



Horowhenua 
DISTRICT COUNCIL

Annual Report

2021–2022

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About this Report

This report tells the story of Horowhenua District Council's performance during the period from 1 July 2021 to 30 June 2022, and reports against year 1 of our Long Term Plan 2021–2041. We are committed to being transparent and accountable to our community, and this Annual Report provides detailed information on the financial performance of the organisation as a whole, and for each individual activity. It also sets out how we are tracking with our performance measures, and fulfils our obligations under the Local Government Act 2002 to report our past year's highlights, performance results and budget. A separate summary of the Annual Report is also available.

Introduction from the Mayor and Chief Executive

Te kupu whakataki a ngā Kaikaunihera me te Tumu Whakarae

We are pleased to reflect on and celebrate the successes and challenges of Council in the 2021–2022 Annual Report. This Annual Report looks at the financial year 1 July 2021 to 30 June 2022, and in line with legislative requirements, was audited prior to its release. Due to an auditor shortage in New Zealand, Audit NZ was unable to complete the audit until April 2023, meaning the Annual Report was released later than usual.

In January 2022 we said farewell to Chief Executive David Clapperton after 16 years of service. We thanked David Wright for his time as Interim Chief Executive prior to the arrival of Monique Davidson. Born and raised in the Horowhenua, Monique applies her local knowledge, considerable local government experience and passion to the role of Chief Executive and is happy to be home after a five-year period as Chief Executive of the Central Hawkes Bay District Council.

The 2021–2022 financial year presented many challenges, and we are proud of how we responded to them.

A key achievement was the way our dedicated Councillors and Council staff responded to those challenges.

Along with the rest of New Zealand, we felt the impacts of the COVID-19 pandemic with our facilities and offices closed during the August/September 2021 lockdown. We are particularly proud of the way Council services continued during the lockdown, managing through changing traffic light settings and the implementation of vaccine mandates.

Extreme weather also presented challenges during the 2021–2022 financial year; the most significant being the tornado that swept through Levin in May 2022. It caused

devastating damage to properties and homes, and in addition, a hailstorm on the same day destroyed crops and caused extensive damage in the Ōhau area. A rising water table that had not had its usual summer reduction led to a number of flooding events, impacting properties. Working together with local businesses, community groups, tradespeople, contractors and community-spirited individuals, we provided immediate practical support to those worst affected by the weather events. More than \$280k in financial support was made available through the Mayoral Relief fund to those impacted by the tornado.

The Levin Landfill was a contentious issue for the community. In April 2022 Council decided to defer making a decision on the Levin Landfill until the new Chief Executive had an opportunity to provide an evaluation on the complex matter. We see the interest from the community on this matter and are working hard to resolve the multi-faceted issue.

Council endorsed the detailed business case for Ō2NL Expressway prior to it being presented to cabinet. In anticipation, we spent

a lot of time during this financial year preparing for Ō2NL, with the Horowhenua Blueprint 2040, Growth Strategy and District Plan changes incorporating what will be the most transformational infrastructure project in our district's history.

Growth has also been a key topic in the 2021-2022 financial year, presenting both challenges and opportunities for our future. During that 12-month period our rohe grew even more than the significant growth that was predicted. Council and staff also needed to maintain a tricky balance between maintaining infrastructure services for our current ratepayers and ensuring infrastructure is in place for the predicted growth. In May 2022, in response to anticipated growth, Council adopted the 'Horowhenua 2040 Blueprint'. This comprehensive action plan details 12 action areas Council is committed to improving, with liveability and prosperity at the heart of the work being prioritised.

We were proud to collaborate with Muaūpoko and hapū of Ngāti Raukawa ki Te Tonga to organise and host an amazing variety of Matariki events. Council staff from across the organisation worked in

partnership with iwi members to host the numerous events that were extremely well received, a fantastic example of what can be achieved with genuine partnership.

In late 2021, Council consulted on the Representation Review for the 2022 Local Elections. This included the introduction of a Māori Ward with two seats. Māori representation is hugely important, and we look forward to the valuable perspective and input from the Māori Ward Councillors.

Looking back over the financial year, we are very proud of the immense effort made by Councillors and Officers to provide continued advocacy, essential services and support for residents and ratepayers despite the many challenges that came our way. We know that focus is required on lifting our performance, and as we look to the year ahead, the united leadership of the Mayor, Councillors and the Chief Executive presents an opportunity, as we focus on what is most important – our community.



A handwritten signature in black ink that reads "Bernie Wanden".

Mayor Bernie Wanden



A handwritten signature in black ink that reads "Monique Davidson".

Chief Executive Monique Davidson

Our Performance at a Glance

Hei Rarapa atu ki ā Mātou Mahi

This snapshot shows how we met our performance measure targets, our financial performance overall and activity financial information. Summaries of performance measure targets and our financial performance can be found later in this document. Full information on our performance measures and financial performance can be found in the Full Annual Report.

Financial Performance

INCOME



Actual: \$71,944k

Budget: \$73,113k

Variance: -\$1,169k, -2%

😊 on target

EXPENDITURE



Actual: \$73,487k

Budget: \$62,687k

Variance: -\$10,800k, -17%

😞 unfavourable

CAPITAL EXPENDITURE



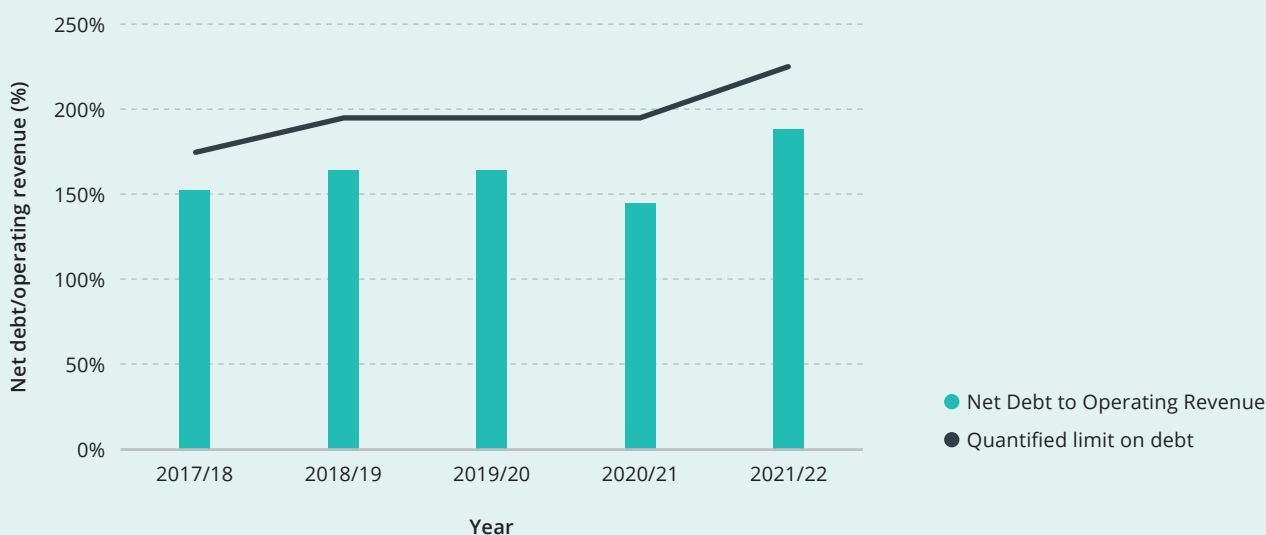
Actual: \$31,096k

Budget: \$32,649k

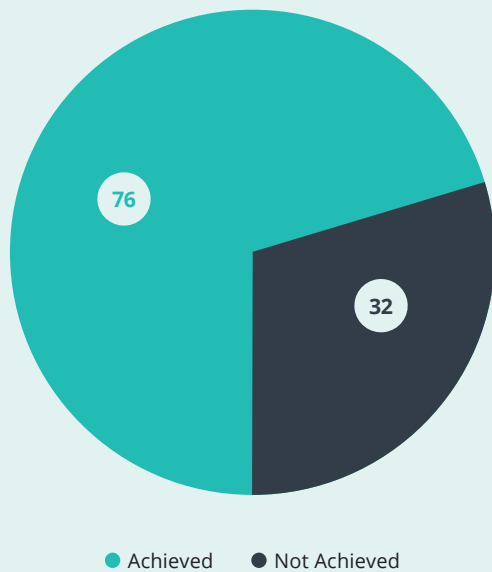
Variance: -\$1,533k, -5%

😊 on target

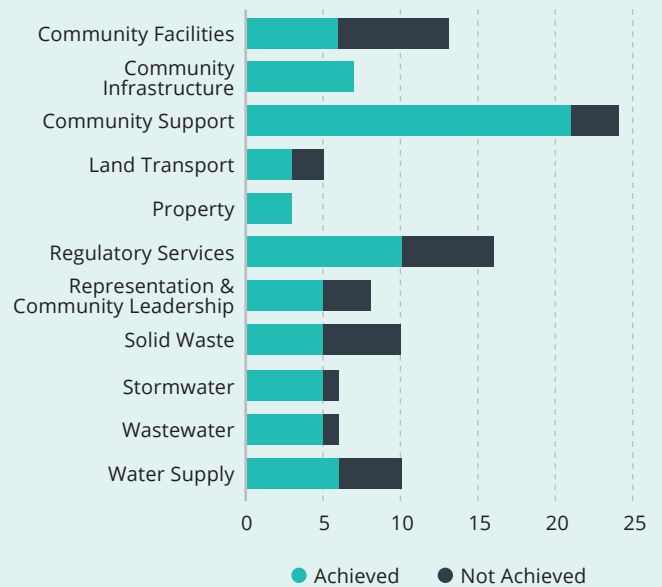
Net Debt to Operating Revenue



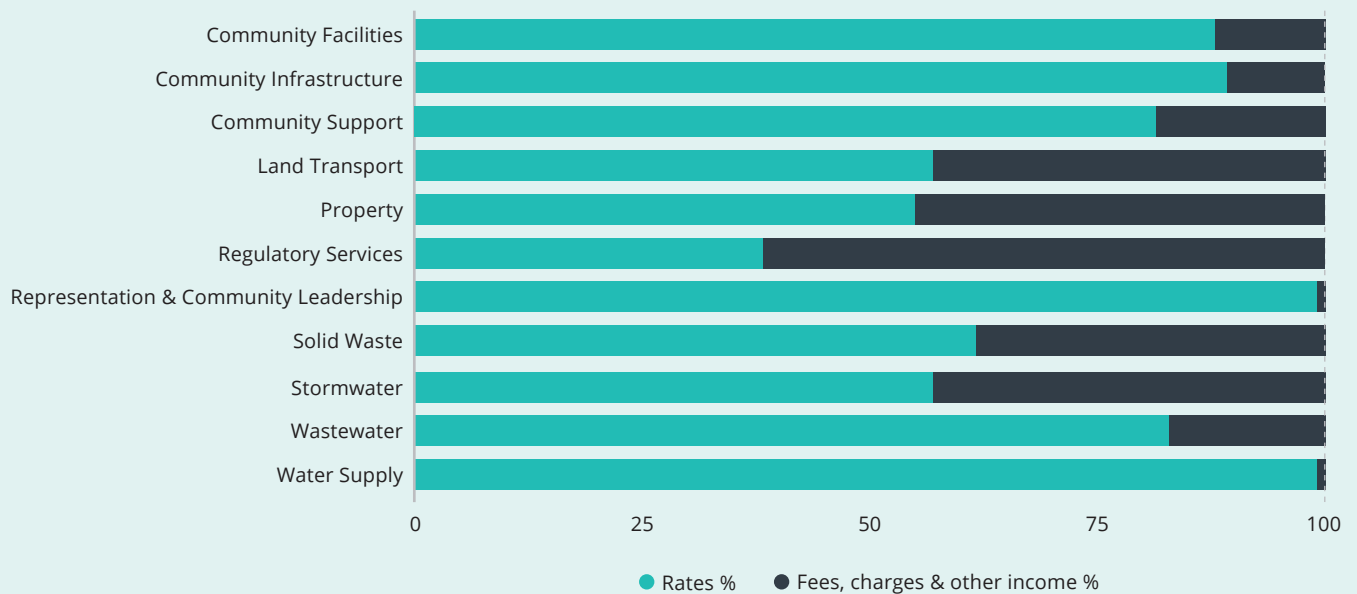
Overall Performance Measures



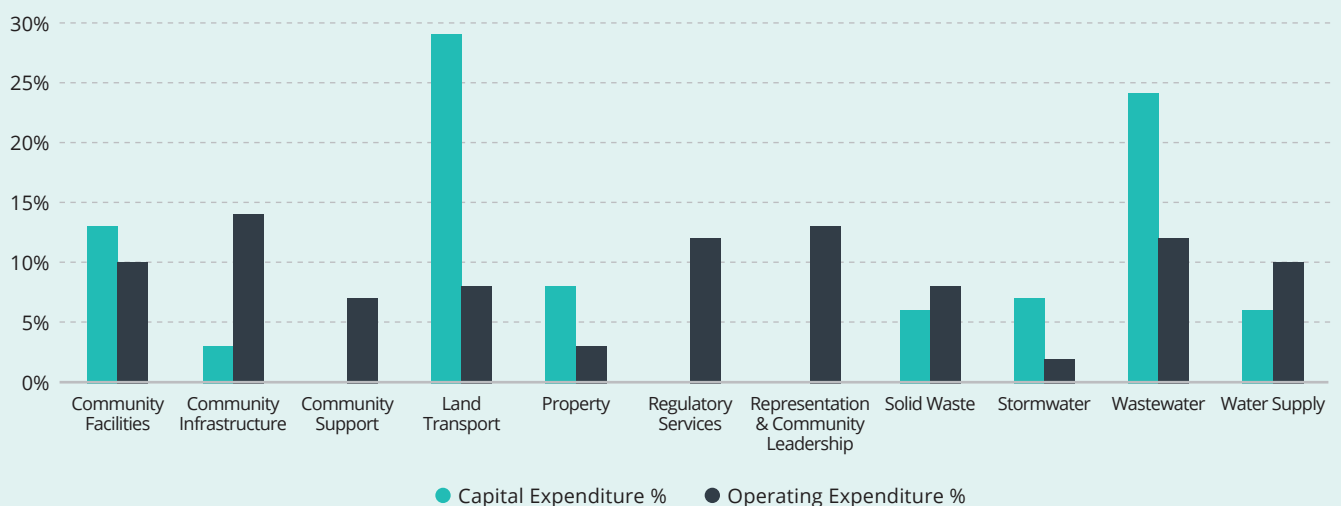
Performance Measures By Activity



Source of Operating Funding



Percentage of overall operating expenditure and capital expenditure budget



FINANCIAL PERFORMANCE

Overall we received close to the level of income we planned. Grants and subsidies for our capital program were lower due to some projects being delayed. However we did receive \$5.6m of assets from developers following the completion of their housing developments that was not budgeted for. These assets include roads, footpaths and pipes.

Our operating expenditure was 11% more than we planned for. Some of this was due to an increase in depreciation expense, an increase in the use of contractors to cover staff vacancies and additional advice required to support the Levin Landfill decision making process

We slightly underspent our capital expenditure budget due to the timing of the capital programme changing. This will be carried forward to future years.

PERFORMANCE MEASURES

The Local Government Act 2002 requires all councils to report on a set of performance measures for Rooding, Water Supply, Wastewater and Stormwater. Councils also develop other performance measures in consultation with their community during the Long Term Plan process.

Performance measures provide valuable information on how Council is performing in a wide range of Council activities.

Council currently has a total of 108 performance measure targets to achieve across the 11 activities. Overall we achieved 70% of our targets. Some common reasons we did not achieve our targets were staffing vacancies having an impact on Council's ability to meet its targets (building back up after Covid restrictions and mandates and annual satisfaction survey results). You can find a summary of performance measure results on page 38 of this document and the full set of performance measure targets, results and commentary in the Full Annual Report.

SOURCE OF OPERATING FUNDING

The 11 activities of Council are funded by either rates or fees, charges and other income. We are heavily reliant on rates to fund many of our activities. This graph details the proportion of funding for each activity. You will note some activities are heavily funded by rates such as Water Supply and Representation and Community Leadership. Other activities such as Regulatory Services have a higher proportion of funding from fees, charges and other income.

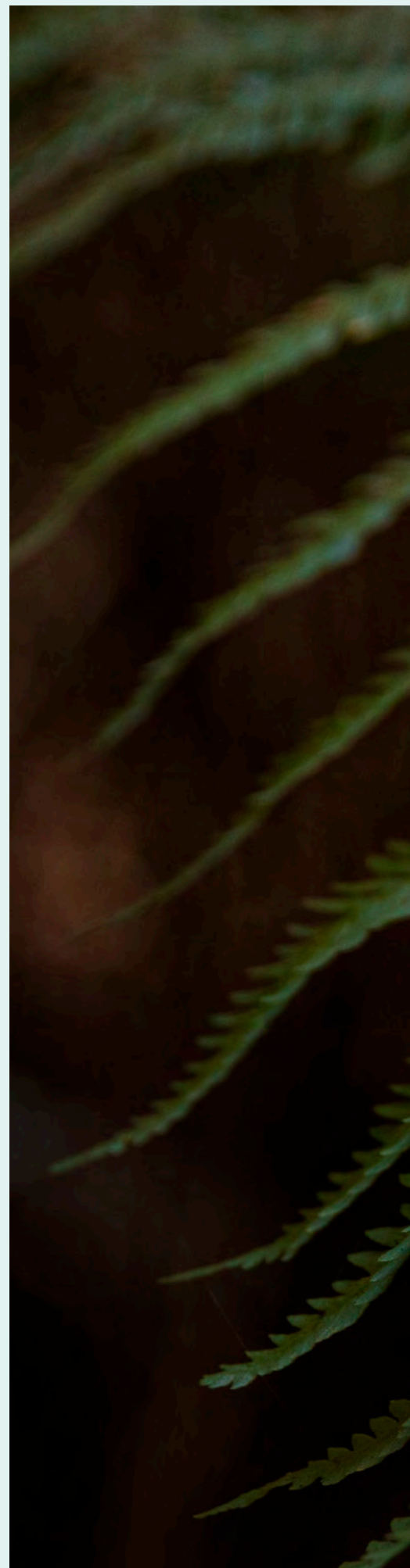
NET DEBT TO OPERATING REVENUE

In our financial strategy, we set a limit on how much we can borrow compared to our operating revenue, this graph shows how we are tracking against this limit. As you can see we are well within our self-imposed limit that was increased this year to allow us to invest in our infrastructure.

PERCENTAGE OF OVERALL OPERATING EXPENDITURE AND CAPITAL EXPENDITURE BUDGET

This graph details the entire operating and capital expenditure budget for each activity this financial year. Operating expenditure is money we spend on day to day services and maintenance of our assets. Capital expenditure is money we spend on replacing existing assets, building new assets and accommodating growth in our district.

