie Bins	837	800	37	
<b>Total level of service projects</b>	<b>1,083</b>	<b>877</b>	<b>206</b>	
<b>Growth portion of project</b>				
	—	—	—	
<b>Total growth projects</b>	<b>—</b>	<b>—</b>	<b>—</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	391	112	279	
Improve level of service	1,083	877	206	
Growth – To meet additional demand	—	—	—	
<b>Total Solid Waste projects</b>	<b>1,474</b>	<b>989</b>	<b>485</b>	

#### NOTES:

1. Some of this work was delayed due to weather dependency and resource constraints.
2. Some of the budgeted work was found not to be necessary as existing infrastructure was sufficient to meet needs. There were delays in other projects due to COVID-19, delays in sourcing equipment from overseas and assessing the best options for programmed work.

**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 2020 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 2020

		LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2019 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		–	–	–	–	–
Targeted rates		315	350	445	447	2
Subsidies and grants for operating purposes		–	–	–	–	–
Fees and charges		2,142	2,187	1,859	1,876	17
Local authorities fuel tax, fines, infringement fees, and other receipts		10	22	17	20	3
Internal charges and overheads recovered		–	–	–	–	–
<b>Total operating funding (A)</b>		<b>2,467</b>	<b>2,559</b>	<b>2,321</b>	<b>2,343</b>	<b>22</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1	1,521	1,551	3,085	2,932	(153)
Finance costs		238	286	197	202	5
Internal charges and overheads applied		83	85	340	324	(16)
Other operating funding applications		–	–	–	–	–
<b>Total applications of operating funding (B)</b>		<b>1,842</b>	<b>1,922</b>	<b>3,622</b>	<b>3,458</b>	<b>(164)</b>
<b>Surplus (deficit) of operating funding (A–B)</b>		<b>625</b>	<b>637</b>	<b>(1,301)</b>	<b>(1,115)</b>	<b>186</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	2	964	185	2,252	1,087	(1,165)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
<b>Total sources of capital funding (C)</b>		<b>964</b>	<b>185</b>	<b>2,252</b>	<b>1,087</b>	<b>(1,165)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
– to meet additional demand		–	–	–	–	–
– to improve the level of service	3	1,153	413	1,083	877	(206)
– to replace existing assets	3	18	5	391	112	(279)
Increase (decrease) in reserves	4	418	404	(523)	(1,017)	(494)
Increase (decrease) of investments		–	–	–	–	–
<b>Total applications of capital funding (D)</b>		<b>1,589</b>	<b>822</b>	<b>951</b>	<b>(28)</b>	<b>(979)</b>
<b>Surplus (deficit) of capital funding (C–D)</b>		<b>(625)</b>	<b>(637)</b>	<b>(1,301)</b>	<b>1,115</b>	<b>(186)</b>
<b>Funding balance ((A–B)+(C–D))</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation		286	325	314	388	74
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2019		5,300	84	5,384		
Raised during year		1,200	102	1,302		
Repaid during year		(100)	(115)	(215)		
<b>Loans as at 30/06/2020</b>		<b>6,400</b>	<b>71</b>	<b>6,471</b>		
Interest expense		200	2	202		

**NOTES:**

1. Lower recycling and rubbish collection costs as these were halted during COVID-19 lockdowns.
2. Wheelie bins and increase in recycling contract was loan funded.
3. Some of this work was delayed due to weather dependency and resource constraints. Some of the budgeted work was found not to be necessary as existing infrastructure was sufficient to meet needs. There were delays in other projects due to COVID-19, delays in sourcing equipment from overseas and assessing the best options for programmed work.
4. Some of the operating deficits funded from reserves.

Activity Expenditure	LTP	LTP	Annual Plan		
	Forecast	Forecast	Forecast	Actual	Variance
	2019 \$000	2020 \$000	2020 \$000	2020 \$000	2020 \$000
Roadside Collection Bags	192	196	259	419	160
Landfill	978	1,074	1,552	1,435	(117)
Recycling Centres	643	656	1,805	1,673	(132)
Waste Transfer Stations	315	321	323	319	(4)
<b>Total activity expenditure</b>	<b>2,128</b>	<b>2,247</b>	<b>3,939</b>	<b>3,846</b>	<b>(93)</b>

# 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.	<ul style="list-style-type: none"> <li>Thriving communities</li> </ul>	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.
- Adminstrating 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](http://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.	<ul style="list-style-type: none"> <li>Vibrant culture</li> </ul>	Provider
Advocate for transport, health and community wellbeing.	<ul style="list-style-type: none"> <li>Exuberant economy</li> <li>Vibrant cultures</li> <li>Thriving communities</li> </ul>	Advocate
Contestable grant schemes are provided.	<ul style="list-style-type: none"> <li>Vibrant cultures</li> <li>Thriving communities</li> </ul>	Funder
Administration of externally funded grant schemes.	<ul style="list-style-type: none"> <li>Vibrant cultures</li> <li>Thriving communities</li> </ul>	Provider
Contracted services are managed.	<ul style="list-style-type: none"> <li>Thriving communities</li> <li>Enabling infrastructure</li> </ul>	Funder
Capabilities training for the non-profit sector is provided.	<ul style="list-style-type: none"> <li>Vibrant cultures</li> <li>Thriving communities</li> </ul>	Funder
Perform Council's communication function.	<ul style="list-style-type: none"> <li>Exuberant economy</li> <li>Stunning environment</li> <li>Vibrant cultures</li> <li>Thriving communities</li> </ul>	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.	<ul style="list-style-type: none"> <li>Exuberant economy</li> <li>Vibrant cultures</li> </ul>	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.	<ul style="list-style-type: none"> <li>Exuberant economy</li> </ul>	Provider/advocate
Sustainable natural resource utilisation.	<ul style="list-style-type: none"> <li>Exuberant economy</li> </ul>	Advocate
Infrastructure and policy development/implementation.	<ul style="list-style-type: none"> <li>Exuberant economy</li> <li>Stunning environment</li> <li>Thriving communities</li> <li>Enabling infrastructure</li> </ul>	Advocate
Workforce skill development, training and education.	<ul style="list-style-type: none"> <li>Exuberant economy</li> <li>Vibrant cultures</li> <li>Thriving communities</li> </ul>	Advocate
Horowhenua as a vibrant and sustainable place to live and visit.	<ul style="list-style-type: none"> <li>Exuberant economy</li> <li>Vibrant cultures</li> <li>Thriving communities</li> </ul>	Provider/advocate/funder

## 2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
Community awareness is promoted and encouraged.	12 media messages promoting preparedness for an emergency will be made to residents and ratepayers annually.	Achieve	<b>Achieved</b> As at 30 June 2019, 12 media messages have been made.	<b>Achieved</b> As at 30 June 2020, 12 media messages have been made.
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	<b>Not Achieved</b> Due to cyclic training schedules and new staff appointments.	<b>Not Achieved</b> As at 30 June 2020, due to cyclic training schedules, new staff appointments and COVID-19 response.
Council provides effective leadership in advocating, coordinating and facilitating on behalf of community needs.	Number of Community Wellbeing Committee meetings per year.	≥ 5	<b>Achieved</b> As at 30 June 2019, Five Community Wellbeing Committee meetings have been held.	<b>Not Achieved</b> As at 30 June 2020, four (4) 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	<b>Achieved</b> As at 30 June 2019, 11 yEP meetings have been held.	<b>Achieved</b> As at 30 June 2020, nine (9) yEP meetings have been held.
	Number of programmes or projects implemented by yEP.	≥ 4	<b>Achieved</b> As at 30 June 2019, seven programmes/projects have been implemented by yEP.	<b>Achieved</b> As at 30 June 2020, four (4) programmes/projects have been implemented by yEP.



Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
positive life choices.	Number of Youth Network meetings per year.	≥ 6	<b>Achieved</b> As at 30 June 2019, Eight Youth Network meetings have been held.	<b>Achieved</b> As at 30 June 2020, seven (7) 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	<b>Achieved</b> As at 30 June 2019, 10 Older Persons Network meetings have been held.	<b>Not achieved – Due to COVID-19</b> As at 30 June 2020, eight (8) Older Persons Network meetings have been held.  Reduced number of meetings is the result of the COVID-19 lockdown.
	Number of <i>Elderberries</i> magazine publications annually.	≥ 4	<b>Achieved</b> As at 30 June 2019, There have been five <i>Elderberries</i> magazine publications.	<b>Achieved</b> As at 30 June 2020, there have been four (4) <i>Elderberries</i> magazine publications.
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	<b>Achieved</b> As at 30 June 2019, There has been two Creative Communities funding rounds.	<b>Achieved</b> As at 30 June 2020, there has been two (2) Creative Communities funding rounds.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
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	<b>Achieved</b> As at 30 June 2019, there have been seven Education Horowhenua meetings.	<b>Achieved</b> As at 30 June 2020, there have been four (4) Education Horowhenua meetings.
Horowhenua is fully accessible to all people.	Number of Access and Inclusion Leadership forums per year.	≥ 4	<b>Achieved</b> As at 30 June 2019, there have been five Access and Inclusion Leadership forums.	<b>Achieved</b> As at 30 June 2020, there have been five (5) Access and Inclusion Leadership forums.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
Council promotes community group empowerment and provides opportunities for community driven initiatives and projects, and to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered.	≥ 10	<b>Achieved</b> As at 30 June 2019, 10 Community Capacity and Capability Building workshops/trainings have been held. These are as follows: <ul style="list-style-type: none"> <li>• Jim Diers Creating Great Communities Together</li> <li>• Age on the Go Stall holders Workshop</li> <li>• Kiribati Health Lifestyles Workshop</li> <li>• FUNDamentals Funding Workshop</li> <li>• Secretarial Training</li> <li>• Chairperson / Leadership Training</li> <li>• St John First Aid Level 1</li> <li>• Conflict Resolution</li> <li>• St Johns Mental Health First Aid</li> <li>• Fatugatiti</li> </ul>	<b>Achieved</b> As at 30 June 2020, 18 Community Capacity and Capability Building workshops/trainings have been held. These are as follows: <ul style="list-style-type: none"> <li>• HDC Grants and Funding Workshop – Foxton</li> <li>• HDC Grants and Funding Workshop – Shannon</li> <li>• HDC Grants and Funding Workshop – Levin</li> <li>• Michael Hempseed – Students – Manawatu College</li> <li>• Michael Hempseed – Teachers – Manawatu College</li> <li>• Michael Hempseed – Public – Manawatu College</li> <li>• Michael Hempseed – People that work with Youth – Council Chambers</li> <li>• Youth Governance Training</li> <li>• Supported Hana Tapiata – Youth Space</li> <li>• First Aid Level 1 – Foxton</li> <li>• Āpōpō – Youth Space</li> <li>• Tips &amp; Tricks Electronic devices (Te Whare Mahana)</li> <li>• Be Prepared Civil Defence / The Kaikoura Emergency</li> <li>• First Aid Level 1 – Course 2 Foxton</li> <li>• Child Protection Workshop x 2, Levin</li> <li>• Healthy Ageing Talk – Levin</li> <li>• Kathryn Berkett x 3, Levin</li> </ul>
	Percent of satisfaction with Capacity and Capability Building Programme workshops or training.	≥ 85%	<b>Achieved</b> As at 30 June 2019, the 2019 Customer Satisfaction Survey showed a 96% Satisfaction score.	<b>Achieved</b> As at 30 June 2020, 100% Satisfaction with Capacity and Capability Building Programme workshops or training was recorded.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
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	<b>Achieved</b> As at 30 June 2019, 344 individuals have participated in Capacity and Capability Building Programme workshops or training.	<b>Achieved</b> 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.
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	<b>Achieved</b> As at 30 June 2019, six weeks have been funded.	<b>Achieved</b> As at 30 June 2020, six (6) weeks have been funded.
Council effectively communicates with its ratepayers and residents.	Number of Council <i>Community Connections</i> newsletters published annually.	≥ 10	<b>Achieved</b> As at 30 June 2019, 11 <i>Community Connections</i> have been published. Copies can be found at: <a href="https://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection">https://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection</a>	<b>Achieved</b> As at 30 June 2020, 11 <i>Community Connections</i> have been published. Copies can be found at: <a href="https://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection">https://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection</a>
Council effectively communicates with its ratepayers and residents.	Number of media releases published annually.	≥ 100	<b>Achieved</b> As at 30 June 2019, 111 media releases have been published.	<b>Achieved</b> As at 30 June 2020, 102 media releases have been published.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
Council provides a 24/7 telephone contact centre operation.	Telephone contact is continually provided 24/7.	Achieve	<b>Achieved</b> As at 30 June 2019, Council's 06 366 0999 telephone number is operational 24/7. After hour's service and continuous phone supply under Contract with PNCC – RM8 record D17/142551. The phone system is hard coded to divert to PNCC should it have a fault at HDC.	<b>Achieved</b> 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.
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	<b>Achieved</b> As at 30 June 2019, i-SITE accreditation is maintained.	<b>Achieved</b> As at 30 June 2020, i-SITE accreditation is maintained.
	Annual number of visitor information enquiries conducted from Horowhenua i-Sites.	≥ 10,000	<b>Achieved</b> As at 30 June 2019, manually collated stats on Visitor Information enquiries are: Te Awahou Nieuwe Stroom – 10,387 Te Takeretanga o Kura-hau-pō – 7,578 Total as at 30 June 2019 = 17,965 enquiries	<b>Achieved</b> 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
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	<b>Achieved</b> As at 30 June 2019, Ten Horowhenua New Zealand Trust meetings have been held.	<b>Achieved</b> As at 30 June 2020, Eleven (11) Horowhenua New Zealand Trust meetings have been held.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020										
Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings organised per year.	≥ 10	<b>Achieved</b> As at 30 June 2019, 11 Business Networking meetings have been held.	<b>Achieved</b> As at 30 June 2020, Thirteen (13) Business Networking meetings have been held.										
Council advocates for and facilitates business development and new business investment in the Horowhenua District.	Percent of the District's Business Community that are satisfied or more than satisfied with Council's overall performance in the Economic Development Activity.	> 75%	<b>Not Achieved</b> As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 59.1% of the District's Business Community were satisfied with Council's overall performance in the Economic Development Activity.	<b>Not Achieved</b> June 2020 Survey results. 69% satisfaction overall:  <div><p>Overall performance for Economic Development of the District</p><table><tr><th>Category</th><th>Satisfaction Level</th></tr><tr><td>Overall</td><td>69%</td></tr><tr><td>All other residents</td><td>71%</td></tr><tr><td>Business owners</td><td>59%</td></tr><tr><td>KPI Target</td><td>75%</td></tr></table></div>	Category	Satisfaction Level	Overall	69%	All other residents	71%	Business owners	59%	KPI Target	75%
Category	Satisfaction Level													
Overall	69%													
All other residents	71%													
Business owners	59%													
KPI Target	75%													