You will note some of our infrastructure activities have a naturally high proportion of their budget as capital expenditure because of projects such as Land Transport's Taranaki Road intersection upgrade and Wastewater's wastewater treatment plant upgrades. Other activities have a naturally high proportion of their budget as operating expenditure such as Community Support, Regulatory Services and Representation & Community Leadership who all have 100% operating expenditure.







CASE STUDIES **NGĀ TAKE** **RANGAHAU**



Matariki



Matariki hunga nui, Matariki ahunga nui Matariki of many people, Matariki brings us together

Matariki marks the Māori New Year. It is a time of reflection and celebration that begins with the rising of the Matariki star cluster. Horowhenua District Council has hosted Matariki celebrations in the past, and we were excited that in 2022 it became an annual public holiday in New Zealand.

Our Puanga Matariki 2022 events programme was a collaboration between Council and iwi. Council staff from across the organisation worked in partnership with Muaūpoko and Ngāti Raukawa iwi members to design and deliver a district-wide programme educating our community on the significance of Matariki and its importance to Māori.

Puanga Matariki, a wide range of free events held around the rohe, was partially funded by the Council. Held between 24 June and 10 July, the extensive programme of activities catered to all sectors of the community and was designed to honour the stars in the Matariki cluster:

Stars from the Matariki Cluster



WAIPUNARANGI

Honours rainfall. It translates to water pools in the sky

- While there wasn't a specific event honouring rainfall this year, the rain sure made its presence felt at some events!



HIWA-I-TE-RANGI

Attainment of goals, dreams and aspirations

- Matariki photo competition



WAITĀ

The ocean and the foods that come from it

- Virtual swim challenge



WAITĪ

Represents freshwater bodies and foods from these waters

- Virtual swim challenge
- Early morning dip in the Gladstone River



POHUTUKAWA

Remembers those who have passed on in the last year since the previous Matariki

- Karakia at Foxton Beach and Punahau to welcome in Matariki



URURANGI

'Winds of the sky' determines the nature of the winds for the year

- There was no event for this star this year, but we hope to do something next year



MATARIKI

Signifies refection, hope, connection to the environment and health and wellbeing

- Self-directed children's activities at Te Awahou Nieuwe Stroom, Shannon Library and Te Takeretanga o Kura-hau-pō
- Colouring in competition
- Tree planting in Shannon
- Night lights over Foxton – A popular event which included a light and mist show, food trucks, live music, Matariki exhibition at Te Awahou Nieuwe Stroom, whirling De Molen blades and fire poi. A giant screen played moody music videos, deep space photos and artwork by tamariki
- Matariki for littlies at Te Takeretanga o Kura-hau-pō
- Matariki day out for kaumātua and older people
- Evening story time under the stars at Te Awahou Nieuwe Stroom, Te Takeretanga o Kura-hau-pō and Shannon Library
- The Penguin and the Monster puppet show at Shannon School, Te Awahou Nieuwe Stroom and Te Takeretanga o Kura-hau-pō
- Kapa haka and community kai at Te Takeretanga o Kura-hau-pō
- Matariki ki Otāuru – An action-packed day of activities at Te Maire Park in Shannon
- Movie nights at Te Takeretanga o Kura-hau-pō- and Te Whare Oranga in Shannon
- Taitoko Matariki night market at Te Takeretanga o Kura-hau-pō – A fantastic event of food trucks, stalls, Matariki-oke singing competition, light show and an amazing Matariki animation



TUPU-Ā-NUKU

Food that is gathered and harvested from the soil


- Kapa haka and community kai at Te Takeretanga o Kura-hau-pō



TUPU-Ā-RANGI

Connects to the harvesting of food from the trees, including fruits, berries and birds

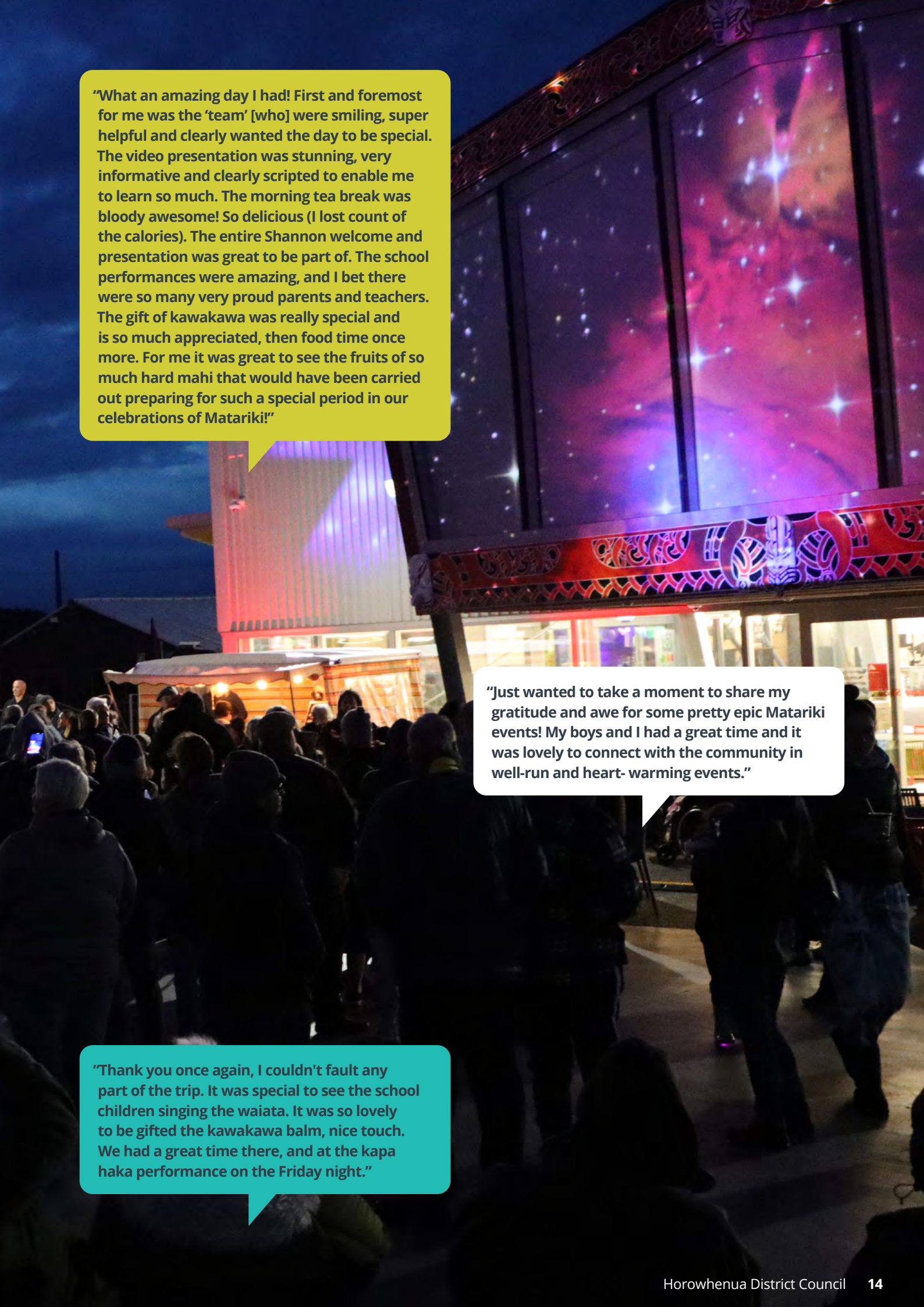
- Rongoā display at Te Takeretanga o Kura-hau-pō
- Harakeke star workshop at Te Takeretanga o Kura-hau-pō



"All events were outstanding. Our community are very lucky to have an amazing council and iwi that create awesome events and opportunities for our region, especially being a small town. It's something to be really proud of! It was awesome seeing our mayor there last night too, he is always interacting with the community on the ground floor."

"I had a lovely time today, sharing it with family and meeting others on the trip. I really enjoyed the time with the tamariki at Shannon. They had beautiful voices and I enjoyed interacting with them. Thank you to everyone for the hospitality shown to us throughout the day."

"Matariki is about coming together with whānau and loved ones," says Di Rump, CEO Muaūpoko Tribal Authority. "Reflecting on the year that's been, remembering and acknowledging those we have lost, as well as renewing and resetting aspirations for the year ahead. I love that we have this time, it makes us stop and really reflect on the way we connect to the past, the present, the future – and each other. It's tika that there is now a public holiday to recognise the value and importance of taking this time out. Our programme just gets better and better – with heaps of opportunity for whānau of every age to participate, and there is literally something for everyone. Muaūpoko are delighted to once again partner to support this annual celebration."



"What an amazing day I had! First and foremost for me was the 'team' [who] were smiling, super helpful and clearly wanted the day to be special. The video presentation was stunning, very informative and clearly scripted to enable me to learn so much. The morning tea break was bloody awesome! So delicious (I lost count of the calories). The entire Shannon welcome and presentation was great to be part of. The school performances were amazing, and I bet there were so many very proud parents and teachers. The gift of kawakawa was really special and is so much appreciated, then food time once more. For me it was great to see the fruits of so much hard mahi that would have been carried out preparing for such a special period in our celebrations of Matariki!"

"Just wanted to take a moment to share my gratitude and awe for some pretty epic Matariki events! My boys and I had a great time and it was lovely to connect with the community in well-run and heart- warming events."

"Thank you once again, I couldn't fault any part of the trip. It was special to see the school children singing the waiata. It was so lovely to be gifted the kawakawa balm, nice touch. We had a great time there, and at the kapa haka performance on the Friday night."

Using Three Waters Stimulus Funding to Benefit Mana Whenua



In July 2020 central government announced a \$523m Three Waters COVID-19 Stimulus funding package intended to help local authorities maintain and improve three waters infrastructure, and support reform of local government water services.

We applied for and received \$670,000 in funding. During the 2021–2022 financial year, Council worked in partnership with local mana whenua to develop and put in place two projects – the Marae Three Waters upgrade and Maturanga Scholarships – benefitting the entire rohe.

The successful completion of the projects was celebrated in a May 2022 ceremony attended by Local Government Minister Nanaia Mahuta. The minister noted it was important to be present to acknowledge what is being achieved alongside Council and marae.

MARAE THREE WATERS UPGRADE

This project emphasises how vital marae are in terms of providing a sense of community. In the event of natural disasters and with

challenges like COVID-19, we see our marae become community centres. When we ensure that marae have all the infrastructure that is required to enable them to operate effectively as community centres, everyone benefits.

Using \$520,000 of the funding, Council upgraded drinking water, stormwater and wastewater services at local marae; the first and only council in New Zealand to do so. Thirteen marae across the district were part of the project, including Kohuturoa, Kawiū, Wehi Wehi, Tukorehe, Tūmatanui (Hikitanga), Ngātōkōwaru, Kerurū, Matau, Huia, Whakawehi (Poutu), Motuiti, Parānui and Kikopiri.

Twenty-three 30,000L water tanks were installed alongside nine new drinking water and UV filtration systems. The upgrades highlight the

significance of marae as community hubs, and the importance of having well-equipped facilities to meet the needs of the people. We're also seeking funding for electric backup generators to ensure uninterrupted water supply and safe drinking water in the event of a power cut or emergency situation.

Muaūpoko Tribal Authority Chief Executive Di Rump says the investment was much needed.

"To see this level of investment in our marae across the rohe (area) is a great example of partnership; may this serve as an example for many more marae to see the same, much needed investment."

Ngāti Tukorehe Tribal Committee Chairperson Pikitia Heke says they were grateful for the upgrades.

"It will ensure that the quality of water of the marae is now fit for purpose, and we will now be able to collect and store enough water for small and large gatherings without fear of any public health issues arising from waterborne diseases. Clean potable water is a basic human right that every community should have access to. This investment will benefit our marae community for many years to come."

One example is Motuiti Marae on State Highway 1, north of Foxton, which belongs to Ngāti Raukawa hapū Ngāti Rākau. Previously the marae had four 20,000L concrete water tanks, but three were broken and leaking. The damage meant only about 40,000L of water was accessible at any time and there was no provision for water filtering. Problems frequently arose during large hui hosted at the marae, and iwi would have to buy water to accommodate their visitors.

The whāre had a 200-person capacity, but during large events, it would often overflow outside. The marae now has three new high-grade polyethylene plastic tanks and debris filters. New pipes to support the framework have been installed, and a water filtration system was

erected in the kitchen to supply clean drinking water. The marae was frequently buying water to meet demand, now they have access to 90,000L of water: a big financial relief.

MATAURANGA SCHOLARSHIPS

Council used \$150,000 of Three Waters Stimulus Funding to establish the Matauranga (Māori knowledge) Scholarships. These scholarships were developed to encourage Horowhenua rangatahi to study at tertiary level with the requirement they return home and give back to Horowhenua. With the changes that are happening with Three Waters Reforms and the Resource Management Act in the coming years, it is vital that we invest in our rangatahi to ensure we have the right expertise locally, especially expertise that can operate in Te Ao Māori.

Council partnered with Muaūpoko Tribal Authority to create the initiative using Three Waters reform stimulus funding. Each of the five recipients will receive a \$30,000 scholarship towards their studies, with the aim of attaining qualifications in the engineering and environmental fields.

Throughout the duration of their studies, the students will be provided with further opportunities by way of ongoing mentorship and project participation. A roopu working group will be created to enable and encourage contact between the students, iwi and Council as a way of keeping connected and to enable the additional tautoko (support) while on their journey.

Matauranga Scholarships are an excellent opportunity to support iwi and at the same time create opportunities for rangatahi and support their studies. Applications came from the Horowhenua community, whānau, and colleges both within and outside of the district. Candidates and their whānau members met with a panel, which consisted of Mayor Bernie Wanden, Tracey White - Muaūpoko Tribal Authority Board Member and Asli Crawford - Council's Water and Waste Services Manager.

The five recipients are Rangiora Williams, Amiria McGhie, Tiaki Hirini, Mariah Montagnani, and Tikardan Tahiwī-Stowers. Hirini, who is using the scholarship to study civil engineering at Waikato University, says he is looking forward to giving back to Horowhenua after earning his degree. He said the scholarship and support that came with it was going to help him later in his life as well as in the present. Montagnani noted she knows she has support from her iwi, the ability to foster Matauranga and the opportunity to contribute to a meaningful kaupapa – and creating potential pathways to long-term environmental change.

Muaūpoko Tribal Authority Board Chairperson Tim Tukapua said it was a great opportunity for Horowhenua rangatahi. "For our up-and-coming rangatahi who may not have considered this path, it opens up a whole new world of possibilities in terms of achieving scholarships and university actually being within their reach. To have them go away to university or wānanga and return being proficient in taiao (environmental) studies will be a huge asset to our people and our community.

"Our partnership with Horowhenua District Council has enabled this to happen and we look forward to working together to provide our rangatahi with any support they may need."

Ensuring water services are equitable for our community is a priority for Council. Working with mana whenua to enhance Three Waters Infrastructure at local marae has been rewarding on many levels, not least the relationship Council staff have developed with marae leaders.



CASE STUDIES | NGĀ TAKE RANGAHAU

Green Flag Awards

Horowhenua is recognised as having some of the best green spaces, parks and gardens worldwide. In this 2021–2022 financial year we gained two new Green Flag Awards for Foxton’s Te Awahou Riverside Cultural Park and Shannon’s Te Maire Park, and Green Flags were rewarded to Manakau’s Driscoll Reserve, Foxton Beach’s Holben Reserve/ Te Wharangi and Levin’s Thompson House.

The Green Flag Award scheme sets an international benchmark for the standard of management of recreational outdoor spaces and recognises well managed parks and green spaces. It aims to ensure everyone has access to good quality green spaces that meet the needs of the community.

We jumped at the opportunity to use the Green Flag Awards as a benchmark when planning our parks and reserves. With input from the community, the awards provided a framework that ensures our community has high quality open spaces, which they can utilise and take pride in.

We had to demonstrate in each application how we meet the following criteria:



A welcoming place

Healthy, safe and secure

Well maintained and clean

Environmental management

Biodiversity, landscape and heritage

Community involvement

Marketing and communication

Management

The prestigious Green Flag Award is maintained by a rigorous annual rewarding process including the evaluation of supplied documentation, visits to the sites and mystery shops of the sites, all judged by recreation professionals.

We, a small council, are proud to hold and maintain five Green Flag Awards, second only to Auckland's seven. This demonstrates our commitment to providing high quality green spaces for people within Horowhenua, and our aim is to have a Green Flag Award green space in each community.

Levin's Thompson House Park consists of a gracious category 2 historic house from the 1920s, set in lovely grounds purchased by Council for the community in 1974. The venue is used for performing arts, crafts and hobby groups, music groups, book launches and poetry readings. It is also well set up for meetings, seminars and conferences.

On the grounds there is a historic stone storage building and wall, a war memorial and cenotaph. Plantings consist of mixed border plantings, a sensory garden, an indigenous woodland patch and a large bonsai. It's also home to a number of unusual and rare plants such as voodoo lily which is known as Dracula's flower due to its incredible purple flower that smells of rotting meat!

Thompson House Park is an excellent example where Council, community, volunteer groups and contractors work together to maintain a treasured community asset.

Manakau's Driscoll Reserve was gifted to the community by the late Les Driscoll and is valued as the only public green space in the area. The reserve houses a war memorial, shade trees, camellia gardens, seating and small but beautifully kept gardens and lawns. The reserve was extended in 2019 when the neighbouring defunct fertiliser site became available – a great example of how a contaminated site can be rehabilitated and made available for community use. After technical advice, the entire site was capped, and a significant amount of screened soil was brought in from other Council projects in progress at the time.

The plan for the park was designed entirely by the community with input from Council staff. This community-driven project was supported by consultants only for the technical elements of the contaminated site and to draw the development plans to the specification of the community and Council staff.

Manakau School and the community took part in bulb and tree planting events with more planting events planned for the future.

'Foxton Beach's Holben/Te Wharangi Reserve has also been a recent recipient of a Green Flag award. The Foxton Beach Reserves Investment Plan was produced and adopted after previous community consultation. This plan has gained additional significance since Foxton Beach was identified as a growth area, with further growth forecast. The plan identified the need for more recreational facilities in the area. After further extensive consultation a variety of plans were finalised including the development of Holben Reserve/Te Wharangi, the largest reserve in Foxton Beach.

Further consultation was then held with local iwi, community and ecological groups to refine the plans for Holben Reserve/Te Wharangi. Foxton Beach is fortunate to have strong cultural and ecological expertise that supported and fed into the process.

Holben/Te Wharangi reserve is home to several popular facilities such as the extensive Foxton Beach walkway system, ponds, a playground, basketball hoop, tennis courts, skating area, Public Hall, sound shell and bike skills area which includes an award-winning (and one of Aotearoa's largest) pump track.

From the park you can walk to some of the best bird watching spots in the region to observe wading and migratory birds at the RAMSAR site – a wetland site designated to be of international importance.

There are further plans to develop a significant wetland at Holben Reserve which will greatly improve the water quality and environmental value of the reserve.

Shannon's Te Maire Park gained a Green Flag Award in the 2021/2022 round. This one-hectare park is highly valued by the community. It is more than 100 years old and was one of the first sites in New Zealand where an Arbour Day planting was held.

More than a century ago, local school children, both Māori and Pākehā, planted native and European trees for the community to enjoy. At the southern end of the park is the Shannon Cenotaph and memorial garden, which has a monument to a local soldier who was killed in the Boer War – one of a few such monuments around New Zealand. Also located in the park is a heritage-listed commuter railway station, railway sculpture, an i-SITE, interpretive signs, and an EV charging station.

Another historic building on the site is the Shannon Jailhouse which was in use from 1911–1972. This has recently been moved back to Te Maire Park fulfilling the aspirations of the local community, iwi and stakeholder groups.

A whare has also recently been built on the site as part of the iwi-led project, Tu Te Manawa. The whare was built with materials and labour donated by local contractors and with assistance from Council. Traditional Māori medicinal flora have been planted around the whare to support the kaupapa of the project of restoring the mauri of Manawatū River, connecting iwi, hapū and communities to the awa (river), and restoring native plants.

With Shannon growing along with the rest of the rohe (district), Council has worked hard in recent years to develop the future direction of Te Maire Park in partnership with the local community. Extensive community consultation was held including drop-in events to make it easy for the community to provide their feedback. Council also worked with the Shannon Progressive Association, local iwi, other local stakeholder groups, and the Historic Places Trust to ensure Te Maire Park reflects the goals and aspirations of the community.

Te Awahou Riverside Cultural Park

links the Foxton Township and Main Street area with the natural park environment of Foxton River Loop area and reflects the strong local Māori and Dutch history, and the considerable community input in designing this space.

It consists of the award-winning Te Awahou Nieuwe Stroom which houses both Māori and Dutch museums, an impressive art gallery, library and a café. The park also includes De Molen – a working flour grinding windmill and Dutch delicatessen, the Flax Stripper Museum and Whare Manaaki workshop featuring traditional Māori arts.

The Cultural Park connects to the bank of the Foxton River Loop Reserve which provides a range of walking tracks, a natural play area and the recently developed riverside precinct. The reserve was developed with assistance from the Provincial Growth Fund to the tune of \$3.8m.

Before commencing the dredging required for the Loop, community members and interested parties worked hard to capture and relocate indigenous and beneficial fish. Community planting days have also been held. Stakeholders such as Save Our River Trust (SORT), leaders in the township and iwi partners were part of a governance team formed to provide overview of the project.

Horowhenua is home to some beautiful green open spaces for the community and visitors to enjoy. We are proud of the partnerships between community and Council to provide these spaces and encourage everyone to explore the natural beauty within our rohe (district).

1

Our first Green Flag was awarded for Thompson House Park in the 2018/2019 round and was rewarded in the following 2019/2020, 2020/2021 and 2021/2022 rounds.

2

Our second Green Flag was awarded in the 2019/2020 round for Driscoll Reserve, which has been renewed in the 2020/2021 and 2021/2022 rounds.

3

The next space to be awarded a Green Flag was Foxton Beach's Holben/Te Wharangi Reserve. It was awarded a Green Flag in the 2020/2021 round and rewarded in the 2021/2022 round.

4

Foxton's Te Awahou Riverside Cultural Park also received a Green Flag Award in the 2021/2022 round.

5

Shannon's Te Maire Park gained a Green Flag Award in the 2021/2022 round.



Responding to Weather Events



Strong
Communities

People around the world have been experiencing extreme weather, and Horowhenua is no exception. During the 2021–2022 financial year, we responded to wild weather events in which residents were evacuated from their homes, lost power and suffered devastating damage. We also had significant flooding events in July and August 2022, which will be reported on in the next financial year.



MAY 2022 WEATHER EVENT

Dozens of buildings in Horowhenua suffered damage during an extreme weather event on 20 May 2022. Initially thought to be one tornado, in fact two tornadoes tore through Levin, leaving some homes uninhabitable. Trees were uprooted, roofs torn off, fences and power lines brought down.

Schools were closed, residents advised to stay at home, many businesses shut down for the day and parts of Levin were closed off.

The tornadoes hit shortly after 6.30am. By 7.58am, a Civil Defence Emergency Management Team had gathered to respond to the event. Working alongside the Urban Search and Rescue team, Council's building team were quick to begin assessing affected buildings.

By mid-afternoon we knew that six properties had been severely damaged, eight moderately, and 11 minimally. Council staff and contractors worked quickly to secure buildings to ensure people were safe and families were housed.

Council was praised by the community for its effective communications. The first social media post was live at 7.58am, and the public received five more updates during the day, while the communications team simultaneously fielded media enquiries from around Aotearoa.

Residents were encouraged to contact Council with any welfare needs. By late morning a welfare support centre was set up at Te Takaretanga o Kura-hau-pō. Council's welfare officers worked to secure accommodation for those displaced, and to provide any support or resources affected residents needed. Animals weren't forgotten in our response. Animal control staff worked with SPCA to collect and care for displaced animals.

In a touching display of manaakitanga, local business and individuals donated kai, building supplies, tarpaulins, nappies

and other items to support the response. Iwi partners, builders, contractors, arborists, landscapers, food businesses, home maintenance businesses and community members all worked together, sharing skills, tools, emotional support and resources in a unified effort to clean up the mess the tornadoes left.

On the day of the event, a Mayoral Relief Fund was established with Council and the Minister of Civil Defence Kiri Allan contributing \$100,000 each.

Council called for volunteers to help with a community clean-up the following day, asking members of the community and contractors to help. Organised and facilitated by Council, more than 250 people joined forces to pick up broken pieces of property and wrap arms around those with broken hearts after seeing their homes and businesses extensively damaged.

A rapid response caravan was set up at the Levin Mall carpark and later moved to the Levin Fire and Emergency Station, and Council made a location at Donnelly Park for residents to drop off green waste and made skip bins available for glass and debris for the days following the weather event.

On the day of the tornado:

- 4 families went into emergency accommodation
- 37 welfare calls were made
- 67 111 calls were made
- 7 buildings were red stickered (deemed uninhabitable)
- Many houses were without power.

Two days after the tornadoes, the Incident Management Team (IMT) had another busy day focusing on the clean-up and welfare support. Initial rapid response assessments were completed by the Urban Search and Rescue team, and Council Building Advisor Officers carried out further assessments to understand the severity of the damage after the incident management team were stood down in the early evening.

Monday was a transition from response to recovery. IMT met in the morning to set up a cross-functional recovery team. There were still people and properties that needed help, and Council staff and contractors were working through the remaining requests for help. Chief Executive Monique Davidson encouraged her team to do anything required to ensure people impacted by the tornadoes were safe and taken care of.

Generous businesses and individuals contributed to the Mayoral Relief Fund, with All Black Codie Taylor auctioning a signed All Blacks Jersey with all proceeds going to the fund. The generosity of the Council, central government and the community made life a little bit easier for those families most impacted, and assisted them in their time of need.

Residents affected by the weather event could apply to receive financial assistance with:

- Damaged property
- Essentials for daily life
- Costs not covered by insurance
- financial burden due to the tornado event
- Counselling

The fund reached a total of \$265,211, and to allow time for affected residents to gather information, get costs for repairs and let them heal emotionally following the weather event, applications were open until 30 June.

Six days following the weather event, 11 families or individuals were being cared for by the welfare teams with three still in emergency housing. Council had received 130 requests for help. 300m3 of green waste had been collected (70m3 of which was repurposed and used in the parks and reserves or given back to people to use), 150m3 of rubbish and green waste was collected by Higgins, three skip bins filled at the temporary Donnelly Park dumping

station, 20 buildings had been red stickered (17 residential and three commercial), and four buildings had yellow stickers.

Levin wasn't the only town devastated by weather on 20 May. A severe hailstorm hammered down on homes and businesses on Ōhau, injuring livestock, damaging buildings and vehicles and causing millions of dollars' worth of damage to local crops.

There was more than \$8m worth of insurance claims made by residents due to the 20 May weather event.

FLOODING

The 2021–2022 financial year was a very wet year! The graph below shows the significant rainfall in August and December 2021, and in February, May and June of 2022. In December there was a 165% increase, and in February a 237% increase.

The cumulative effect of all that rain meant that groundwater had not been able to dry out and groundwater levels were high. The rain that fell during a series of thunderstorms in June was not able to drain away and there was significant surface flooding.

On the morning of 11 June, a Civil Defence Emergency Management Incident Management Team was stood up. Sucker trucks and sandbags were deployed to many locations across the rohe, with multiple roads closed. People were

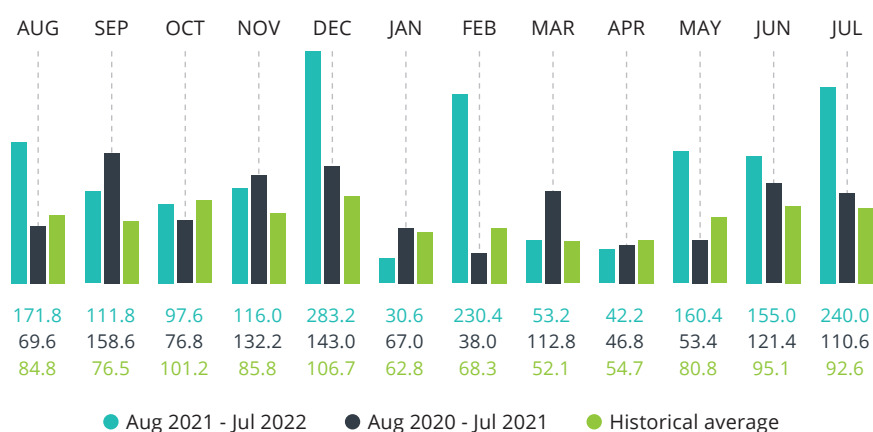
urged to stay at home and limit any unnecessary travel, and many homes were without power.

Fire and Emergency and contractors worked through the night and day to assist impacted people, properties and roads, and Waka Kotahi NZTA was deployed to assist with localised State Highway flooding incidents. Heavy rainfall resulted in high turbidity (muddiness) at Ōhau River which meant Levin's water treatment plant was forced to close, however, there was water stored at the plant. Residents were urged to conserve water. The Tokomaru Water Treatment plant was offline, and a water tanker was provided onsite to supplement water if needed. All other Water Treatment plants in the rohe were still running but at capacity.

The severe weather continued for another two days. On Monday 13 June, Horowhenua was still experiencing stormy conditions, and a preventative flood barrier was positioned across Hartley Street, Foxton Beach as waves were forecast to reach 7 metres at high tide. Lightning also caused power line issues from Levin East to Mangahao after it interfered with the line.

Horowhenua Mayor Bernie Wanden thanks the community for their water conservation efforts, and all the agencies who worked quickly to restore services to residents.

Levin rainfall data (mm)





NZ Libraries Partnership



Led by the National Library of New Zealand, the New Zealand Libraries Partnership Programme (NZLPP) supported librarians and library services to be retained in Aotearoa during the COVID-19 pandemic, and to assist them to support community recovery.

The programme's priority areas were

- Retention and/or creation of job opportunities for librarians
- Skills enhancement for librarians to support community recovery and strengthen the profession
- Maintaining current library service levels to the public during the time of community recovery
- Skills enhancement in the community to support community recovery.

This investment demonstrates central government's belief that local libraries and librarians nationwide are at the heart of communities, and are crucial in helping to support community recovery, improve literacy, a love of reading, digital literacy and learning.

We applied for NZLPP funding during the 2021–2022 financial year and received \$385,746 ex GST to employ 3.5 full time equivalent staff for 18 months, subsidise 50% of the cost of our digital databases, and deliver library engagement programmes. We also took advantage of fee waivers to a wide range of e-resources to benefit our community. Our e-resources and digital databases were a crucial part of how our libraries continued to engage with our community during COVID-19 facility closures.

On 5 January 2019 we recruited a Services to Older Adults Librarian, a Digital Inclusion Coordinator, and two library assistants – one full-time, and one part-time – to help run our reading programmes. These roles

helped serve a changing demand for library services, including a specific emphasis on community outreach during and after COVID-19 lockdowns, and traffic light systems implemented during the financial year.

Our Services to Older Adults Librarian has been working to support the needs of our older adults in this changing world. She has focused on reducing some of the barriers older people face when accessing library services. We were particularly excited about this appointment as this kaupapa (programme) is something we have been wanting to introduce for a long time.

As our population ages, the number of people in our district being diagnosed with dementia is growing rapidly. In November 2021 the Services to Older Adults Librarian led 24 Library Services team members to become Dementia Friends via an Alzheimer's NZ online course. Dementia Friend badges and wristbands are worn with pride by our whole team across our three community centres at Levin, Foxton and Shannon letting people affected by dementia know that our libraries are safe, positive spaces.

Our Services to Older Adults Librarian also worked with the team to develop a Dementia Friendly collection. It includes books for support carers, children's fiction and picture books to help them understand the changes happening to their loved ones, and specialist books for people living with dementia. By working to be dementia friendly, our libraries are creating more diverse programmes and services for this important group of people.

With technology becoming increasingly ingrained in modern day living, the Digital Inclusion Coordinator supports services and programmes to reduce barriers people face when integrating new digital technologies into their lives. The role focuses on providing our community access to resources and equipment which enables

collaboration, lifelong learning and the opportunity to participate meaningfully online.

Librarians see the effects and real-life impacts of digital exclusion every day on the library floor. To combat these issues, our Digital Inclusion Coordinator has run educational drop-in sessions, and works with SkinnyJump to provide affordable pre-loaded modems for residents across our district. Our Better Digital Futures for older citizens was launched in September 2022.

During the COVID-19 lockdowns our eLibrary was an essential way for many of our borrowers to still have access to resources. In November 2021 our Digital Inclusion Coordinator led the launch of Hoopla – a new platform that has music, video, audio books and ebooks for our community to enjoy. Together, with our Cloud Library and Overdrive platforms, our Horowhenua community now has access to more than 900,000 resources around the clock.

NZLPP funding also allowed us to support our community with vaccination passes when they were introduced in November 2021. The library became a valuable resource for elderly people and others who did not have access to a smartphone, computer or the unique email address required to set up a My Covid Record account.

Our library staff set up help desks to ensure social distancing and comfort, and during November and December 2021, 3,336 people received vaccination pass help in person. Help was also available online, and 343 digital tutorials were completed via email highlighting the importance of our libraries providing services that help bridge the digital gap and build community resilience and wellbeing.

All the roles funded by the NZLPP added considerable value to our library services, and we were thrilled to offer most of them permanent positions at the end of their 18-month contracts.



Enabling More Homes to be Built



Horowhenua is one of the fastest growing districts in Aotearoa. As the economy grows, so does the attraction of Horowhenua as a place to live and work, increasing the pressure on housing in the district. The trend is expected to continue for the next 20 years, with our population expected to reach 62,000 by 2041.

The next two decades will transform our rohe (district) bringing both opportunities and challenges. How we plan for the future and respond to change is vital to prepare for the growth, and we must ensure that we maximise the opportunities and keep up with the needs of our growing community.

We are growing at the rate forecast in the Long-Term Plan 2021–2041. This has increased significantly since 2018. For example, in 2018, projections were that 5,377 more houses would be needed by 2040, but by 2021 projections had jumped to 11,209 houses as 26,008 more people are expected to be living within the district by then. An average of 434 dwellings per year need to be built between 2021 and 2031, and 686 dwellings will need to be built per year between 2031 and 2040.

One of our goals is to help our existing community and new arrivals to build, buy and rent affordable housing in the district. Council has put in a lot of effort responding to the predicted growth and a lot of that work has progressed significantly in this financial year.

TARA-IKA

A 420-hectare block of land on the south-east edge of Levin, Tara-Ika was first identified as a growth area in 2008. Initially it was anticipated it would be used for rural lifestyle development, however since the rohe is experiencing significant growth, it was agreed that Tara-Ika should develop at an urban residential scale.

Tara-Ika planning was fast tracked when in 2020, Council was granted \$25m as part of central government's COVID-19 shovel ready infrastructure

funding to support residential development. Though it won't cover all the costs required for the project, it did mean Council was able to start on the construction of infrastructure considerably sooner than initially planned. The government funding was in the form of grants and loans, which will be repaid by those who develop Tara-Ika.

A significant and transformational project for the rohe, a lot of work has gone into planning for Tara-Ika development. There has been input, both informal and formal, into the final results. A master plan was developed that formed the basis of Proposed Plan Change 4, which allows for the rezoning of Tara-Ika. This was adopted by Council on 29 June 2022, which then opened the appeals process, with all appeals to be lodged by 1 August 2022.





The area will be developed as an extension of the town not as a standalone community. Tara-Ika is located immediately south-east of Levin, enabling the easy extension of infrastructure and ensuring that future residents are close to jobs, shops, and services.

The proposed Plan Change allows for approximately 3,500 dwellings including a greater variety of housing such as smaller houses on smaller sections and larger ones on large sections. This will mean housing will be available to suit a wide variety of future residents with varying needs in terms of dwelling size and affordability. The smallest/highest density housing will be located near to the village centre, where there will be easy access to key facilities (e.g. shops, parks and reserves), transitioning to lower density and existing rural residential lots further from the centre.