### 3. ACQUISITION AND RENEWAL OF ASSETS

Community Support	Annual Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
	–	–	–	
<b>Total renewal projects</b>	–	–	–	
<b>Level of service portion of project</b>				
Security access for emergency management	–	1	(1)	
Upgrade of Santa statue	–	23	(23)	
<b>Total level of service projects</b>	–	24	(24)	
<b>Growth portion of project</b>				
	–	–	–	
<b>Total growth projects</b>	–	–	–	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	–	–	–	
Improve level of service	–	24	(24)	
Growth – To meet additional demand	–	–	–	
<b>Total Community Support projects</b>	–	24	(24)	

#### NOTES:

### 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 2020 included:

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Social	Thriving communities	<p>Council wide programmes and activities are contributing to improving our community's wellbeing. Through the #HorowhenuaProud Social Media campaign, Council is highlighting the pride our current and past residents feel in the district. Council's Aquatics, Libraries and Community Hubs provide a space for the community to socialise and improve their mental and physical wellbeing. In addition, age specific programmes have been delivered at these facilities to target their wellbeing. Council continues to support a range of service providers who enhance the safety and wellbeing of the community. This includes Beach Wardens, the Volunteer Resource Centre, sports clubs, Te Whare Mahana (Jack Allen Community Hub) and many more.</p> <p>Council has been using a number of different platforms to provide the opportunity for the community to influence Council decisions. Not only have digital options been added, but more traditional methods as well.</p> <p>Council's Networks are proving very popular, and have been a fantastic forum for Council to engage with the community on several topics. The feedback on these Networks have been very positive, and with the Community Wellbeing Framework now in place there is a clear line of sight as to how they influence and input into Council. Feedback from agencies who work across the region is that Horowhenua were much better prepared to respond to COVID-19 as a community as a result of our Networks and Community Wellbeing Committee than many others.</p>