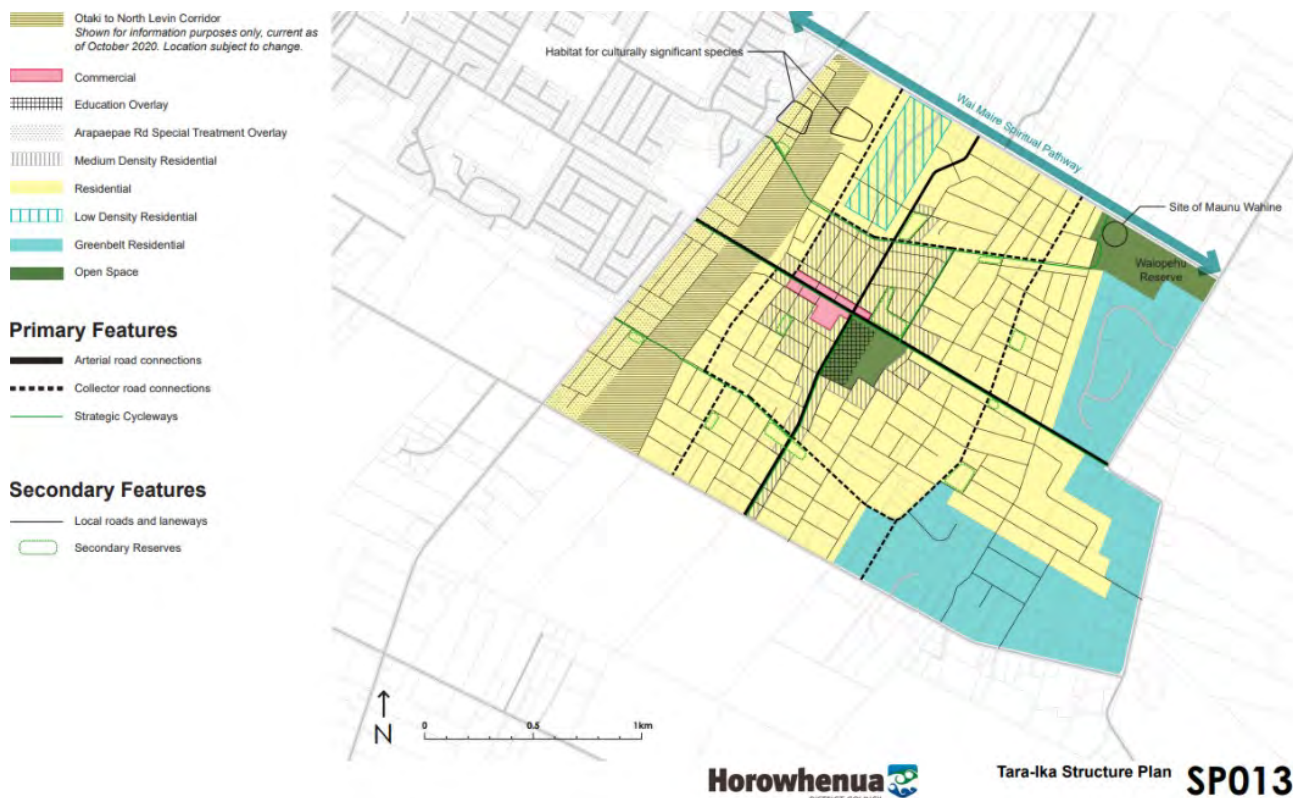
Tara-Ika will also include a commercial centre that will include shops and cafés, a primary school and infrastructure that caters for walking and cycling as well as roading to encourage all forms of transport. This will enable residents to have greater transport choices, including options with lower carbon outputs, and will improve accessibility and walkability within the new suburb. While planning for Tara-Ika, Council considered the proposed Ōtaki to North Levin (Ō2NL) expressway and Council staff are working closely with Waka Kotahi on this.

A network of parks and reserves will be created, and the open spaces will integrate stormwater treatment and recreational paths, ensuring passive and active recreational open space is readily accessible within all local neighbourhoods. This includes a reserve that will be developed

in partnership with Muaūpoko to recognise Maunu Wahine ('the women's place of refuge') – a site of cultural significance to Muaūpoko.

The future development of Maunu Wahine as a reserve area in partnership with Muaūpoko will be a formal recognition and reverence of the historic use of the land, while providing a recreation area to be enjoyed by the district's residents and visitors. Maunu Wahine will also have a valuable conservation role by retaining the natural habitat of some of the district's endangered flora and fauna, including bats and snail species which are endemic to the Tara-Ika area.

An innovative approach will be taken for stormwater disposal to help future-proof the area from climate change and natural hazards, and to protect infrastructure. All stormwater for up



to a 100-year storm event, including allowance for climate change, will be contained within the Tara-Ika area. This will be through a combination of plumbed-in rainwater tanks – so they can be used for non-potable uses – soakpits and stormwater treatment wetlands and basins, which will be incorporated into recreation areas as appropriate. A key objective of the stormwater management approach is to manage the quantity and quality of stormwater runoff to avoid further degradation of water quality in Punahau/Lake Horowhenua.



GROWTH STRATEGY

Proposed Plan Change 4 is part of the broader Horowhenua Growth Strategy 2040, which was adopted by the Council on 11 May 2022. This was an update to the Growth Strategy 2040 as the 2018 version of the Strategy was already out of date due to the rate of growth. The purpose of the Growth Strategy is to provide an informed basis to direct projected future growth in the rohe. In the Long-Term Plan 2021–2041 we highlighted how growth comes with opportunities and challenges. The updated Growth Strategy identifies the growth areas we will rezone as land for development through District Plan Changes and categorises them into land to be developed within the next decade, and land to be developed in more than ten years' time.

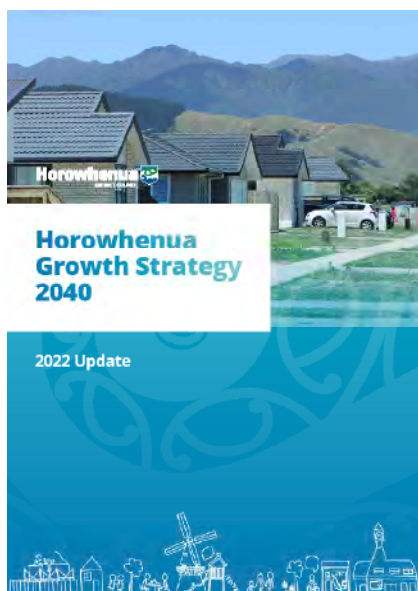
The strategy outlines where and how we propose to accommodate residential growth for each area across the rohe during the next 20 years. It is an important and necessary tool to inform District Plan Changes and infrastructure planning. Proactively planning for growth in Horowhenua gives us the best chance of managing how and where the growth happens.

Alongside the District Plan it helps ensure good development outcomes and build strong, resilient and inclusive neighbourhoods with a more efficient and cost-effective infrastructure provision.

Sustainable growth was a key consideration when developing the Growth Strategy, ensuring Horowhenua can accommodate additional growth areas in each of our settlements. While planning for residential growth and zoning are at its core, the Strategy also sets out potential commercial zones and identifies underutilised land – such as greenfield areas adjacent to existing residential land which are a top priority for accommodating future growth. It's important that these prime areas are not underutilised, and that we promote better intensification of the land. This will mean a more informed and coordinated approach to District Plan Changes over the coming years.

The purpose of the Growth Strategy is to establish clear and effective direction for the integrated management of the district's growth over time, so that:

- Council demonstrates leadership on growth management on behalf of the community;
- There is a strategy for the development of existing settlements, new subdivisions and the rural environment;
- Infrastructure is provided in an efficient, affordable, and timely manner;
- The social cohesion and cultural diversity of communities are strengthened;
- The quality of the natural and built environments is maintained and/or improved; and
- The economy is sustained and encouraged to thrive by the proactive enablement of growth.



STREAMLINED HOUSING PROCESS

Even before the rapidly increasing growth in the district, housing affordability has been one of the biggest issues facing our community. Horowhenua needs more one- and two-bedroom homes – for first-time buyers, people downsizing, and for those on lower incomes to find a place to live.

Council endorsed a Streamlined Housing Process (SHP) at a Council meeting on 8 December 2021. The SHP is designed to make it easier to build new homes in the area by simplifying the resource consent process and building on underused land.

The SHP streamlines the process of building high quality infill housing and reduces costs, benefiting existing homeowners, would-be developers and people struggling to find affordable housing in the area. It isn't a blanket relaxation of consents and new builds but takes a tactical approach to infill housing consents.

The goals and principles of the SHP are:

- Supporting affordability;
- Creating high quality living conditions;
- Respecting neighbours;
- Complementing the neighbourhood; and
- Social and environmental sustainability.

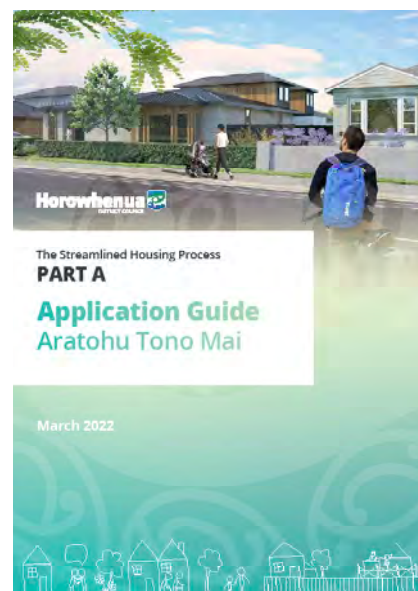
Here's how the SHP will work:

- A series of preferred 'design approaches' and technical solutions for infill housing have been prepared
- A new approval process to give developers and landowners a pathway through the consent process
- An improved and streamlined consenting process that is smoother and simpler
- A focus on moderate to medium infill housing, that is one- and two-storey dwellings, in the towns across our rohe
- In some cases, and if neighbours agree, three storey dwellings may be built
- Existing homes on larger sites can potentially be subdivided into smaller units

A comprehensive application guide has been developed alongside to assist those interested in the process.

As the SHP has been introduced as a pilot, we will need to test how effective it has been in delivering affordable housing, one- and two-bedroom houses and different housing types. If successful, then Council will consider formally changing the District Plan to make the SHP part of the District Plan rules. This could include making some additional refinements or

improvements to the current process. If it is identified that the process is not achieving the intended outcome or that it is creating other unintended adverse outcomes, then Council will consider withdrawing the process and reverting back to only offering the standard consent process.



CONCLUSION

All the important transformational work Council has completed this financial year to respond to growth will leave a legacy for the rohe and will have an impact for many years to come.

Supporting our Rangatahi into Mahi

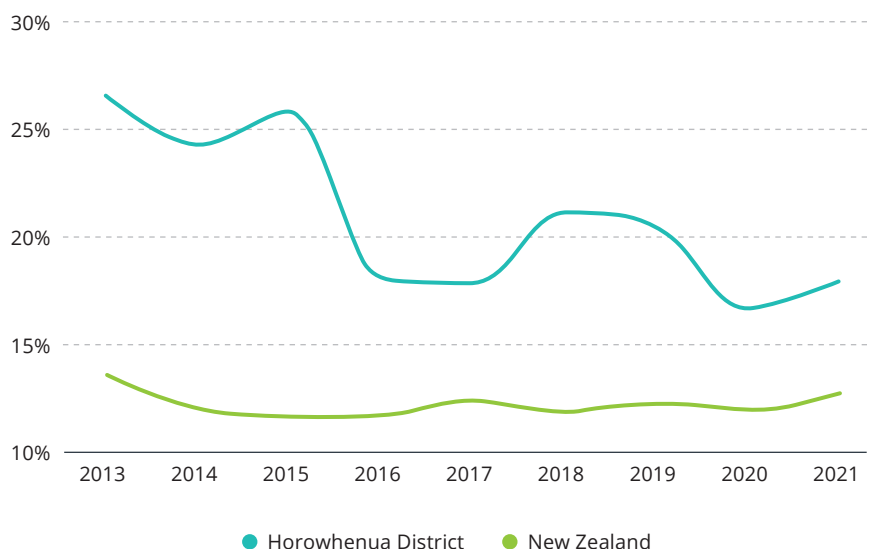


There are many important reasons to support our rangatahi (youth) into mahi (work). Rangatahi are our taonga (treasure). Not only is it beneficial for the individual rangatahi and their whānau to find employment, but it benefits our wider rohe and economy. When our businesses are thriving and successful, and when they have the right workforce for their needs, the community thrives.

Rangatahi not in Education, Employment or Training (NEET) is so important that central government, councils and other interested organisations track statistics about this. You'll see in the graph below that while Horowhenua NEET rates have dropped considerably, they're still higher than the New Zealand average.

One of the issues identified was that local rangatahi were not clear about the pathways into employment or training. Council funds and/or facilitates two programmes that support rangatahi into work, supporting local businesses and boosting our local economy.

Not in Education, Employment or Training (NEET) Rate, 2000-2021



MAYOR TASKFORCE FOR JOBS

The Mayor's Taskforce for Jobs (MTFJ) programme is a nationwide network of New Zealand's mayors, working together towards the vision of having all young people 16–25 engaged in employment, education, training, or other positive activity in their communities.

In May 2020, MTFJ Horowhenua launched in Levin, with Council provided funding and partnering with Horowhenua Learning Centre (HLC) and Get-Go to support the initiative. Since then, three programmes have been offered and 75 young people have been placed in suitable, sustainable employment. Many of these young people had previously been disconnected from education and had not been able to find employment as they needed to build skills, resources and confidence first.

MTFJ offers a mixture of ready-for-work group courses combined with personalised support. The programme identifies barriers to employment and funds a wide range of resources to enable successful employment outcomes. The course helps rangatahi prepare a CV and set up online profiles, provides volunteering opportunities and supports young people to obtain credentials such as first aid certificates and/or driver's licences. Students are also taken to various local employers to experience the different types of jobs that are available.

Pastoral care is offered for up to six months after placement. The programme works with a growing group of employers with many offering more flexible workplace routines to help young people adjust to work life.

GET-GO

To ensure it gets the attention it deserves, Council contracts its economic development activity to the Horowhenua Company Limited (THCL), which is a wholly owned subsidiary of the Horowhenua

New Zealand Trust. Established in 2018, the Horowhenua New Zealand Trust is a community-owned not for profit trust that focuses on lifting the economic and social wellbeing of Horowhenua and is the independent economic development agency for Horowhenua. One of the roles of THCL is to support workforce development – an important aspect of economic development.

After applying for, and gaining, \$806,000 of funding from the Ministry of Business, Innovation and Employment (MBIE) THCL initiated the Get-Go programme early in 2021. The Get-Go programme was developed following research undertaken in 2019 which showed that local rangatahi were not clear on the pathways into employment or training. Since then, the changes to the economy over COVID have meant that now many employers are crying out for staff. Get-Go is now working to meet the needs of both rangatahi and employers by trying different methods to find best practice in this area.

There are several facets of the Get-Go programme. A Get-Go website has been developed that informs rangatahi of the different employers in the rohe, the type of jobs that are available, what it's like to work with the employer, and if any specific roles are available. Rangatahi can also register on the website to express interest in finding work. The Get-Go programme, while not a recruitment agency, will facilitate connecting employers and people seeking work together.

Get-Go also co-designed a Work Ready Framework with the three local colleges. A big part of this programme is Futures Day where several hundred Year 10 students spend the day visiting local businesses. During the rest of their time at school rangatahi get increasingly personalised assistance so they have a plan and know what they need to do to achieve their goals for employment or training,

while simultaneously connecting with local employers.

Get-Go also works with local businesses improving employer capability, making them more appealing for jobseekers and therefore better placed to attract and retain staff. Get-Go provides training on inductions, communication techniques, training and career development.

The Get-Go Programme is funded till November 2023 and is governed by a reference group consisting of the Chief Executive of THCL, two large local business owners, a principal representing local colleges, student representatives and the Chief Executive of Muaupoko Tribal Authority (MTA).

Now that it is established, Get-Go is increasingly working with other like-minded organisations in the rohe such as Ministry for Social Development (MSD), Horowhenua Learning Centre (HLC), Mayors Taskforce for Jobs and Life to the Max to achieve the ultimate goal of developing a long-term sustainable pathway for local rangatahi into mahi or training, and employers gaining valuable employees.

Like many programmes and organisations, Get-Go has been impacted by COVID-19.


Employers in challenging economic environments find it difficult to take on new staff, or do not have the experienced staff to train new staff. Schooling has been significantly disrupted and traffic light levels meant events had to be cancelled. A review conducted in 2022, after a year in operation, confirmed Get-Go should focus directly on supporting businesses to meet their workforce needs and preparing rangatahi to be work ready. Despite the challenges, Get-Go supported 64 people into work this financial year.

Council will continue to look for opportunities that benefit both jobseekers and employers to build a vibrant economy and strong communities.

MĀORI CONTRIBUTION TO DECISION MAKING







Māori contribution to the decision-making process

Te Wahi o te Māori ki te Whakatakotoranga Whakatau

Horowhenua District Council is committed to continually enhancing our relationship with Tangata whenua and Māori. Council recognises the unique position of Tangata whenua in our district and we are dedicated to fostering the development of Māori capacity to contribute to the decision-making processes of the Council. While it is a requirement in Schedule 10 of the Local Government Act (LGA) 2002, Council aims to extend beyond the legislative framework, to build and maintain strong and meaningful relationships with the Māori community.

BACKGROUND

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



provide relevant information to Māori



take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga.



establish and maintain processes for Māori to contribute to decision-making



ensure they provide opportunities for Māori to contribute to decision-making processes



consider ways in which they can foster the development of Māori capacity to contribute to decision-making processes

The Local Government Act 2002 charges local authorities with a clear responsibility to be informed about how their decision-making can impact on Māori community well-being. These provisions apply to all Māori. This means that local authorities need to understand Māori community values, issues and aspirations as they relate to economic, social, cultural and environmental well-being, just as they need to understand those of other communities. This includes understanding the challenges experienced by pre-settled Iwi as opposed to Iwi who have settled with the crown - two of our Iwi are currently undergoing Treaty negotiations.

The intent is for both local authorities and Māori organisations to move beyond engaging on matters of environmental or cultural importance only.

SIGNIFICANT IWI ENGAGEMENT AND CONSULTATION DURING 2021/22

- Levin Taitoko Structure Plan Project
- Horowhenua NZ Identity Refresh
- Relocating Te Ao Māori library resources
- Representation Review
- Emergency Management
- Creative Communities NZ Committee
- Shannon Development Trust
- Community Wellbeing Committee
- Sound and lighting installation at the Whare at Te Maire park;

- The concept design for the south-west portion of Te Maire Park
- The use of Mavis Vinsen Pavilion in Shannon as an out of school program centre for Rangatahi
- Developing a dune lake system at the Wairarawa Stream at Waitarere Beach including fish passages and development of a dune land lake
- Development and installation of a mural at the Foxton Beach surf life-saving club
- A series of working Bees to reduce/remove some of the more invasive species appearing at Muaupoko Park.
- Iwi representatives involved in planning and implementation of community based activities associated with Te Wiki o Te Reo Māori.
- Iwi and hapū representation on the Matariki working group
- Kapahaka representation – Ngā Mātāwaka ki Horowhenua are a rangatahi group who perform at various Council events.

ADDITIONALLY COUNCIL WORKED IN PARTNERSHIP WITH MĀORI, AND PROVIDED INPUT AND ASSISTANCE IN THE FOLLOWING AREAS:

- Taitoko Vibes
- Youth Week
- Parliament Trip 2021 (Postponed due to COVID)
- Te Tihi support for Muaupoko Tribal Authority
- Kaumatua & Kuia Ball
- Poutu Marae Rangatahi Capacity Building Workshops x2

Māori see people and the environment as closely interrelated – Ko au Ko te taiao, Ko te taiao Ko au (I am the environment, the environment is me), and share with Council a strong interest in maintaining and protecting the environment as well as developing the economic future of the area. Council is committed over the period covered by this LTP and beyond, to continuing the process of consultation and engagement with Māori.

COMMUNITY AND CULTURAL CENTRE FACILITIES

- Partnership arrangement remains between Te Taitoa Māori o Te Awahou, (Iwi Partner), Oranjehof, (Dutch Partner) and Horowhenua District Council.
- Shared Gallery operations, processes and decisions /Exhibitions
- Mapua Gallery space in Te Awahou Nieuwe Stroom
- Karakia for staff after a serious police incident at Te Takeretanga o Kura-hau-pō.

EVENTS

- Iwi representation for all major HDC Co-ordinated events. A process is also unfolding where Iwi will be informed of other community events that they may have an interest in.

Activity Performance Measures 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 promoting 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 2021–2041 Long Term Plan.

Partnership with Tangata Whenua

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

Strong Communities

- We value the diversity of our people.
- We recognise the value of our district's heritage and its contribution to our communities' sense of identity and pride.
- We take an inclusive approach and encourage our people to participate in local decision making.
- We provide infrastructure and services as a foundation for resilient and connected communities.
- We build collaborative relationships with service providers to help enable all of our people to live positive and healthy lifestyles.
- We help create facilities and places where people of all ages and backgrounds feel included, safe and connected.

Vibrant Economy

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

Outstanding Environment

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

Fit for Purpose Infrastructure

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

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

This section outlines the activities carried out by 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 Council's policies, objectives, activities, performance targets, indicative costs and sources of funds as outlined in the 2021/41 LTP Year 1 2021/22. 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 Council's accountability to the Horowhenua community and indicates the success (or otherwise) of Council in fulfilling its intended achievements as it had outlined in the 2021/41 LTP Year 1 2021/22.

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

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

The significant activities reported on are:

Regulatory Services

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.

Community Facilities

The Community Facilities Group of Activities includes the following:

- Aquatic Centres and Recreation
- Community Centres and Libraries

Representation and Community Leadership

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

Community Support

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

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

Land Transport

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

Stormwater

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

Water Supply

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

Wastewater Treatment

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

Solid Waste

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

Community Infrastructure

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

Property

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

For each group of activities, the following is noted

- the levels of service provided,
- impacts on community outcomes and wellbeings,
- overview of budget performance
- funding impact statements,
- loan summaries,
- expenditure summaries
- asset renewals and acquisitions

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

Regulatory Services

Ngā Ratonga Whakariterite ā-Ture

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

Identified effects on wellbeing outcomes

Social Wellbeing Strong Communities Community Outcome	Environmental Wellbeing Outstanding Environment Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Economic Wellbeing Fit for Purpose Infrastructure Community Outcome
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.	Robust consenting practices ensure the protection and sustainable management of natural and built environments for future generations.	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.	Consenting processes ensure that community facilities and infrastructure are built resiliently to combat climate change and natural hazards.

Resource Consenting

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

What it involves

- Processing resource consents and other applications made under the Resource Management Act.
- Providing advice to the public on the District Plan and Resource Management Act.
- Processing section 223 and 224 applications to certify approved subdivision applications.
- Engagement with the planning industry to stay informed about best practice and relevant issues.
- Provision of planning information relating to building consent applications.

Rationale

Activity	Community Outcomes	Council Role
Processing of resource consents.	<p>Vibrant Economy – Is supported by this activity as it contributes to the growth of the district.</p> <p>Outstanding Environment – Is supported by this service as it involves managing development in accordance with the Resource Management Act 1991, the purpose of which is to promote the sustainable management of natural and physical resources.</p>	Regulator/provider

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Processing of applications under the Resource management Act (RMA) 1991.	Percentage of applications under the RMA that will be processed within statutory timeframes.	95%	<p>This measure indicates whether we are meeting our statutory timeframes for processing resource consent applications.</p> <p>The Resource Management Act contemplates that there will be occasions where a consent application is not processed within the statutory timeframes and provides a discounting process to ensure that the applicant receives an offset for the delay. This target recognises that while Council strives to achieve the statutory timeframes there are occasions where</p>	Not Achieved	<p>As at 30 June 2022:</p> <p>326 consents have been approved for Land Use, Subdivision, Boundary Activities and “other”, approximately 54% of consents were approved within statutory timeframes. This has been due to the high volume of applications received compared to the number of staff and contractors available to process applications.</p>

			getting the best outcome can result in a consent being processed beyond the statutory timeframe. Examples of where this can occur include where officers seek to ensure the decision and consent conditions are workable and understood by the applicant before issuing the decision. Where the applicant has not agreed to an extension of time, this process of providing draft conditions to the applicant and checking their understanding can impact on compliance with the statutory timeframe		
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Building Consenting

The Building Consenting Activity aims to ensure that buildings are constructed and/or altered in a manner which means they are safe to use.

What it involves

- Processing building consent applications by assessing their compliance with the Building Code.
- Undertaking inspections of the consented building work to ensure compliance with the approved building consent.
- Providing advice to the public on building consent applications and the Building Act 2004.
- Maintaining accreditation requirements in accordance with the Building (Accreditation of Building Authorities) Regulations 2006.
- Engagement with the building industry to stay informed about best practice, relevant issues and changes to processes.
- Processing code compliance certificate applications and subsequent approval where Council is satisfied the building work complies with the Building Code.

Rationale

Activity	Community Outcome	Council Role
Processing code compliance certificate applications and subsequent approval where Council is satisfied the building work complies with the Building Code.	<p>Vibrant Economy – Is supported by this activity as it contributes to the growth of the district</p> <p>Outstanding Environment – Is supported by this service as it involves ensuring that buildings are constructed in accordance with the requirements of the Building Act 2004, the purposes of which include ensuring that people can use buildings safely and without endangering their health; and buildings are designed, constructed and able to be used in ways that promote sustainable development.</p>	Regulator/provider

Measuring Performance

Measuring Performance					Actual Performance
Service	Performance Measure	Target	What This Tells Me	Rating	Commentary
Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Percentage of building consent applications that are processed within statutory timeframes.	98%	These measures indicate whether we are meeting our statutory timeframes for processing building consent applications. Council has to maintain its status as a Building Consent Authority in order to be able to issue building consents.	Not Achieved	As at 30 June 2022: 755 building consents were granted during the year, 88% within statutory timeframes. 94 consents have been processed outside the statutory timeframe. This was due to the flow on effect of large numbers of applications received between May–June 2021, delays in replacing staff members who have left and the sudden illness and subsequent departure of a key staff member in October/November.
Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures.	Council will maintain its accredited status as a Building Consent Authority	Achieve		Achieved	As at 30 June 2022: IANZ reconfirmed our accreditation on 11 January 2022.

Environment Health (Food Safety)

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

What it involves?

Registration and verification of food businesses in accordance with the Food Act 2014 and associated regulations and legislation.

Rationale

Activity	Community Outcome	Council Role
Processing applications for food businesses undertaking verifications/audits of these businesses.	Vibrant Economy –This activity contributes to the Vibrant Economy outcome in that it provides clarity for food businesses in how the requirements of the Food Act 2014 affect their activities; and how it requires persons who trade in food to take responsibility for the safety and suitability of that food.	Regulator

Activity	Community Outcome	Council Role
Respond to food related complaints and take appropriate action when a non-compliance is observed.	Strong Communities - This activity contributes to the Strong Communities outcome in that it provides reassurance to the community that our food business operators who trade in food are held accountable for the safety and suitability of that food, in accordance with the Food Act 2014.	Regulator

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Food safety – Food businesses are monitored to ensure compliance with legislation.	All food businesses operating under the Food Act 2014 are verified at the frequency determined by the Food Regulations 2015.	Achieve	Local food businesses need to be routinely verified to check they are operating safely when providing food to the public.	Not Achieved	As at 30 June 2022: 86 Food businesses operating a MPI template food control plan were verified; however, 36 verifications were processed at extended timeframes granted due to COVID –19 and allowed for in the Food (Covid-19 Exemption from Compliance with Verification Requirements) Regulations 2021

Alcohol Licensing

The Alcohol Licensing Activity aims to ensure that the sale and supply of alcohol is conducted in a manner which complies with the Sale and Supply of Alcohol Act 2012.

What it involves

- Processing applications for licences and managers' certificates.
- Monitoring and inspection of all licensed premises to ensure compliance with both legislation and licence conditions.
- Undertaking 'Controlled Purchase Operations' with partner agencies.
- Providing information and advice to customers on licensing requirements.

Rationale

Activity	Community Outcome	Council Role
Processing applications for premises and undertaking inspections.	<p>Vibrant Economy – Is supported by this activity in that the sale and supply of alcohol in the district is regulated in accordance with the Sale and Supply of Alcohol Act 2012, enabling suitably licensed premises are open for business.</p> <p>Strong Communities - Is supported by this activity in ensuring licensed premises are regulated appropriately, providing confidence to the public that where alcohol sales take place they are undertaken safely and responsibly; and that any harm caused by excessive or inappropriate consumption of alcohol be minimised.</p>	Regulator/provider

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Monitoring of licensed premises to ensure compliance with relevant legislation.	All premises are inspected annually to check for compliance with their licence conditions.	Achieve	The Sale and Supply of Alcohol Act sets out who can apply for a licence to sell alcohol, between what times and other requirements. This measure ensures premises, such as restaurants and bars, are providing alcohol to the public in a way that complies with legislation and their licence requirements.	Achieved	<p>As at 30 June 2022:</p> <p>71 licensed premises holding 71 operative licences exist.</p> <p>Random compliance checks were carried out of all premises during the year.</p>

Parking Enforcement

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

What it involves

Enforcing the parking requirements for mobility car parks, metered parking, and 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. Monitoring of unauthorised parking on taxi stands, loading zones, broken yellow lines, double parking, parking on the footpath, bus stops, or inconsiderate parking. Monitoring and enforcement of the parking control measures specified in Council's Land Transport Bylaw 2017 and relevant legislation.

Rationale

Activity	Community Outcome	Council Role
Operation of a parking enforcement scheme.	<p>Vibrant Economy – This activity also supports the Vibrant Economies outcome in that the provision of monitored parking helps to ensure parking availability for businesses and their customers in the Levin CBD.</p> <p>Strong Communities – This activity supports the Strong Communities outcome as the provision of parking spaces in the Levin CBD helps to enable people to access the goods and services provided in the Levin town centre.</p>	Regulator

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
All parking restricted areas in Levin will be enforced under the provisions of Council's Bylaw and the Land Transport Regulations.	All parking infringement explanations are responded to within five business days of receipt.	Achieve	This measure indicates the frequency at which we are enforcing our Land Transport Bylaw (regarding parking restricted areas in Levin) and other relevant legislation, e.g. how many working days a year our parking wardens are undertaking their enforcement duties.	Achieve	As at 30 June 2022: 443 parking infringement explanations were received and responded to within five working days of receipt.

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 it involves

- Responding to complaints relating to non-compliances with the Building Act 2004 and associated codes and regulations, and taking appropriate action when non-compliance is observed.
- Monitoring and enforcement of the Building (Pools) Amendment Act 2016, primarily, undertaking inspections of swimming pool fencing.
- Monitoring, enforcement and actions related to the Building (Earthquake-prone Buildings) Amendment Act 2016.
- Ensuring Building Warrants of Fitness (BWOs) are renewed and are accurate.

Rationale

Activity	Community Outcome	Council Role
Respond to complaints and undertake territorial authority requirements under the Building Act 2004.	<p>Outstanding Environments supported by this activity as it involves ensuring buildings meet the requirements of the Building Act 2004, and in ensuring that people can use buildings safely and without endangering their health.</p> <p>Strong Communities Is supported by this activity through ensuring publicly accessible buildings are safe to use by the community, both for social and commercial purpose. It is also supported by the regulation of private swimming pools in the district, restricting unsupervised access by children. Providing for a safe community.</p>	Regulator

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Carry out territorial authority functions including enforcement of legislation.	All reported cases of illegal building work will be responded to within five working days	Achieve	Council must ensure all buildings are compliant and safe.	Achieved	As at 30 June 2022: Compliance officers received two reports of illegal building work which were responded to within five working days.
	Percentage of private swimming pools on register inspected annually for compliance.	>33%		Not Achieved	As at 30 June 2022: 295 pools are on the register. Zero inspections occurred during the year. There is one person to carry out this role and there was a nine-month period where the role was vacant. .
	100% of Building Warrants of Fitness (BWOFs) are renewed or Notices to Fix are issued.	Achieve	Council must ensure all buildings are compliant and safe.	Achieved	As at 30 June 2022: 317 BWOFs are on the register and compliant. All 317 were renewed on time.

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 it involves

- Responding to complaints and queries relating to the Resource Management Act 1991, Operative District Plan or conditions of resource consents, and taking appropriate action when a non-compliance is observed.
- Monitoring of compliance with resource consent conditions and taking appropriate enforcement measures in respect of non-compliance.

Rationale

Activity	Community Outcomes	Council Role
To ensure the requirements of the District Plan and consent conditions are complied with.	Outstanding Environment Is supported by this service as it involves monitoring consents issued under the Resource Management Act 1991, the purpose of which is to promote the sustainable management of natural and physical resources.	Regulator

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Monitoring of District Plan requirements, resource consent compliance and complaints.	All known and reported instances of non-compliances with the District Plan and any resource consents will be responded to within five working days.	Achieve	This measure indicates our response to any known or reported instances where a certain activity does not meet the requirements of the District Plan or a resource consent. Resource consents may be granted with conditions to help control any adverse effects the consent's activity may have. For those consents that are required to be monitored, Council must check	Not Achieved	As at 30 June 2022: The compliance team continues to respond to reports of non-compliance however the timeframe of five working days has not always been achieved. Of the 123 complaints received 48% were responded to within five working days. The RMA Monitoring & Compliance Officer role had been vacant for nine months. This role was finally filled in May 2022 after which service levels improved.

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
	All resource consents that are required to be monitored for the year are monitored for compliance with conditions.	Achieve	they are complying with their conditions.	Achieved	As at 30 June 2022: The requirement for monitoring is triggered if a complaint is made that relates to a consent. There were three complaints that related to consent and therefore triggered consent monitoring.

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 it involves

- 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.	Strong Communities The service provided helps the community to live positive and healthy lives.	Regulator/provider

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
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%	This measure will tell us how effective our response is to reports of non-compliances with bylaws, such as Council's Dog Control Bylaw, and dog nuisances. When responding to these reports, our aim is to ensure that animals are looked after and are not menacing or a nuisance to the public.	Achieved	As at 30 June 2022: 1,001 complaints were received, 100% were responded to.
	An after-hours emergency response will be continuously provided.	Achieve		Achieved	As at 30 June 2022: 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%	This measure indicates how much of the known dog population is accounted for on our register. For each dog, the register holds information on the dog itself, their owner and its microchip number (if it has one), so if it was ever lost or stolen there is the information to help the dog be reunited with its owner. The register also helps us keep track of dogs deemed to be menacing or dangerous.	Achieved	As at 30 June 2022: Dog registration renewal notices and reminder notices have been issued. Council's unregistered dog list was created in October 2021 and Animal Control started visiting properties with unregistered dogs in October 2021 and infringed dog owners.

General Regulatory Services

The General Regulatory Services Activity consists of a number of sub-activities undertaken as part of Council's general regulatory functions, with the aim of dealing with statutory nuisance-related matters, registration, permitting and inspection of appropriate activities.

What it involves

- Review or develop relevant bylaws e.g. Council's Public Places Bylaw.
- Respond to general noise complaints and take appropriate action.
- Respond to complaints regarding vehicles reported as being abandoned in public places and take appropriate action.
- Respond to general bylaw complaints.

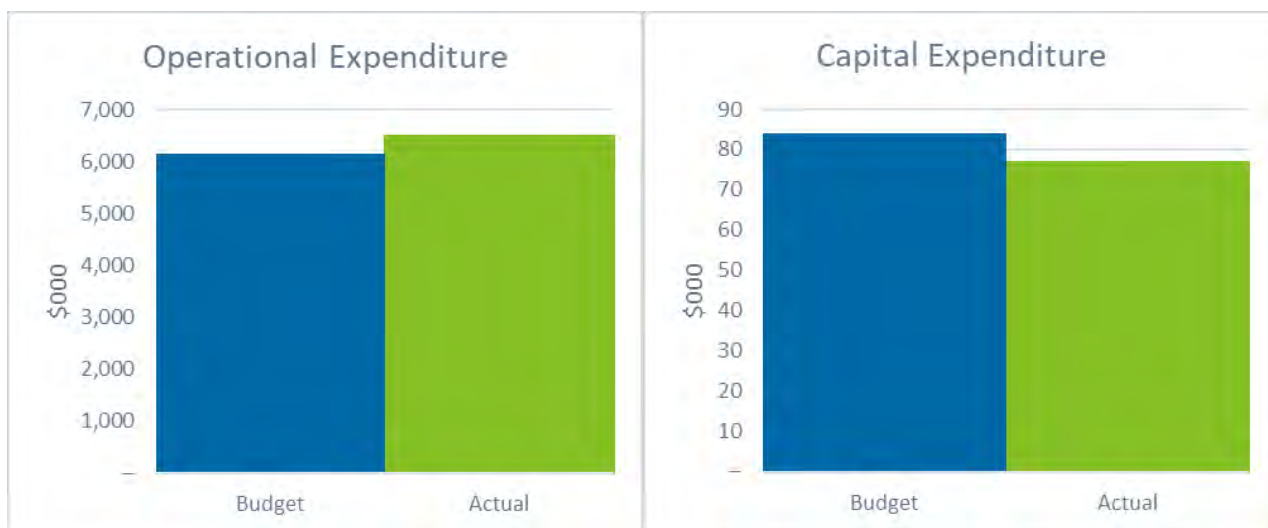
Activity	Community Outcome	Council Role
Provide general regulatory services.	Strong Communities Is supported through the regulation and enforcement of legislation and bylaws, protecting the community from nuisance, protecting promoting and maintaining public health and safety, and minimising the potential for offensive behaviour in public places.	Regulator/provider

Measuring performance				Actual Performance													
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary												
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	Excessive noise can cause a nuisance, especially if occurring within a quiet part of a neighbourhood. This measure indicates whether we are responding to noise complaints efficiently and ensuring that the noise, if deemed excessive, is addressed.	Achieved	As at 30 June 2022: 1,750 complaints have been received. 95% were responded to within 60 minutes.												
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%	Our public safety bylaws are in place to ensure our community feel safe in the environment they live within. Any non-compliance with the bylaws or other legislation that compromises public safety should be addressed efficiently, which is what this measure is looking at.	Not Achieved	As at 30 June 2022: 165 complaints received have been responded to with 125 complaints responded to within 5 working days. Recruitment into vacant roles continues to be a challenge. The 165 complaints responded to comprise of: <table><tr><th></th><th>Full Year</th></tr><tr><td>Smoke</td><td>5</td></tr><tr><td>Health Complaint</td><td>67</td></tr><tr><td>Local Government Act</td><td>58</td></tr><tr><td>Council Bylaws</td><td>34</td></tr><tr><td>Drainage Act</td><td>1</td></tr></table>		Full Year	Smoke	5	Health Complaint	67	Local Government Act	58	Council Bylaws	34	Drainage Act	1
	Full Year																
Smoke	5																
Health Complaint	67																
Local Government Act	58																
Council Bylaws	34																
Drainage Act	1																

					Total	165
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Regulatory Services Financial Information

These graphs provide an overview of how the Regulatory Services activity has performed against budget.