Wellbeing outcomes	Community outcomes	Effects of programmes in activity area
Environmental	Stunning environment	<p>Horowhenua District Council is extremely proud of the stunning environment we sit within; so much so that our District Vision references the Tararua ranges and the sea. All of Council's programmes have considered ways that we can sustain and actively improve the district's natural environment.</p>
Cultural	Vibrant Cultures	<p>Council's facilities provide an excellent setting to celebrate our community's vast, vibrant cultures. A variety of programming and events have been offered through Library Services, Community Development, Youth Space and the Community Hubs. These have included Matariki, SPYFusion, the Dutch Day Out and Diwali.</p> <p>Additionally Council supports our community's celebrations through grants, funding, and resourcing. This has been achieved with exhibitions displayed in our Community Centres, Pasifika celebrations and incorporating Tikanga Māori into Council processes when appropriate.</p>
Economic	Exuberant economy	<p>Council has delivered programmes, forums and provided support that has impacted positively across Horowhenua's economic wellbeing.</p> <p>This has included but is not limited to, the Housing Forums, promoting Horowhenua at exhibitions, research and supporting community driven initiatives such as the Horowhenua Taste Trail and the Foxton Tourism and Destination Association's calendar of events.</p> <p>The most impactful however, has been the establishment of the Horowhenua New Zealand Trust (HNZT). In 2017, Council unanimously agreed to support the establishment of a community owned, not for profit trust that could operate independently to help people, places and communities of Horowhenua to flourish.</p> <p>The Horowhenua New Zealand Trust was established in 2018 with a mission to improve the wellbeing of the Horowhenua people. Council has a contract with HNZ Trust to provide economic development services for the Horowhenua community.</p>
Cultural	Partnership with Tangata Whenua	<p>Council's relationships and partnerships are going from strength to strength with ngā tangata whenua a rohe. A number of agreements have been established providing trust, resourcing and understanding to Council.</p> <p>Additionally, partnerships have been undertaken to deliver programmes such as Matariki, Youth Development Programmes and capacity building.</p> <p>It is through our knowledge and relationships that Council have been able to advocate for our iwi partners to be included in non-Council projects.</p> <p>Council has also recognised the need to better support Officers in this area, ensuring the contact we have with our iwi partners are meaningful and best use of time. Therefore, Council has created a Cultural Outcomes Lead position to guide this transformation across the organisation.</p>



# Community Support

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2020

	LTP Forecast 2019 Note \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	2,393	2,471	2,974	2,971	(3)
Targeted rates	–	–	–	–	–
Subsidies and grants for operating purposes	27	28	28	35	7
Fees and charges	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	130	134	105	67	(38)
Internal charges and overheads recovered	–	–	–	–	–
<b>Total operating funding (A)</b>	<b>2,550</b>	<b>2,633</b>	<b>3,107</b>	<b>3,073</b>	<b>(34)</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,201	1,248	1,680	1,678	(2)
Finance costs	–	1	–	–	–
Internal charges and overheads applied	1,337	1,370	1,414	1,365	(49)
Other operating funding applications	–	–	–	–	–
<b>Total applications of operating funding (B)</b>	<b>2,538</b>	<b>2,619</b>	<b>3,094</b>	<b>3,043</b>	<b>(51)</b>
<b>Surplus (deficit) of operating funding (A–B)</b>	<b>12</b>	<b>14</b>	<b>13</b>	<b>30</b>	<b>17</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	–	–	–	–	–
Development and financial contributions	–	–	–	–	–
Increase (decrease) in debt	23	(1)	(1)	–	1
Gross proceeds from sale of assets	–	–	–	–	–
Lump sum contributions	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–
<b>Total sources of capital funding (C)</b>	<b>23</b>	<b>(1)</b>	<b>(1)</b>	<b>–</b>	<b>1</b>
<b>Applications of capital funding</b>					
Capital expenditure					
– to meet additional demand	–	–	–	–	–
– to improve the level of service	5	–	–	24	24
– to replace existing assets	18	–	–	–	–
Increase (decrease) in reserves	12	13	12	6	(6)
Increase (decrease) of investments	–	–	–	–	–
<b>Total applications of capital funding (D)</b>	<b>35</b>	<b>13</b>	<b>12</b>	<b>30</b>	<b>18</b>
<b>Surplus (deficit) of capital funding (C–D)</b>	<b>(12)</b>	<b>(14)</b>	<b>(13)</b>	<b>(30)</b>	<b>(17)</b>
<b>Funding balance ((A–B)+(C–D))</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation	12	13	13	9	(4)
<b>Loans</b>					
	External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2019	–	–	–		
Raised during year	–	–	–		
Repaid during year	–	–	–		
<b>Loans as at 30/06/2020</b>	<b>–</b>	<b>–</b>	<b>–</b>		
Interest expense	–	–	–		

Activity Expenditure	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Community Development	251	266	676	590	(86)
Economic Development	953	974	717	801	84
Visitor Information	152	161	254	203	(51)
Community Grants and Funding	394	405	516	508	(8)
District Communication	319	331	512	508	(4)
Rural Fire	—	—	—	4	4
Emergency Management	481	494	432	439	7
<b>Total activity expenditure</b>	<b>2,550</b>	<b>2,631</b>	<b>3,107</b>	<b>3,053</b>	<b>(54)</b>

# 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.	<ul style="list-style-type: none"><li>• Exuberant economy</li><li>• Vibrant cultures</li><li>• Thriving communities</li><li>• Enabling infrastructure</li></ul>	Funder/provider

## 2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
<b>General Property:</b> Council operated facilities are available for public hire.	Facilities availability (hrs) and hire charges by annual review.	8 hrs per day and review annually	<b>Achieved</b> As at 30 June 2019, Council has three Memorial Hall facilities available for hire. All were available for hire for at least eight hours per day. As part of the Annual Plan process there was no change made to the fees and charges.	<b>Achieved</b> 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.
<b>General Property:</b> Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	Achieved	<b>Achieved</b> As at 30 June 2019, All Council buildings with Compliance Schedules have current BWOFS. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.	<b>Achieved</b> As at 30 June 2020, All Council buildings with Compliance Schedules have current BWOFS. All specified systems including fire alarms have been maintained and inspected in accordance with the compliance schedule. This meets the requirement of the Building Act 2004.

### 3. ACQUISITION AND RENEWAL OF ASSETS

Property	Annual Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
Community Buildings programmed renewals	99	56	43	<b>1</b>
General Property renewals	205	14	191	
Municipal buildings power and lighting upgrade	186	194	(8)	
Civic building internal and external renewals	31	32	(1)	
Property renewals programme	87	27	60	
<b>Total renewal projects</b>	<b>608</b>	<b>323</b>	<b>285</b>	
<b>Level of service portion of project</b>				
Corporate furniture	–	53	(53)	<b>2</b>
Gladstone Road Property Purchase	–	108	(108)	
Endowment Subdivision Forbes Rd extension	211	101	110	
<b>Total level of service projects</b>	<b>211</b>	<b>262</b>	<b>(51)</b>	
<b>Growth portion of project</b>				
	–	–	–	
<b>Total growth projects</b>	<b>–</b>	<b>–</b>	<b>–</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	608	323	285	
Improve level of service	211	262	(51)	
Growth – To meet additional demand	–	–	–	
<b>Total Property projects</b>	<b>819</b>	<b>585</b>	<b>234</b>	