This Funding Impact Statement for the Regulatory Services activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		2,328	2,213	2,453	2,452	(1)
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes						
Fees and charges		8	9	204	256	52
Local authorities fuel tax, fines, infringement fees, and other receipts	1	3,331	2,860	3,490	3,741	251
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		5,667	5,082	6,147	6,449	302
Applications of operating funding						
Payments to staff and suppliers	2	596	475	615	845	(228)
Finance costs		1	5	1	1	-
Internal charges and overheads applied		4,344	4,521	5,461	5,532	(71)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		4,941	5,001	6,077	6,378	(299)
Surplus (deficit) of operating funding (A-B)		726	81	70	71	3
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt		(1)	(23)	14	13	(1)
Gross proceeds from sale of assets		19	-	-	29	29
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		18	(23)	14	42	28
Applications of capital funding						
Capital expenditure						
- to meet additional demand		-	-	-	-	-
- to improve the level of service		-	-	80	73	7
- to replace existing assets		52	58	4	4	-
Increase (decrease) in reserves		692	-	-	36	(38)
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		744	58	84	113	(31)
Surplus (deficit) of capital funding (C-D)		(726)	(81)	(70)	(71)	(3)
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		85	79	70	110	(40)

Notes:

1. This additional income is due to increased subdivision and building activity across the district.
2. Additional expenditure was on external resourcing mainly in Resource Management to cover the increased volume of work due to increased subdivision and building activity across the district.

This expenditure summary for the Regulatory Services breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	Actual	LTP	LTP	Actual	Variance
	2021	Forecast	Forecast	2022	2022
	\$000	\$000	\$000	\$000	\$000
Animal Control	232	274	284	244	40
Building Consents	1,338	1,190	1,489	1,549	(62)
Building Policy	399	306	441	500	(51)
Dog Control	502	651	714	597	117
Environmental Health	378	292	545	461	84
Environmental Health Policy	108	96	144	140	4
Liquor Licensing	188	240	267	228	39
Liquor Policy	55	64	74	77	(3)
Parking	359	601	439	388	51
Planning Policy	362	345	448	448	-
Resource Management	989	745	1,123	1,690	(567)
Safety Licensing	116	276	174	163	11
Total activity expenditure	5,026	5,080	6,148	6,485	(337)

This expenditure summary for the Regulatory Services breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP	Actual	Variance	Notes
	Forecast	2021/22		
	2021/22	\$000	\$000	
Primary Type: Renewals (replace existing assets) portion of project				
Animal Control – Body worn video equipment	4	3	1	
Vehicles – Replacing JIL288	-	1	(1)	
Total renewal projects	4	4	-	
Primary Type: Level of service portion of project				
Parking – Meter upgrades	60	59	1	
Animal – Dog pound shade and kennel repairs	20	14	6	
Total level of service projects	80	73	7	
Primary Type: Growth portion of project				
Total growth projects	-	-	-	
Renewals – Replacing existing assets	4	4	-	
Improve level of service	80	73	7	
Growth – To meet additional demand	-	-	-	
Total Regulatory Services projects	84	77	7	

This loan summary relates to loans for the Regulatory Services activity.

Loans	Internal \$000
Loans as at 1/07/2021	24
Raised during year	14
Repaid during year	(1)
Loans as at 30/06/2022	37
Interest expense	1

Community Facilities

Ngā Taiwhanga ā-Rēhia me ngā

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

The Community Facilities and Services Group of Activities includes the following activities:

- Reserves and Beautification, Public Halls, Sports Grounds and Cemeteries, Aquatic Centres and Recreation Community Centres and Libraries, Parking Enforcement
- Building Compliance
- Resource Management Compliance

Identified effects on wellbeing outcomes:

Social Wellbeing Strong Communities Community Outcome	Environmental Wellbeing Outstanding Environment Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Economic Wellbeing Fit for Purpose Infrastructure Community Outcome	Cultural Wellbeing Partnership with Tangata Whenua
<p>Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom are multi-functional facilities that provide a wide range of services and events that contribute to the wellbeing of the community and to visitors to the Horowhenua District.</p> <p>Horowhenua Aquatics provide public access to swimming pools, fitness, play, rehabilitation, and swimming programmes to enhance community wellbeing through providing healthy recreational and social opportunities.</p>	<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.</p> <p>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>	<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>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>	<p>Council acknowledges its partnership with tangata whenua and value the important role they play within our community facilities.</p> <p>Additionally, partnerships have been undertaken to deliver programmes such as Matariki, Youth Development Programmes and Capacity Building.</p>

Aquatic Centres

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 it involves

- Providing swimming pools for general use including assisting clubs and organisations to host and run events on- and off-site.
- Providing a certified Swim School Programme in Levin and Foxton.
- Providing land- and water-based fitness and rehabilitation classes both on- and off-site.
- Managing Shannon School Swimming Pool during the summer school holidays.

Rationale

Activity	Community Outcome	Council Role
Safe aquatic facilities are operating in the district.	<p>Strong Communities Aquatic Centres provide a safe venue and opportunity for people to learn how to swim, and enhance water safety and other life skills. Aquatic Centres contribute to providing a 'sense of place' where people are proud to live. Aquatic Centres provide safe venues for fun activities and opportunities for social connection and inclusion. Aquatic Centres provide opportunities for all cultures in the district and can be a place where cultural diversity is celebrated</p> <p>Fit for purpose Infrastructure Aquatic facilities are planned and developed for the district to meet current and future needs. Aquatic Centres are reliable, efficient and well run.</p>	Provider

Measuring Performance

Measuring Performance

Measuring Performance				Actual Performance											
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary										
Safe aquatic facilities are operating in the district.	All aquatic facilities are compliant with relevant standards including Pool Safe Accreditation.	Achieve	This measure is to ensure the safety and enjoyment of aquatic centres for all customers	Achieved	As at 30 June 2022: Levin 100% Foxton 100% Both Foxton and Levin pools have received Pool Safe Accreditation during February 2022. This is valid until April 2023 when the next Pool Safe assessment is completed.										
Aquatic centres meet customer needs.	Percent of customers satisfied, based on the Annual Customer Satisfaction Survey.	≥ 90%	The percentage of satisfied customers gives us an indication of the quality of service we are providing.	Achieved	As at 30 June 2022: 92% rating achieved.										
A high-quality Swim School operates at the Levin and Foxton Aquatic Centres.	Number of participants in Learn to Swim classes.	≥ 400 per term	Our pools offer curriculum-based water safety and aquatic education programmes to local schools that do not have their own pools. We also offer swimming lessons for people of all ages and abilities to improve their swimming technique and overall skill level.	Achieved	As at 30 June 2022: <table><tr><th>Term</th><th>Number of Participants</th></tr><tr><td>Term Three 2021</td><td>466</td></tr><tr><td>Term Four 2021</td><td>512</td></tr><tr><td>Term One 2022</td><td>463</td></tr><tr><td>Term Two 2022</td><td>494</td></tr></table>	Term	Number of Participants	Term Three 2021	466	Term Four 2021	512	Term One 2022	463	Term Two 2022	494
Term	Number of Participants														
Term Three 2021	466														
Term Four 2021	512														
Term One 2022	463														
Term Two 2022	494														
Local clubs are supported to deliver their own events.	Number of events per year held by clubs.	≥ 5 per year	Council makes available its facilities for local aquatic clubs and organisations to deliver their own events.	Achieved	As at 30 June 2022: <ul style="list-style-type: none">Levin Swim Club End of YearStreamline End of YearHorowhenua College Activities WeekWaiopahu College End of YearLinton School Camp										

Measuring Performance				Actual Performance									
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary								
					<ul style="list-style-type: none">● Fairfield School End of Year● Mandy’s Swimming End of Year● Glen Oroua School End of Year● Levin Swim Club – Swim Meet● Levin Masters – Swim Meet● Levin School – Swim Meet● Poroutawhao School – Swim Meet● Interschools – Swim Meet								
Growing existing events and developing new ones for the following areas: children, general public, and retirees.	Number of events per year for: Children; General public; and Retirees.	≥ 3 ≥ 3 ≥ 3	Council supports local sports/recreation clubs and organisations to host and run events on- and off-site.	Achieved	As at 30 June 2022: 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
Children	General Public	Retirees											
6	7	4											

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 it involves

- Delivery of the library services including online services
- Delivering programmes that foster and enhance literacy and the love of reading for all ages
- Providing events, exhibitions, and performances for all ages.
- Arranging room hire for meetings, functions and conventions.
- Providing social and community spaces including a café.
- Delivering IT resources including internet on demand and free Wi-Fi.
- Providing visitor information through two sites.
- Providing a space for 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 Outcomes	Council Role
Community centres and libraries operate within the district.	<p>Vibrant Economy Community Centres and Libraries contribute to the local economy through employment and financial sustainability.</p> <p>Strong Communities Community Centres and Libraries provide opportunities for people of all ages and phases of life to enjoy quality of living and contribute to providing a 'sense of place' where people are proud to live. Community Centres and Libraries provide opportunities for social connection and inclusion and opportunities for all cultures in the district and can be a place where cultural diversity is celebrated.</p> <p>Fit for Purpose Infrastructure Community Centres and Libraries are reliable, efficient and well run.</p> <p>Partnership with Tangata Whenua We value the objectives and goals of tangata whenua within the provision, development and operation of Community Facilities.</p>	Funder/Provider

Measuring Performance

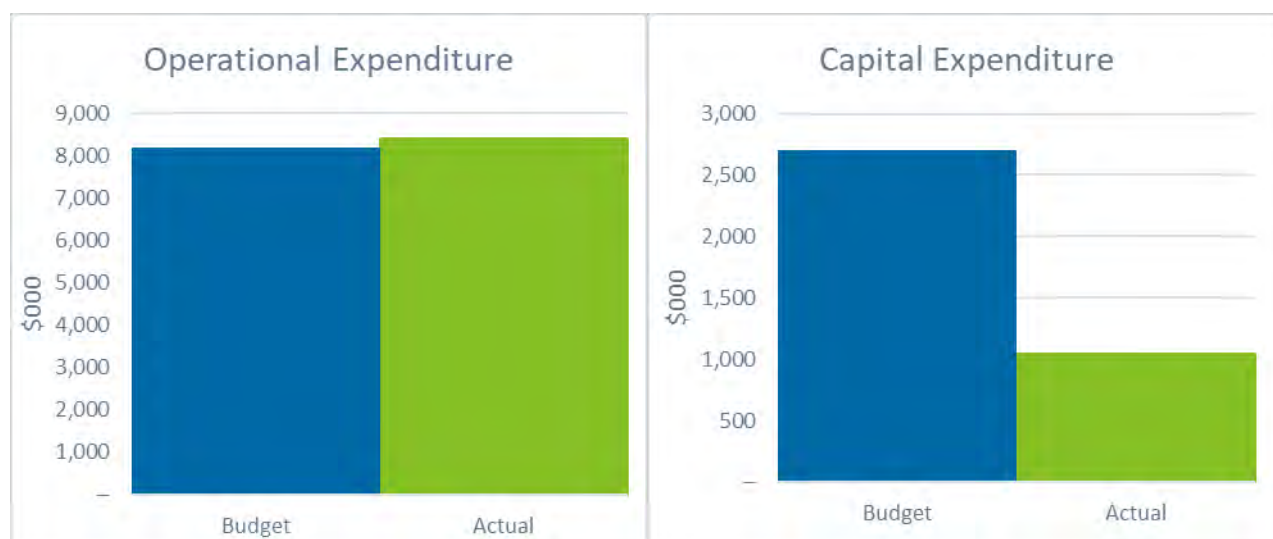
Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Council provides community facilities for residents, ratepayers, and visitors to access Community services including library services.	Communities with library and community facilities providing an integrated and districtwide service.	Levin, Foxton, and Shannon	Council recognises the importance of libraries as social hubs for learning and literacy in the community. Council sets out to provide a relevant library service and community facilities that people can enjoy throughout the district.	Achieved	As at 30 June 2022: Library services are delivered in Levin, Shannon and Foxton.

Measuring Performance				Actual Performance													
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary												
	Number of visitors to our Community Hubs and Libraries Te Takeretanga o Kura-hau-pō , Te Awahou Nieuwe Stroom; Shannon Library	≥ 550,000 ≥ 375,000 ≥150,000 ≥ 25,000		Not Achieved	As at 30 June 2022: <table><tr><th></th><th>Full Year</th></tr><tr><td>Te Takeretanga o Kura-hau-pō</td><td>218,670</td></tr><tr><td>Te Awahou Nieuwe Stroom</td><td>87,039</td></tr><tr><td>Shannon Library</td><td>15,330</td></tr></table>		Full Year	Te Takeretanga o Kura-hau-pō	218,670	Te Awahou Nieuwe Stroom	87,039	Shannon Library	15,330				
	Full Year																
Te Takeretanga o Kura-hau-pō	218,670																
Te Awahou Nieuwe Stroom	87,039																
Shannon Library	15,330																
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%	The percentage of satisfied customers gives us an indication of the quality of service we are providing.	Not Achieved	As at 30 June 2022: This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year’s survey was 85%.												
Community facilities are available for public use.	Number of booking counts for community facilities Te Takeretanga o Kura-hau-pō, Te Awahou Nieuwe Stroom.	≥ 1,400 70% of bookings Te Takeretanga o Kura-hau-pō 30% of bookings Te Awahou Nieuwe Stroom	This measure is used to ensure the community facilities are being utilised.	Not Achieved	As at 30 June 2022: <table><tr><th></th><th>Full Year</th></tr><tr><td>Booking Counts</td><td>1,248</td></tr><tr><td>Te Takeretanga o Kura-hau-pō</td><td>75%</td></tr><tr><td>Te Awahou Nieuwe Stroom</td><td>25%</td></tr></table>		Full Year	Booking Counts	1,248	Te Takeretanga o Kura-hau-pō	75%	Te Awahou Nieuwe Stroom	25%				
	Full Year																
Booking Counts	1,248																
Te Takeretanga o Kura-hau-pō	75%																
Te Awahou Nieuwe Stroom	25%																
Customers have access to a range of current information in both print and digital format.	Number of items loaned from the libraries across the district, including books, magazines etc.	≥ 270,000	Council sets out to provide a modern and relevant library service. The number of loaned items would indicate the range of loanable items is current and relevant. The growing use of the library website indicates Council provides a modern library	Not Achieved	As at 30 June 2022: broken down as follows: <table><tr><th>Library</th><th>Issues</th></tr><tr><td>Levin</td><td>165,478</td></tr><tr><td>Foxton</td><td>19,421</td></tr><tr><td>Shannon</td><td>5,758</td></tr><tr><td>Digital</td><td>15,370</td></tr><tr><td>Total</td><td>206,027</td></tr></table>	Library	Issues	Levin	165,478	Foxton	19,421	Shannon	5,758	Digital	15,370	Total	206,027
Library	Issues																
Levin	165,478																
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Digital	15,370																
Total	206,027																

Measuring Performance				Actual Performance																
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary															
	In line with the national average spend, collections are refreshed and meet the literacy and information needs of the community in accordance with the NZ Public Library Standards.	\$7 per capita spent on library resources	service that people use and enjoy.	Not Achieved	As at 30 June 2022: \$6.35 was spent per capita on library resources, Data from Public Libraries of NZ shows a national average spend of \$6.95.															
	Percent of increase in use of websites and online engagement. Note: These numbers include statistics for Te Takeretanga o Kura-hau-pō website, OPAC, and Kete Horowhenua.	+> 1%		Not Achieved	As at 30 June 2022: <table><tr><td></td><td>2021/22</td><td>2020/21</td><td>% Change</td></tr><tr><td>Unique users</td><td>80,824</td><td>92,698</td><td>-13%</td></tr><tr><td>Sessions</td><td>117,405</td><td>125,241</td><td>-6%</td></tr></table>					2021/22	2020/21	% Change	Unique users	80,824	92,698	-13%	Sessions	117,405	125,241	-6%
	2021/22	2020/21	% Change																	
Unique users	80,824	92,698	-13%																	
Sessions	117,405	125,241	-6%																	
Customers have access to programmes and initiatives that enhance the wellbeing of the district.	Number of programmes delivered Levin, Foxton, Shannon	500 ≥ 50% ≥ 30% ≥ 20%	Council sets out to provide a relevant library service that people can enjoy throughout the district.	Not Achieved	As at 30 June 2022: While Levin achieved its target the other two libraries did not. This means a Not Achieved overall. The programmes that have been delivered are broken down as follows: <table><tr><td></td><td>Number</td><td>%</td></tr><tr><td>Levin</td><td>340</td><td>76%</td></tr><tr><td>Foxton</td><td>71</td><td>16%</td></tr><tr><td>Shannon</td><td>34</td><td>8%</td></tr></table>					Number	%	Levin	340	76%	Foxton	71	16%	Shannon	34	8%
	Number	%																		
Levin	340	76%																		
Foxton	71	16%																		
Shannon	34	8%																		

Community Facilities Financial Information

These graphs provide an overview of how the Community Facilities activity has performed against budget.



This Funding Impact Statement for the Community Facilities activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties			-	-	-	-
Targeted rates		6,576	7,306	6,840	6,838	(2)
Subsidies and grants for operating purposes		286	11	316	197	(119)
Fees and charges	1	884	1,410	1,041	731	(310)
Local authorities fuel tax, fines, infringement fees, and other receipts		93	64	-	9	9
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		7,839	8,791	8,197	7,775	(422)
Applications of operating funding						
Payments to staff and suppliers		5,232	5,949	5,464	5,349	114
Finance costs		418	781	455	421	34
Internal charges and overheads applied	2	1,478	1,430	1,316	1,599	(283)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		7,128	8,160	7,235	7,369	(134)
Surplus/ (deficit) of operating funding (A-B)		711	631	962	406	(557)
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	3	(1,157)	(223)	1,741	(327)	(2,068)
Gross proceeds from sale of assets		-	-	-	349	349
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		(1,157)	(223)	1,741	22	(1,719)
Applications of capital funding						
Capital expenditure						
- to meet additional demand		-	37	-	-	-
- to improve the level of service	4	49	74	1,706	226	1,480
- to replace existing assets		857	297	997	815	182
Increase (decrease) in reserves	5	(1,352)	-	-	(613)	614
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		(446)	408	2,703	428	2,276
Surplus (deficit) of capital funding (C-D)		(711)	(631)	(962)	(406)	557
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		978	581	962	1,019	(57)

Notes:

1. The lower revenue from fees and charges are the result of COVID restrictions.
2. The higher internal costs mainly relate to higher spending in IT and HR.
3. The delay in Foxton Pool redevelopment is the cause of debt not increasing.
4. The Foxton Pool redevelopment project was delayed due to significant cost escalations and additional funding needed to be secured before appointing a contractor for construction. Council approved additional funding in August 2022.
5. The decrease in reserves is largely caused by the lower operating surplus.