#### NOTES:

1. Some projects delayed due to COVID-19 lockdown.
2. Deposit on land purchase.

**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 2020 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.
Social	Thriving communities	<p>Council continues to facilitate a range of voluntary organisations through its community leases policy that contribute to developing community sustainability and community capacity building.</p> <p>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 Waitāre Beach for that Surf Life Saving Club unit that will provide community spaces.</p>
Environmental	Stunning environment	Council continues to plant 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	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 2020

	Note	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		702	1,083	997	996	(1)
Targeted rates		–	–	–	–	–
Subsidies and grants for operating purposes		–	–	–	–	–
Fees and charges	1	728	169	258	409	151
Local authorities fuel tax, fines, infringement fees, and other receipts		140	134	123	203	80
Internal charges and overheads recovered		459	467	441	371	(70)
<b>Total operating funding (A)</b>		<b>2,029</b>	<b>1,853</b>	<b>1,819</b>	<b>1,979</b>	<b>160</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	2	1,441	1,182	1,171	958	(213)
Finance costs		409	302	378	331	(47)
Internal charges and overheads applied		290	301	205	208	3
Other operating funding applications		–	–	–	–	–
<b>Total applications of operating funding (B)</b>		<b>2,140</b>	<b>1,785</b>	<b>1,754</b>	<b>1497</b>	<b>(257)</b>
<b>Surplus (deficit) of operating funding (A–B)</b>		<b>(111)</b>	<b>68</b>	<b>65</b>	<b>482</b>	<b>417</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	3	(5,537)	632	(2,242)	(877)	1,365
Gross proceeds from sale of assets	4	7,000	–	7,000	5,213	(1,787)
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
<b>Total sources of capital funding (C)</b>		<b>1,463</b>	<b>632</b>	<b>4,758</b>	<b>4,336</b>	<b>(422)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
– to meet additional demand		143	–	–	–	–
– to improve the level of service		60	455	211	262	51
– to replace existing assets	5	1,331	434	608	323	(285)
Increase (decrease) in reserves	6	(182)	(190)	4,004	4,233	229
Increase (decrease) of investments		–	–	–	–	–
<b>Total applications of capital funding (D)</b>		<b>1,352</b>	<b>700</b>	<b>4,823</b>	<b>4,818</b>	<b>(5)</b>
<b>Surplus (deficit) of capital funding (C–D)</b>		<b>111</b>	<b>(68)</b>	<b>(65)</b>	<b>(482)</b>	<b>(417)</b>
<b>Funding balance ((A–B)+(C–D))</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation		211	215	217	266	49
<b>Loans</b>						
		<b>External \$000</b>	<b>Internal \$000</b>	<b>Total \$000</b>		
Loans as at 1/07/2019		9,400	146	9,546		
Raised during year		500	47	547		
Repaid during year		(1,300)	(124)	(1,424)		
<b>Loans as at 30/06/2020</b>		<b>8,600</b>	<b>69</b>	<b>8,669</b>		
Interest expense		327	4	331		

**NOTES:**

1. Received more Commercial Property revenue as not all properties were sold in 2020.
2. Lower maintenance costs due to COVID-19 and lower rates expense due to sale of properties.
3. Gross proceeds of sales were budgeted to reduce loans. Reduction in loans lower as not all sales were completed in 2020.
4. Not all sales were completed in 2020.
5. Some capital renewal projects were delayed due to COVID-19.
6. Balance of sale of properties went to reserves.

Activity Expenditure	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Council Building	307	313	296	365	69
Camping Grounds	6	6	6	5	(1)
Commercial Properties	317	117	46	116	70
Endowment Property	555	375	370	151	(219)
General Property	709	722	814	755	(59)
<b>Total activity expenditure</b>	<b>1,894</b>	<b>1,533</b>	<b>1,532</b>	<b>1,392</b>	<b>(140)</b>



# 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.	<ul style="list-style-type: none"> <li>• Exuberant economy</li> <li>• Stunning environment</li> <li>• Thriving communities</li> </ul>	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 is made up of 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.

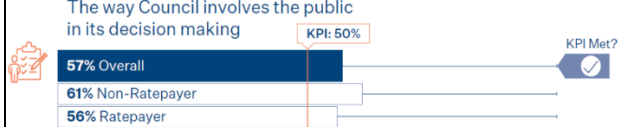
These core functions are achieved by:

- 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.	<ul style="list-style-type: none"> <li>• Exuberant economy</li> <li>• Stunning environment</li> <li>• Vibrant cultures</li> <li>• Thriving communities</li> <li>• Partnerships with Tangata Whenua</li> </ul>	Provider/advocator
Preparing the key strategic policy and planning documents	<ul style="list-style-type: none"> <li>• Exuberant economy</li> <li>• Stunning environment</li> <li>• Vibrant cultures</li> <li>• Thriving communities</li> </ul>	Provider/enabler

## 2. MEASURING PERFORMANCE

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
Council provides open, accessible processes to local government.	Number of successful challenges to Council's decision making processes.	0	<b>Achieved</b> As at 30 June 2019, There have been no successful challenges to Council's decision making process.	<b>Achieved</b> As at 31 May 2020, there were no successful challenges to Council's decision making processes.
	LGOIMA requests responded to within 20 working days.	Achieve	<b>Not Achieved</b> As at 30 June 2019, 154 LGOIMAs have been received. Three have been withdrawn, 104 were responded to on time, 33 were responded to after 20 working days, five are yet to be responded to after 20 working days and 9 are still open within 20 working days.	<b>Not achieved</b> As at 30 June 2020, 194 LGOIMA requests had been received. 162 were responded to on time, 2 were withdrawn, 20 were sent late of which 3 requests had extensions applied for. 10 LGOIMA requests remain open (10 current).
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%	<b>Not Achieved</b> As at 30 June 2019, the 2019 Customer Satisfaction Survey showed that 42.8% of residential and non-residential ratepayers were satisfied with the way Council involves public in its decision making.	<b>Achieved</b> June 2020 survey results, 57% satisfaction overall:   <p>The way Council involves the public in its decision making</p> <p>KPI: 50%</p> <p>57% Overall</p> <p>61% Non-Ratepayer</p> <p>56% Ratepayer</p> <p>KPI Met?</p>
	Council will pre-engage on all significant decisions as outlined in the Significance of Engagement Strategy found on Council's website.	Achieve	<b>Achieved</b> These decisions were; <ul style="list-style-type: none"> <li>Adoption of the Annual Report on 24 October 2018.</li> <li>Adoption of the Annual Plan 2019/20 Engagement document and supporting documentation 27 February 2019.</li> <li>Schedule of Fees and charges 2019/20 under the Food Act and Resource management Act 10 April 2019.</li> </ul>	<b>Achieved</b> 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.