This expenditure summary for the Community Facilities activity breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
Libraries and Community Centres	5,340	5,642	5,384	5,244	140
Aquatic Centres	2,765	3,099	2,814	3,142	(328)
Total activity expenditure	8,105	8,741	8,198	8,386	(188)

This expenditure summary for the Community Facilities activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP Forecast 2021/22 \$000	Actual 2021/22 \$000	Variance \$000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Foxton Aquatic Centre - Planned renewals	58	17	41	
Activity Renewal - Libraries	40	31	9	
Activity Renewals - Community centres	89	66	23	
Building Renewal - Shannon library	1	-	1	
Building Renewals - Te Awahou Nieuwe Stroom	32	12	20	
Building Renewals - Te Takeretanga o Kura-hau-pō	20	21	(1)	
TANS Marketing billboards	20	-	20	
Purchase of library books	434	447	(13)	
Youth space renovation	-	-	-	
Levin Aquatic Centre - Planned renewals	298	221	77	
Levin - Disabled change facilities	5	-	5	
Total renewal projects	997	815	182	
Primary Type: Level of service portion of projects				
Levin - Splash pad	181	146	35	
Foxton pool redevelopment	1,500	58	1,442	1
Mobile partitions	25	22	3	
Total level of service projects	1,706	226	1,480	
Primary Type: Growth portion of projects				
Total growth projects	-	-	-	
Renewals - Replacing existing assets	997	815	182	
Improve level of service	1,706	226	1,480	
Growth - To meet additional demand	-	-	-	
Total Community Facilities projects	2,703	1,041	1,662	

Notes:

1. The Foxton Pool redevelopment project was delayed due to significant cost escalations and additional funding needed to be secured before appointing a contractor for construction. Council approved additional funding in August 2022.

This loan summary relates to loans for the Community Facilities activity.

Loans	Internal \$000
Loans as at 1/07/2021	13,804
Raised during year	225
Repaid during year	(552)
Loans as at 30/06/2022	13,477
Interest Expense	421

Representation and Community Leadership

Te Whakakanohi me te Hautū i te Hapori

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

What it involves

The Representation and Community Leadership Group of Activities includes the following activities:

- Employing the Chief Executive who is empowered to implement decisions of Council.
- Hosting Local Body elections.
- Encouraging Horowhenua residents to become involved in Council activity and communicating Council decisions.
- Council, Committee and Community Board meetings.
- Setting the strategic and policy direction of Council. This includes preparing the key strategic policy and planning documents such as the Long Term Plan and Annual Plans.
- Reviewing the District Plan and preparing plan changes.
- Monitoring the district's State of the Environment and efficiency and effectiveness of the District Plan.
- Representing the views and interests of residents.

Identified effects on wellbeing outcomes

Social Wellbeing Strong Communities Community Outcome	Environmental Wellbeing Outstanding Environment Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Economic Wellbeing Fit for Purpose Infrastructure Community Outcome	Cultural Wellbeing Partnership with Tangata Whenua
Focused engagement with key stakeholders when developing Community Plans, Master Plans and the Annual Plan ensured community input into local decisions and priority projects. The development of Community Plans provided opportunity for local communities to identify the 'sense of place' that is important to not only the community at the centre of the plan, but also the wider	<p>The preparation of Master Plans has ensured that there are well planned and developed environments in the future while sustainably managing the district's natural resources for the enjoyment of future generations.</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</p>	<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</p>	<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</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

community. Awarding of Civic Honours ensures recognition of those who have contributed to community outcomes and who have longstanding volunteer roles within the various groups, clubs and organisations across the district.	Fund and Crown funding opportunities to improve these environments.	opportunities, source economic data for informed decision making and facilitate access to capability and funding mechanisms.	Road, Queen Street upgrade and Tara-Ika.	<p>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>
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Rationale

Activity	Community Outcomes	Council Role
Hosting local elections	Vibrant economy Strong communities Partnership with Tangata Whenua	Provider/Advocate
Engaging and informing residents of decisions of Council.	Vibrant economy Strong communities Partnership with Tangata Whenua	Provider/Advocate
Gain the trust and confidence of district residents, by being open, transparent and accountable.	Vibrant economy Strong communities Partnership with Tangata Whenua	Provider/Advocate
Reviewing the District Plan, monitoring the effectiveness of the District Plan, and preparing or processing plan changes/variations.	Vibrant economy Outstanding environment Strong communities	Provider

Measuring Performance

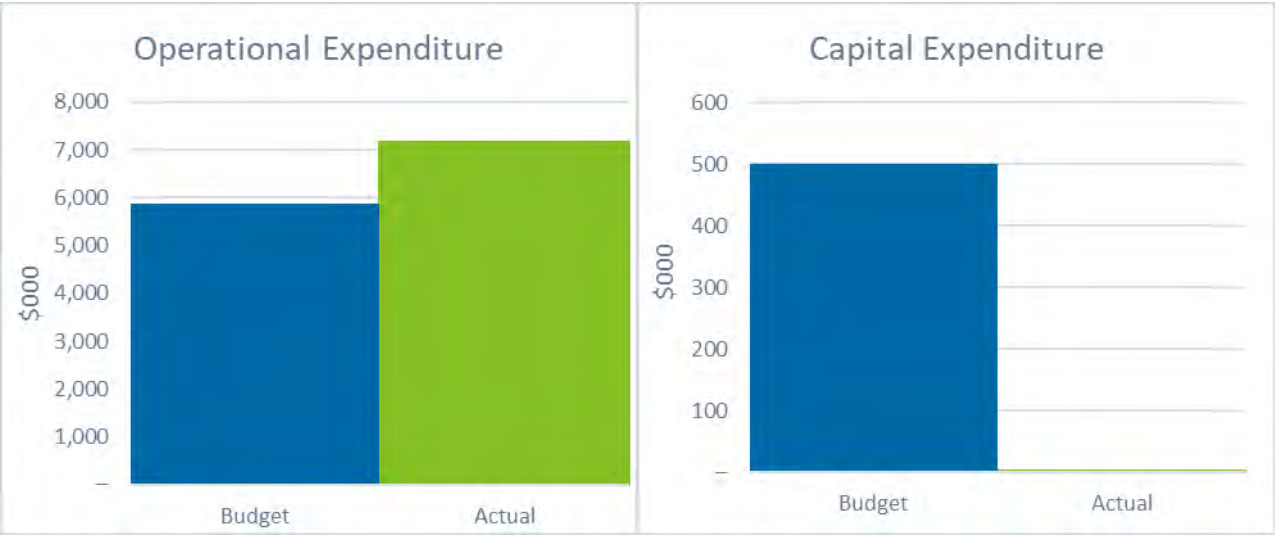
Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Council provides open, accessible information and processes to local government and the community.	Number of successful challenges to Council's decision-making processes.	< 2	Council seeks to strengthen democracy through facilitating Community input to decision-making processes. Council is required to comply with the Local Government and Official Information and Meetings Act.	Achieved	As at 30 June 2022: There have been no challenges to Council's decision-making processes.
	Official Information requests are processed in accordance with the LGOIMA.	100% compliance rate		Not Achieved	As at 30 June 2022: <ul style="list-style-type: none"> • 138 LGOIMA requests had been received • 120 were processed on time, one was sent late* • Nine remain open on time • Zero remain open with an extension • Three were withdrawn • Five extensions were applied for accepted and sent within time <p>*Late response was provided at EOD completion day, was delivered to the customer the next morning.</p>
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%	The percentage of satisfied people gives us an indication of the quality of public involvement in Council decision making. Through pre-engagement on significant decisions, Council is engaging with the	Not Achieved	As at 30 June 2022: This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 21%.

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Council will pre-engage on all significant decisions as outlined in the Significance of Engagement Strategy found on Council's website.	Council will pre-engage on all significant decisions as outlined in the Significance of Engagement Strategy found on Council's website.	Achieve	community beyond what is legally required.	Achieved	As at 30 June 2022: There was one significant decision that required pre-engagement. This was the Representation Review in which extensive consultation and engagement was conducted with the community
Council's planning documents meet statutory requirements and have unqualified audit opinions.	The LTP is completed within the statutory timeframe, including Financial and Infrastructure Strategies which meets the requirements of the Local Government Act.	Adopted before 30 June (every 3 years)	Council will meet its statutory requirements regarding planning and reporting documents.	Achieved	As at 30 June 2022: The LTP was adopted on 30 June 2021.
	The Annual Plan will be adopted before 30 June annually.	Achieve		Achieved	As at 30 June 2022: The Annual Plan was adopted 29 June 2022.
	The Annual Report will include an unqualified audit opinion.	Achieve		Not Achieved	As at 30 June 2022: The Annual Report was adopted 16 December 2021. However, the report was qualified due to audit unable to verify the completeness of customer complaints data which was collected by Palmerston North City Council.
The District Plan provides for a balanced regulatory framework that protects important community and environmental values.	Council will process non-complying consents in a robust way. When the percentage of non-complying consents approved exceed 5%, we will undertake an investigation of the District Plan rules that	< 5%	Good planning supports sustainable growth and development. It protects natural and built environments and helps maintain quality of life for our residents. This measure is used to understand whether the District Plan is	Achieved	As at 30 June 2022: 12 non-complying resource consents have been approved, which represents approximately 4% of applications approved.

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
	have triggered the non-complying consents.		performing effectively. If the number of consent applications being approved as non-complying activities is above 5% it could suggest the District Plan needs to be updated to support growth and development that is considered appropriate for the district.		

Representation and Community Leadership Financial Information

These graphs provide an overview of how the Representation and Community Leadership activity has performed against budget.



This Funding Impact Statement for the Representation and Community Leadership activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		40	575	267	267	-
Targeted rates		3,565	3,898	4,051	4,050	(1)
Subsidies and grants for operating purposes		1,410	-	-	63	63
Fees and charges		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		62	2	1	1	-
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		5,077	4,475	4,319	4,381	62
Applications of operating funding						
Payments to staff and suppliers	1	3,542	1,295	2,057	2,510	(453)
Finance costs		102	134	107	103	4
Internal charges and overheads applied	2	3,425	3,224	3,709	4,543	(834)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		7,069	4,653	5,873	7,156	(1,283)
Surplus / (deficit) of operating funding (A-B)		(1,992)	(178)	(1,554)	(2,775)	(1,221)
Sources of capital funding						
Subsidies and grants for capital expenditure	3	-	-	-	670	670
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	4	845	203	2,055	(1,119)	(3,174)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		845	203	2,055	(449)	(2,504)
Applications of capital funding						
Capital expenditure						
- to meet additional demand		1	-	-	-	-
- to improve the level of service	5	-	-	500	1	499
- to replace existing assets		-	-	-	-	-
Increase (decrease) in reserves	4	(1,148)	25	1	(3,225)	3,226
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		(1,147)	25	501	(3,224)	3,725
Surplus / (deficit) of capital funding (C-D)		1,992	178	1,554	2,775	1,221
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		-	14	-	-	-

Notes:

1. Spend on the District Plan was brought forward \$188k and extra spending in Sustainable Growth Planning as a result of Ō2NL consultancy \$319k however these are budgeted to be loan funded.
2. Internal charges are higher than budget mainly due to additional costs for the interim CE and iwi resourcing payments which were not capitalised.
3. Unbudgeted three water reform stimulus funding.
4. Debt funding less than budget as a result of larger reserve funded operating deficit.
5. This relates to the Levin Town Centre project moving to 2022/23.

This expenditure summary for the Representation and Community Leadership activity breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
Community Board	165	224	182	186	(4)
Elections	10	3	11	37	(26)
Governance	2,051	2,032	2,174	2,496	(322)
External Reporting	1,871	1,616	1,649	1,845	(196)
District Planning	736	792	1,546	2,364	(818)
Growth Response	2,236	-	312	227	85
Total activity expenditure	7,069	4,667	5,874	7,155	(1,281)

This expenditure summary for the Representation and Community Leadership activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP Forecast 2021/22 \$000	Actual 2021/22 \$000	Variance \$000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Total renewal projects	-	-	-	
Primary Type: Level of service portion of project				
Levin town centre projects - Phase 1	500	1	499	1
Total level of service projects	500	1	499	
Primary Type: Growth portion of project				
Total growth projects	-	-	-	
Renewals – Replacing existing assets	-	-	-	
Improve level of service	500	1	499	
Growth – To meet additional demand	-	-	-	
Total Governance & Community Leadership projects	500	1	499	

Notes:

1. This project has been carried forward to next year.

This loan summary relates to loans for the Representation and Community Leadership activity.

Loans	Internal \$000
Loans as at 1/07/2021	4,495
Raised during year	1
Repaid during year	(1,120)
Loans as at 30/06/2022	3,376
Interest expense	103

Community Support Te Tautāwhi i te Hapori

This group of activities comprises 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.

The Community Support Group of Activities includes the following Activities:

- Emergency management
- Community Engagement
- Visitor Information Economic Development

Identified effects on wellbeing outcomes

Social Wellbeing Strong Communities Community Outcome	Cultural Wellbeing Strong Communities Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Cultural Wellbeing - Partnership with Tangata Whenua
<p>Council continues to engage and connect with its community through a range of campaigns and channels, including the Our People and Horowhenua Proud campaigns, Community Connection and Elderberries.</p> <p>This year we introduced a Horowhenua District Council Instagram account, to improve our reach and engage with a broader demographic.</p> <p>The main Council website underwent a refresh, with a new look and feel, improved navigation and updated content. These improvements have seen growth in new users increase by 8.09% in this financial year.</p> <p>Alongside the website refresh, Council launched online parking infringement payments, which saw over 450 parking infringements paid online, and improved</p>	<p>Council provides a Vibrant Communities grant and administers a Central Government fund, Creative Communities NZ that enables a wide range of art, culture and heritage projects and programmes that contribute to a rich vibrant community growing a sense of pride by the creators, artists and community. Council actively encourages people to uptake the grants and supports community participation in diverse outcomes.</p> <p>Council supports a wide range of community-led events by encouraging shared local visions, offering event management advice, introducing collaborations and “on the ground, on the day” resources. This has proven to be extremely effective in growing strong</p>	<p>Horowhenua's economic development agency has actively engaged with businesses and other community partners to solve business problems and to support business growth and development, ultimately improving economic wellbeing.</p> <p>This includes a comprehensive set of investment attraction activity, which has resulted in the relocation and establishment of a range of new businesses, creating exciting new jobs and opportunities for local suppliers. In addition, regular business networking and local initiatives to improve labour market outcomes have continued throughout the year, ensuring the Horowhenua business community is connected to the latest data, insights and economic analysis.</p>	<p>Council provides a Vibrant Communities grant and administers a Central Government fund, Creative Communities NZ that enables a wide range of art, culture and heritage projects and programmes that contribute to a rich vibrant community growing a sense of pride by the creators, artists and community. Council actively encourages people to uptake the grants and supports community participation in diverse outcomes.</p> <p>Council supports a wide range of community-led events by encouraging shared local visions, offering event management advice, introducing collaborations and “on the ground, on the day” resources. This has proven to be extremely effective in growing strong</p>

<p>functionality for online dog renewal registrations.</p> <p>Council's aim is to continue to listen to its community, understand them and their needs, and engage with them in channels that resonate. With several initiatives underway to make sure Council delivers on this objective, the future is bright.</p> <p>Council's strong support for community places and participation have a positive outcome for robust communities and community wellbeing.</p> <p>Sector network meetings coordinated and facilitated by Council continue to attract good membership and participation. The networks are effective as the conduit for information between members and Council.</p> <p>Council supports several community hubs throughout the district. These hubs provide places to obtain authentic feedback that can inform Council decision-making, distribute key information and are places for active civic and social participation.</p> <p>Council facilities, community hubs and online platforms provide a place for Council to undertake Community Capacity Building Programmes that build resilience and capability for service organisations, community groups and individuals that ensures their ability to withstand or overcome adverse conditions like the ongoing COVID-19 response.</p>	<p>relationships between organisation and Council.</p>	<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 development forums, destination management workshops, promoting Horowhenua at exhibitions, and supporting community-driven initiatives and events.</p>	<p>relationships between organisation and Council.</p>
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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 it involves

- 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 Outcomes	Council Role
Emergency management is provided for the community.	<p>Strong Communities - A strong focus on community readiness and response prior to an emergency event occurring, helps to build community resilience in an emergency event. During an event the Emergency Management Activity provides community support to ensure basic needs are met and our community is supported as required. A key part of the Emergency Management function is working in collaboration with other agencies or service providers to support affected communities.</p> <p>Partnership with Tangata Whenua - Partnerships with tangata whenua enable the community to access emergency services and support the recovery of the District.</p>	Provider

Measuring Performance

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Community awareness is	12 media messages promoting preparedness for an emergency will be	Achieved	Council is working with the community to build greater resilience to emergencies and	Achieved	As at 30 June 2022:

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
promoted and encouraged.	made to residents and ratepayers annually.		disaster events, and to help our district recover faster.		95 COVID-19 media messages have been distributed across social media channels; 79 Emergency Management media messages have been distributed across social channels. Emergency messaging will continue to be posted in support of COVID-19 response.
Council maintains a functional EOC and trained staff.	Civil defence and emergency management assessment of readiness and capability.	Council's EOC (and alternates) are fully functional and meet the requirements of the CDEM Act 2002.	<p>Council will take the lead in a civil defence or emergency event and will have the capacity and capability to do so.</p> <p>* This measure will include increased emphasis on monitoring activity associated with individual, household, neighbourhood and community preparedness.</p>	Achieved	<p>As at 30 June 2022:</p> <p>Appropriate levels of Council staff have been trained to the Integrated Training Framework (ITF) Foundational level with Incident Management Team (IMT) members trained to minimum of Intermediate level. A number of EOC staff have also completed a higher level of training to the Functional level. Further training and exercising is planned throughout 2022/2023 to continue to increase capability and understanding of all the facets of emergency management throughout the organisation. Processes are in place to capture new staff and schedule them for CDEM Induction and set them onto the ITF training pathways.</p>

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 it involves

- Council leading the development and implementation of the Horowhenua Community Wellbeing Strategy as well as the education, youth, access and inclusion, arts culture and heritage, pride and vibrancy, and positive ageing action plans.
- Council taking a lead role in advocating, facilitating and coordinating on behalf of the community to assist community groups or find solutions to respond to local needs.
- Advocating on behalf of the community for better health, transport and social outcomes through the Community Wellbeing Committee.
- Providing funding support to surf lifesaving, Waitārere and Foxton Beach wardens, and neighbourhood support, on contract.
- Funding and operating several small contestable grant schemes which are:
 - Community development grant;

- Community consultation grant;
- International representation grant;
- Rural halls grant;
- Vibrant communities fund; and
- Community events grant.
- Administrating or providing administrative support to externally funded contestable grant schemes which are:
 - Horowhenua creative communities' scheme; and
 - Shannon Community Development Trust.
- Facilitating a community capacity building programme, providing free or subsidised training to the not-for-profit sector with the aim to increase the capability at a governance and operational level.
- Produce and distribute Council publications.
- Produce sector-specific publications, such as resource consent guides.
- Monitor and update social and traditional media.
- Provide communications support to internal staff and departments.
- Maintain and update Council's website presence, namely www.horowhenua.govt.nz
- Respond and provide information to media outlets as required.
- Council provides a 24-hour, 7 day a week service to the public including an afterhours emergency telephone response service, and an afterhours Animal Control response function.