Service area	Performance measure	Target 2018/19 & 2019/2020	Actual Performance 2018/2019	Actual Performance 2019/2020
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)	<b>Not applicable</b> This measure does not apply for this year as the Long Term Plan and Financial Strategy were adopted last year.	<b>Did Not Measure</b> 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.
	The Annual Plan will be adopted before 30 June annually.	Achieve	<b>Achieved</b> The Annual Plan was adopted on 26 June 2019.	<b>Achieved</b> Council adopted its Annual Plan 2020/2021 on 29 June 2020.
	The Annual Report will include an unqualified audit opinion.	Achieve	<b>Achieved</b> The 2017/18 Annual Report received an unmodified audit opinion on 24 October 2018.	<b>Achieved</b> The Annual Report with an Unqualified Audit Opinion was adopted by Council on 31 October 2019.
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%	<b>Achieved</b> As at 30 June, eight non-complying resource consents have been approved out of a total of 180 (4.44%).	<b>Achieved</b> As at 30 June 2020, five (5) non-complying resource consents have been approved, this represents 2% of applications approved.

### 3. ACQUISITION AND RENEWAL OF ASSETS

Governance & Community Leadership	Annual Plant Forecast 2019/20 \$000	Actual 2019/20 \$000	Variance \$000	Notes
<b>Renewals (replace existing assets) portion of projects</b>				
	–	–	–	
<b>Total renewal projects</b>	–	–	–	
<b>Level of service portion of project</b>				
	–	–	–	
<b>Total level of service projects</b>	–	–	–	
<b>Growth portion of project</b>				
Levin Town Centre Projects – Phase 1	252	2	250	1
<b>Total growth projects</b>	<b>252</b>	<b>2</b>	<b>250</b>	
<b>Make up of above projects by % of type</b>				
Renewals – Replacing existing assets	–	–	–	
Improve level of service	–	–	–	
Growth – To meet additional demand	252	2	250	
<b>Total Governance &amp; Community Leadership projects</b>	<b>252</b>	<b>2</b>	<b>250</b>	

#### NOTES:

1. Work was held up due to initial delays in completing design work. This project was then re-prioritised due to COVID-19. It has gone back to Council for further consideration.

### 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 2020 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	<p>Focused engagement with key stakeholders when developing Community Plans, Master Plans and the Annual Plan ensured community input into local decisions and priority projects.</p> <p>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.</p> <p>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.</p>
Environmental	Stunning environment	<p>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. Master Plans have been created for Waitārere Beach, Foxton Beach and Tara-Ika (formally known as Gladstone Green).</p> <p>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. Council will continue to work in collaboration with the Regional Council on initiatives such as Jobs for Nature.</p>

Wellbeing outcome	Community outcomes	Effects of programmes in activity area
Economic	Exuberant economy	<p>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.</p> <p>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.</p>
Economic	Enabling Infrastructure	<p>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.</p> <p>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.</p>
Cultural	Vibrant Cultures	<p>Citizenship Ceremonies, Civic functions and Pōwhiri acknowledge the importance of Tikanga Māori in how we conduct proceedings. Council supports local cultural events such as Pasifika Celebration Day, Waitangi Day, Chinese New Year and school events.</p> <p>Pacific Peoples Leaders Fono was established to ensure flow of information, and ongoing interest and engagement in Council activities, from the Pacific Peoples community.</p> <p>The Heritages Incentive Fund has helped landowners of heritage buildings restore, maintain and enhance these heritage features for the benefit of the community and contributing to the district's heritage value.</p>
Cultural	Partnership with Tangata Whenua	<p>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.</p> <p>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.</p>

# Representation and Community Leadership

## HOROWHENUA DISTRICT COUNCIL – FUNDING IMPACT STATEMENT FOR THE YEAR ENDED 30 June 2020

		LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
	Note					
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties		431	505	163	163	–
Targeted rates		3,505	3,625	3,555	3,568	13
Subsidies and grants for operating purposes		–	–	–	47	47
Fees and charges		–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts		3	91	240	111	(129)
Internal charges and overheads recovered		–	–	–	–	–
<b>Total operating funding (A)</b>		<b>3,939</b>	<b>4,221</b>	<b>3,958</b>	<b>3,889</b>	<b>(69)</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	1	1,207	1,419	2,345	1,844	(501)
Finance costs		99	117	97	104	7
Internal charges and overheads applied	2	2,855	3,074	3,090	3,485	395
Other operating funding applications		–	–	–	–	–
<b>Total applications of operating funding (B)</b>		<b>4,161</b>	<b>4,610</b>	<b>5,532</b>	<b>5,433</b>	<b>(99)</b>
<b>Surplus (deficit) of operating funding (A–B)</b>		<b>(222)</b>	<b>(389)</b>	<b>(1,574)</b>	<b>(1,544)</b>	<b>30</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure		–	–	–	–	–
Development and financial contributions		–	–	–	–	–
Increase (decrease) in debt	3	367	330	1,765	860	(905)
Gross proceeds from sale of assets		–	–	–	–	–
Lump sum contributions		–	–	–	–	–
Other dedicated capital funding		–	–	–	–	–
<b>Total sources of capital funding (C)</b>		<b>367</b>	<b>330</b>	<b>1,765</b>	<b>860</b>	<b>(905)</b>
<b>Applications of capital funding</b>						
Capital expenditure						
– to meet additional demand	4	144	–	251	2	(249)
– to improve the level of service		–	–	–	–	–
– to replace existing assets		–	–	–	–	–
Increase (decrease) in reserves	5	1	(59)	(60)	(686)	(626)
Increase (decrease) of investments		–	–	–	–	–
<b>Total applications of capital funding (D)</b>		<b>145</b>	<b>(59)</b>	<b>191</b>	<b>(684)</b>	<b>(875)</b>
<b>Surplus (deficit) of capital funding (C–D)</b>		<b>222</b>	<b>389</b>	<b>1,574</b>	<b>1,544</b>	<b>(30)</b>
<b>Funding balance ((A–B)+(C–D))</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Depreciation		–	13	13	–	(13)
<b>Loans</b>						
		External \$000	Internal \$000	Total \$000		
Loans as at 1/07/2019		2,700	90	2,790		
Raised during year		1,000	111	1,111		
Repaid during year		(200)	(51)	(251)		
<b>Loans as at 30/06/2020</b>		<b>3,500</b>	<b>150</b>	<b>3,650</b>		
Interest expense		103	1	104		

**NOTES:**

1. A number of sustainable growth projects are behind schedule.
2. Increased allocations from other overhead departments.
3. Sustainable Growth projects and District Plan costs are funded from loans. Lower expenditure has required less loan funding.
4. Work was held up due to initial delays in completing design work. This project was then re-prioritised due to COVID-19. It has gone back to Council for further consideration.
5. Reserves were used to fund that part of the deficit not covered by loan funding.

Activity Expenditure	LTP Forecast 2019 \$000	LTP Forecast 2020 \$000	Annual Plan Forecast 2020 \$000	Actual 2020 \$000	Variance 2020 \$000
Community Board	211	213	217	228	11
Elections	3	154	169	189	20
Governance	1,874	1,981	1,920	2,058	138
External Reporting	1,420	1,429	1,445	1,623	178
District Planning	654	847	994	842	(152)
Sustainable Growth Planning	–	–	800	493	(307)
<b>Total activity expenditure</b>	<b>4,162</b>	<b>4,624</b>	<b>5,545</b>	<b>5,433</b>	<b>(112)</b>

# 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 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 2020

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 2020 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 2019/20:

1. Ōtaki to North Levin (Ō2NL) Expressway and online safety improvements
2. Foxton Futures and the construction of the Stage 1 Foxton River Loop Channel Widening
3. Arawhata Wetland – worked with Iwi in an alliance to develop the concept and supported the concept through the application for Crown Infrastructure Partners funding
4. Master Plans for the growth areas – Tara-Ika, Waitārere Beach and Foxton Beach; including the gifting of the name Tara-Ika for the Master Plan area
5. Queen Street / Green Street Design Tool Kit – engagement in the development of the tool kit
6. Horowhenua Housing Forum
7. Community Plans – engagement in the development of the community planning process and preparation of the community plans for Waitārere, Ōhau, Mangaore and Manakau
8. Horowhenua Integrated Transport Strategy – engagement through the development of the Strategy
9. Advocacy support and collaboration for submissions to Horizons One Plan and National legislative changes
10. Investigation and design of the Marae Entrance Improvements (Council acting on behalf of Waka Kotahi/NZTA)
11. Construction of the Foxton waste water treatment plant
12. Shannon Water Take Consent – Iwi engagement and involvement in the preparation of the consent application through Cultural Impact Assessments and Cultural Health Index
13. Tokomaru Wastewater – Iwi engagement and involvement in the preparation of the consent application through Cultural Impact Assessments
14. North East Levin Stormwater Consent – Iwi engagement and involvement in the preparation of the consent application through Cultural Impact Assessments
15. Levin Stormwater Consent to discharge to Lake Horowhenua – Iwi engagement initiated to inform the preparation of the consent application.
16. Tokomaru WWTP Long Term Resource Consent
17. Foxton Beach Stormwater discharge resource consent (has been lodged but on hold due investigations)
18. Levin Stormwater discharge resource consent (has been lodged but on hold due investigations)
19. Levin WWTP to air discharge resource consent
20. Shannon water intake resource consent
21. The Pot – wetland within Waiwiri stream catchment area resource consent
22. Holben Reserve Development Concept Plan
23. Donnelly Park Development Plan
24. Mangahao Reserve Management Plan/Regeneration – initial engagement with Iwi to inform the preparation of the Plan
25. Playford Park and Donnelly Park water abstraction consents
26. COVID-19 – Iwi and Pasifika Liaison Officer assigned to work with the Iwi Cluster during Alert Levels 4 and 3
27. Donnelly Park Development – engagement with Muaūpoko Tribal Authority (MTA) from initial stages of the project
28. Kowhai Park Toilet installation – engagement with Muaūpoko Tribal Authority (MTA) from initial stages of project.

This consultation and engagement has included a range of inputs to the decision making process, these include (but are not limited to):

- Preparation of site specific cultural impacts assessments and cultural value reports
- Submissions on consent applications
- Meetings and conversations between Iwi and Council Officers
- Participation in stakeholder focus groups.

Alongside this, Council has provided services to the following groups to aid capability:

- Horowhenua Lake Domain Board – provision of secretary, treasurer as unpaid Board Members. Maintenance of the reserve is carried out by Te Kaunihera o Horowhenua
- Te Mana o te Wai – provision of secretary, treasurer and governance/project management expertise as unpaid Board Members
- Initial discussions have continued during 2019/20 with key local Iwi groups on how Council might be able to assist in further fostering and building capacity for them to engage in Council decision making processes. This has included resourcing agreements with several local Iwi to support their capacity and capability to contribute to local projects and processes
- Waitangi Day – worked collaboratively with Muaūpoko to hold an event to celebrate Waitangi day, partly funded by Te Kaunihera o te Horowhenua with Council Officer volunteers helping throughout the day adding capacity and capability
- Refugee Resettlement – an executive steering group has been established to support settlement in Horowhenua, the Chief Executive from both Muaūpoko and Ngāti Raukawa sit on this governance group and will be lead influencers in decision making
- Rangatahi for Waiora (R4W) – this is a collaborative programme between Muaūpoko and Raukawa. Council has supported the R4W to deliver on identified deliverables within the programmes
- Horowhenua Kahui Ako Muaūpokotanga wananga – worked in support of Muaūpoko to host over 150 primary and secondary school teachers from Taītoko kura at Kohutaroa Marae. Teachers were brought together to learn and understand Muaūpokotanga including; tikanga, kawa, whakapapa and whenua.

While not directly related to decision making, Council is committed to aiding and improving existing relationships with Māori and supporting aspirations. During the past year Council and Council Officers have undertaken a number of initiatives and projects to aid that:

- A collaborative effort to plan and deliver a programme for Matariki 2020
- Proactively engaging with Iwi, focusing on the Te Ao Māori space within Te Takeretanga o Kura-hau-pō
- Providing space within Te Takeretanga o Kura-hau-pō for Iwi led initiatives and hui
- Meeting with Kikopiri Marae to discuss their vision for the marae, their orchard and how they may support Civil Defence emergencies.

The Youth Space within Te Takeretanga o Kura-hau-pō caters for all youth, including rangatahi. Events held at Te Takeretanga o Kura-hau-pō have included specific events aimed at Māori:

- Matariki: a week-long celebration including pōwhiri, hākari, concert, movie and weaving demonstrations
- Stargazing at Te Awahou/Foxton
- Starlab in Te Maire/Shannon
- Māori Language Week – programme of events aimed at pre-schools including one day dedicated to Te Reo Māori only for Kohanga throughout the Horowhenua District
- Tamariki Playgroup run by Te Runanga o Ngāti Raukawa.

Additionally Council supports a Youth Council, which has been renamed the Youth Empowerment Project (yEP) this year. Council Officers, through their mahi with yEP, have worked alongside our Iwi partners to deliver actions which align with yEP's priorities. This has included:

- A representative from the Rangatahi for Waiora programme has a permanent seat in the yEP, and brings to the table the views and events from a Māori rangatahi perspective
- Supporting funding applications for youth development initiatives
- Supporting youth to lead community leader hui's focused on sharing a youth voice of the challenges and opportunities for youth wellbeing
- Promoting enrolment for the Local Body elections, by hosting Electoral Office at a youth event
- Jointly offered an opportunity for our young people, alongside our local MP and Muaūpoko Tribal Authority, to visit Parliament
- Supported activities and events run by our Iwi partners that have a focus on youth wellbeing such as the basketball competition.

In association with Te Awahou Nieuwe Stroom, Council has supported Ngati Raukawa ki te Tonga through:

- continued engagement via partnership for Te Awahou Nieuwe Stroom with regular communications and hui
- collaborating with Te Pā Harakeke o Te Awahou, in the planning and delivery of the bi-annual Puanga-Matariki Symposium hosted at Te Awahou Nieuwe Stroom
- providing space within Te Awahou Nieuwe Stroom for Iwi and hapu led initiatives and hui.

# 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**

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## **Cr David Allan**

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## **Cr Ross Brannigan**

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## **Cr Sam Jennings**

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## **Cr Victoria Kaye-Simmons**

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## **Cr Robert Ketu**

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## **Cr Christine Mitchell**

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## **Cr Piri-Hira Tukapua**

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## FOXTON COMMUNITY BOARD

<b>David Roache</b> <b>(Chair)</b>	Waea Pukoro/Phone 027 442 5961 Īmēra/Email DavidRoache@horowhenua.govt.nz
<b>Tricia Metcalf</b> <b>(Deputy Chair)</b>	Waea Pukoro/Phone 021 447 711 Īmēra/Email TriciaMetcalf@horowhenua.govt.nz
<b>Trevor Chambers</b>	Waea Pukoro/Phone 022 401 6615 Īmēra/Email trevor.chambers@horowhenua.govt.nz
<b>John Girling</b>	Waea Pukoro/Phone 021 0257 5080 Īmēra/Email JohnGirling@horowhenua.govt.nz
<b>Ngaire Newland</b>	Waea Pukoro/Phone 027 231 7214 Īmēra/Email ngaire.newland@horowhenua.govt.nz

# Management Structure

Personnel	Activity
<b>Chief Executive</b> David Clapperton	Employer of Council staff Governance relationships Organisational effectiveness and efficiency
<b>Group Manager Communities, Partnerships and Business</b> 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
<b>Group Manager Infrastructure Operations</b> Kevin Peel	Asset management Roading Solid waste and Recycling management 3 waters Parks and Property
<b>Group Manager Infrastructure Development</b> Brent Maguire	Strategic infrastructure planning Strategic capital investment Delivery of efficiencies through procurement Strategic relationship partnerships Development engineering Project management
<b>Group Manager Customer &amp; Strategy</b> David McCorkindale	Animal control Building control Environmental health Liquor control Parking enforcement Planning services Annual Plan District Plan Long Term Plan Special projects
<b>Group Manager People &amp; Culture</b> 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  
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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 (06) 366 0999 (all hours)  
Waea whakaahua/Fax (06) 366 0977  
Īmēra/Email enquiries@horowhenua.govt.nz

**Foxton Service Centre**  
Te Awahou Nieuwe Stroom  
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Waea Mahi/Phone (06) 363 5571  
Waea whakaahua/Fax (06) 367 9218

**Shannon Service Centre**  
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Waea whakaahua/Fax (06) 362 7030

## VISITOR INFORMATION CENTRES

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Waea whakaahua/Fax (06) 367 9218

**Te Awahou Nieuwe Stroom**  
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## EMERGENCY MANAGEMENT

126–148 Oxford Street, Levin

Waea Mahi/Phone (06) 366 0999  
Waea whakaahua/Fax (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 1 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	\$9,490,402,300
Land value	\$4,940,453,400
Number of rateable properties	18,203
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%



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