Rationale

Activity	Community Outcomes	Council Role
Facilitate a youth council and community networks and forums.	Strong Communities	Provider
Advocate for transport, health and community wellbeing.	Vibrant Economy Strong Communities	Advocate
Contestable grant schemes are provided.	Strong Communities	Funder
Administration of externally funded grant schemes.	Strong Communities	Provider
Contracted services are managed.	Strong Communities Fit for purpose Infrastructure	Funder

Capabilities training for the non-profit sector is provided.	Strong Communities	Funder
Perform Council's communication function.	Vibrant Economy Outstanding Environment Strong Communities	Provider

Measuring Performance

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Council provides effective leadership in advocating, coordinating and facilitating on behalf of community needs.	Number of Community Wellbeing Committee meetings per year.	≥ 4	The Community Wellbeing Committee is the platform for community engagement with Council facilitating and coordinating on behalf of the community to find solutions to respond to local needs.	Achieved	As at 30 June 2022: Four Community Wellbeing Committee meetings held.
Young people in the Horowhenua live in a safe and supportive environment, which empowers them to make positive life choices.	Number of Youth Empowerment Project meetings per year.	≥ 8	Council is engaging with young people and supporting programmes or projects with a youth focus	Not Achieved	As at 30 June 2022: Six yEP meetings held.
	Number of programmes or projects implemented by Youth Empowerment Project.	≥ 4		Achieved	As at 30 June 2022: Four programmes/projects implemented by yEP.

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
	Number of Youth Services Network meetings per year.	≥ 6		Achieved	As at 30 June 2022: Six Youth Services Network meetings held.
Horowhenua residents are empowered to make choices enabling them to live a satisfying and healthy lifestyle.	Number of Older Person's Network meetings per year	≥ 6	Council is engaging with older people and keeping them informed.	Achieved	As at 30 June 2022: Eight Older Persons' Network meetings held.
	Number of <i>Puāwai</i> magazine publications annually.	≥ 4		Achieved	As at 30 June 2022: Four <i>Puāwai</i> magazines published.
Horowhenua is a vibrant, creative and friendly community with an abundance of art, rich cultures and a strong sense of heritage.	Number of Creative Communities funding rounds per year.	≥ 2	Council supports arts and culture in the district by providing administrative support to externally funded contestable grant schemes.	Achieved	As at 30 June 2022: Two Creative Communities funding rounds.

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
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	Council is leading the way in a collaborative approach to education in the district via the Education Horowhenua group.	Achieved	As at 30 June 2022: Four Education Horowhenua meetings held.
Horowhenua is fully accessible to all people.	Number of Access and Inclusion Leadership forums per year.	≥ 4	Council supports United Nations Convention of Rights of Persons with Disabilities. The Convention guides how to remove barriers and make sure disabled people have full and equal enjoyment of all human rights and fundamental freedoms	Achieved	As at 30 June 2022: Four Access and Inclusion Leadership forums.

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Council promotes community group empowerment and provides opportunities for community-driven initiatives and projects to grow and develop.	Number of Community Capacity and Capability Building Programme workshops or trainings offered.	≥ 10	Council provides opportunities for community-driven initiatives and projects by distributing funds through a contestable grants and funding scheme. Council also promotes community group empowerment via the Capacity and Capability Building Programme where the percentage of satisfaction gives an indication of the quality of the programme provided.	Achieved	As at 30 June 2022:
					10 Community Capacity and Capability Building workshops/trainings held. These are as follows:
					Workshop/trainings Location/attendees
					First Aid Level 1 Levin (11)
					First Aid Level 2 Shannon (18)
					Food Safety Shannon (19)
					St Johns Mental Health Shannon (11)
					Establishing not for profit Levin (8)
					Food Safety Levin (16)
					I am Hope - Youth Mental Health (Manawatū College) Foxton (240)
S4L & M TA Pēpē programme Levin (22, interrupted and not completed due to Covid)					
ITS Food Safety Levin (9)					
Youth Governance Levin (5)					

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
	Number of individuals participating in Capacity and Capability Building Programme workshops or training over the year.	≥ 200		Achieved	As at 30 June 2022: 332 individuals have participated in Capacity and Capability Building Programme workshops or training.
Council supports beach safety initiatives within communities by providing financial support.	Number of weeks Council funded surf lifesaving service provided at Foxton and Waitāreke beaches.	≥ 6	Public safety while enjoying the district's beaches is very important to Council. Council funds surf lifesaving services at two of the district's most popular beaches during peak season.	Achieved	As at 30 June 2022: Six weeks have been funded.
Council effectively communicates with its ratepayers and residents.	Number of media releases feature in media within 21 days of release to inform residents about what Council is doing.	≥ 60	Council provides useful and accessible information for the community.	Achieved	As at 30 June 2022: There have been 96 media releases and 100% featured in media.

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Council provides a variety of ways to access information.	Number of Council <i>Community Connections</i> newsletters published annually.	≥ 10	Council offers a variety of mediums to engage with the community.	Achieved	As at 30 June 2022, 10 Community Connections published: https://www.horowhenua.govt.nz/Community/Community-Engagement/Community-Connection
	Number of new digital services delivered online annually.	≥ 2		Achieved	As at 30 June 2022: The HDC website has been refreshed and five online payment forms have been completed or significantly updated, including: Application for Building Consent – Discretionary Exemptions; Resource Consent Application; Property File Information – Lodgement Form; Application to Renew Registration of Dogs; Application for Engineering Plan Approval.
Council provides a 24/7 telephone contact centre operation.	Telephone contact is continually provided 24/7.	Achieve	Council can be contacted any time even out of normal business hours.	Achieved	As at 30 June 2022: Council's 06 366 0999 telephone number is operational 24/7. Afterhours service and continuous phone supply under Contract with PNCC – RM8 record D20/110689. The phone system is hard coded to divert to PNCC should it have a fault at HDC.
Council staff are knowledgeable in tikanga Māori and the principles of Te Tiriti o Waitangi.	Percent of staff who have undertaken training. (Partnership with Tangata Whenua).	60% of Council staff	Council upholds Te Tiriti o Waitangi and its principles.	Not Achieved	As at 30 June 2022: Te Tiriti o Waitangi and Cultural Competence training has been scheduled with external facilitator 'Engaging Well'. The training sessions will be for six cohorts of 16 people and will be 3x half-day sessions each. These are scheduled in July.

Visitor Information

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

What it involves

As part of this activity Council manages contracts which provide the following services:

- Domestic travel ticketing;
- Horowhenua attraction, activity and accommodation bookings;
- Local and regional visitor information, travel maps and resources; and integrated communications and working partnerships with local service providers.

Rationale

Activity	Community Outcomes	Council Role
Visitor information services are offered throughout the district.	Vibrant Economy Strong Communities	Funder

Measuring Performance

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
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	i-Site is a visitor information network with over 80 visitor centres throughout New Zealand, and offers an excellent platform for local operators and service providers to sell their businesses and for the district to promote local events and public amenities. The i-Site brand is managed by Tourism New Zealand and various standards must be met to maintain accreditation.	Achieved	As at 30 June 2022: i-Site accreditation for both sites is maintained.
	Annual number of visitor information enquiries conducted from Horowhenua i-Sites.	≥ 10,000		Not Achieved	As at 30 June 2022: Manually collated statistics on Visitor Information enquiries are: 6,349

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 economic wellbeing and prosperity.

What it involves

Economic development advocacy, support and facilitation across the following service areas:

- Business sector growth and performance;
- Sustainable natural resource utilisation;
- Infrastructure and policy development/implementation;
- Workforce skill development, training and education; and
- Horowhenua as a vibrant and sustainable place to live and visit.

Rationale

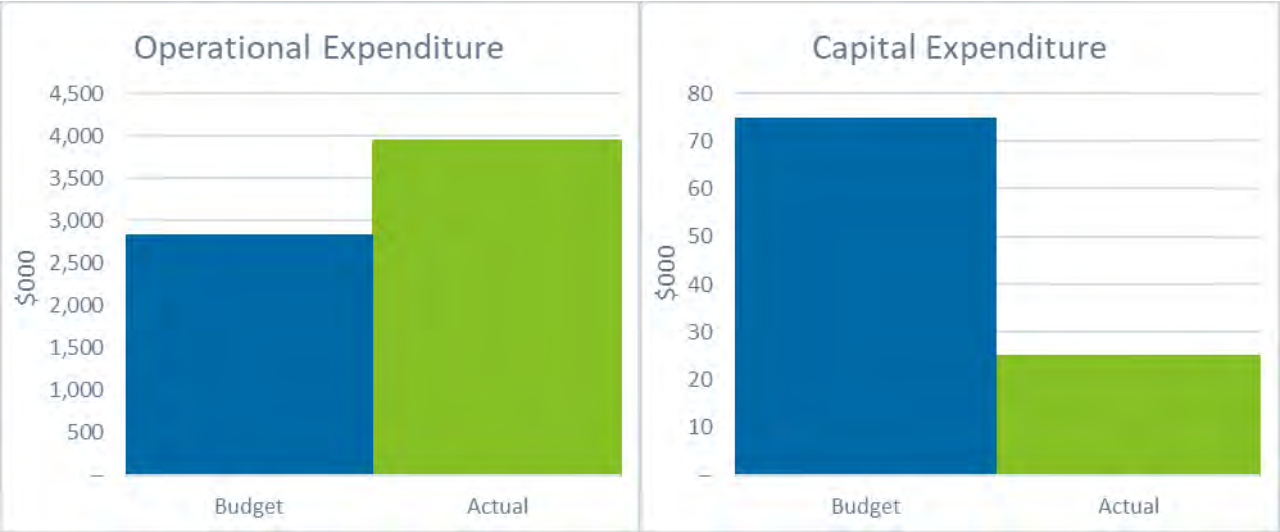
Activity	Community Outcomes	Council Role
Business sector support and advocacy.	Vibrant Economy	Provider/advocate
Sustainable natural resource utilisation.	Vibrant Economy	Advocate
Infrastructure and policy development/implementation.	Vibrant Economy Outstanding Environment Strong Communities Fit for Purpose Infrastructure	Advocate
Workforce skill development, training and education.	Vibrant Economy Strong Communities	Advocate
Horowhenua as a vibrant and sustainable place to live and visit.	Vibrant Economy Strong Communities	Provider/advocate/ funder

Measuring Performance

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Council provides opportunities for businesses to collaborate and network resulting in a stronger business sector.	Number of business networking meetings organised per year.	≥ 10	Council is committed to collaborating and networking with the local business sector. Below 10 would indicate Council is not fulfilling its commitment	Achieved	As at 30 June 2022: There have been 10 Business Networking events held. This includes a Women in Business networking lunch – which is proposed to be continued as a quarterly lunchtime series. In addition, we have held three online business support webinars focused on the changing COVID situation.
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%	The percentage of satisfied customers as per a business survey gives us an indication of the quality of service we are providing.	Achieved	As at 30 June 2022: As per the contract with The Horowhenua Company, a new customer satisfaction survey was developed that assessed customer satisfaction using a net promoter score approach. The first survey was undertaken during May and June. Under that survey 80% of the Horowhenua business community indicated they would be likely, very likely or highly likely to refer the Horowhenua Company to other businesses. This result has established the baseline for future years, and the Horowhenua Company will agree future targets with Council as part of the negotiation of future performance standards. <i>Note: Net Promoter Score (NPS) is a customer loyalty and satisfaction measurement taken from asking customers how likely they are to recommend your product or service to others on a scale of 0-10. NPS can range from -100 to 100. The reason we've used NPS as an organisational metric over customer satisfaction is because it relates to our performance as a whole, rather than customer satisfaction for individual experiences.</i>

Community Support Financial Information

These graphs provide an overview of how the Community Support activity has performed against budget.



This Funding Impact Statement for the Community Support activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		2,729	2,540	2,759	2,757	(2)
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes	1	293	28	33	428	395
Fees and charges		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		24	137	51	175	124
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		3,046	2,705	2,843	3,360	517
Applications of operating funding						
Payments to staff and suppliers	1	1,813	1,276	1,809	2,737	(927)
Finance costs		-	1	-	-	-
Internal charges and overheads applied		1,171	1,414	1,026	1,192	(166)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		2,984	2,691	2,835	3,929	(1,093)
Surplus/ (deficit) of operating funding (A-B)		62	14	8	(569)	(576)
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	-	-	-
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt		-	(1)	75	-	(75)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		-	(1)	75	-	(75)
Applications of capital funding						
Capital expenditure						
- to meet additional demand		-	-	-	-	-
- to improve the level of service		6	-	47	10	37
- to replace existing assets		3	-	28	15	13
Increase (decrease) in reserves	2	53	13	8	(594)	601
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		62	13	83	(569)	651
Surplus (deficit) of capital funding (C-D)		(62)	(14)	(8)	569	576
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		9	12	9	9	-

Notes:

1. The additional funding and spending relates to storm damage costs under the Emergency Management activity.
2. Operational deficit funded through reserves.

This expenditure summary for the Community Support activity breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	Actual	LTP	LTP	Actual	Variance
	2021 \$000	Forecast 2021 \$000	Forecast 2022 \$000	2022 \$000	2022 \$000
Community Development	742	275	684	685	(1)
Economic Development	1,030	1,006	0	1,386	(472)
Visitor Information	69	164	86	93	(7)
Community Grants and Funding	576	414	465	587	(122)
District Communication	360	339	0	399	32
Rural Fire	5	–	–	7	(7)
Emergency Management	211	505	262	780	(518)
Total activity expenditure	2,993	2,703	1,498	3,937	(1,095)

This expenditure summary for the Community Support activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP	Actual	Variance	Notes
	Forecast 2021/22 \$000	2021/22 \$000	\$000	
Primary Type: Renewals (replace existing assets) portion of projects				
Christmas lights	8	5	3	
Boundary sign	11	1	10	
Flags	9	9	–	
Total renewal projects	28	15	13	
Primary Type: Level of service portion of project				
Facility signage	12	–	12	
New portable generator - Emergency Management	5	–	5	
VHF digital radio upgrade project - Emergency Management	20	–	20	
Economic development assets	10	6	4	
Emergency management event monitors	–	4	(4)	
Total level of service projects	47	10	37	
Primary Type: Growth portion of project				
Total growth projects	–	–	–	
Renewals – Replacing existing assets	28	15	13	
Improve level of service	47	10	37	
Growth – To meet additional demand	–	–	–	
Total Community Support projects	75	25	50	

This loan summary relates to loans for the Community Support activity.

Loans	Internal \$000
Loans as at 1/07/2021	–
Raised during year	–
Repaid during year	–
Loans as at 30/06/2022	–
Interest expense	–

Land Transport Ngā Ara Whenua

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

The Community Support Group of Activities includes the following Activities:

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

Identified effects on wellbeing outcomes

Social Wellbeing Strong Communities Community Outcome	Environmental Wellbeing Outstanding environment Community Outcome	Economic Wellbeing Fit for purpose Infrastructure	Economic Wellbeing Vibrant Economy Community Outcome
Access to safe and easy transport enables communities to access more opportunities for work, social and recreational activities. This helps grow thriving communities.	Sustainability is a large part of how Council maintains and improves its network. Almost all the material that is dug out of the network is reused in some way. Council tries to incorporate sustainable construction methodologies whenever practicable in our projects and monitor contractors closely to ensure Council work causes minimal adverse environmental effects.	Providing the right infrastructure at the right time and cost enables our community to take advantage of the many opportunities coming in the near future. This includes the district's growth, the Ō2NL expressway and Levin town centre.	Transport infrastructure is a requirement of the district's economy; by providing safe, affordable and accessible transport to the community and service and goods providers, Council promotes an exuberant economy.

Rationale

Activity	Community Outcomes	Council Role
Maintain a safe and reliable road and footpath system to support private and business transport needs.	Vibrant Economy Strong communities	Funder/provider

Measuring Performance

ing Performance

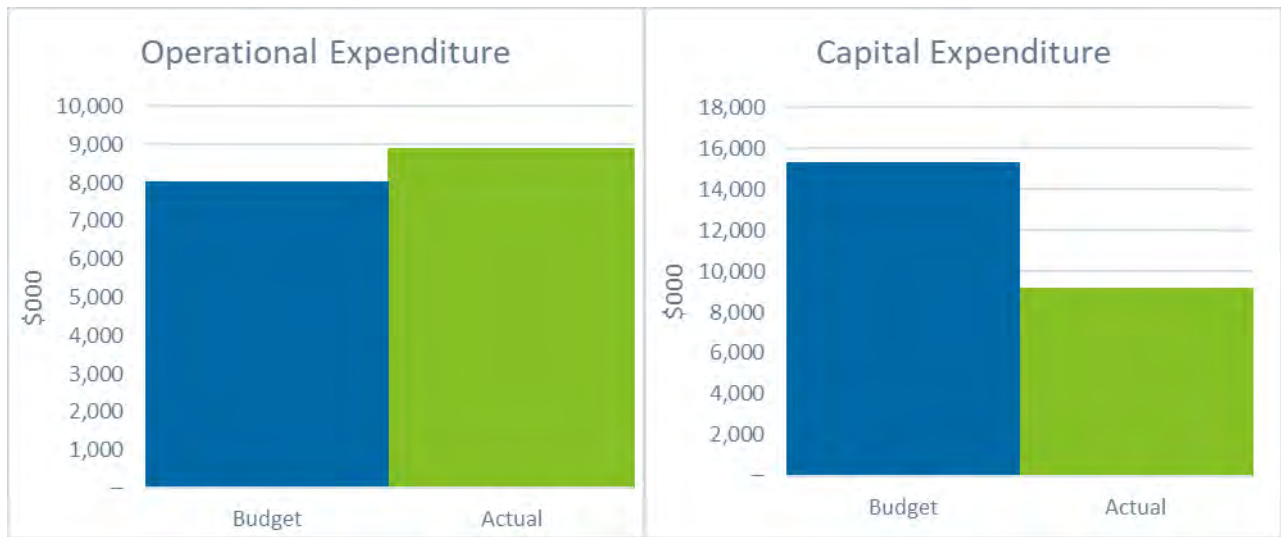
Measuring performance				Actual Performance										
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary									
A safe road network*.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	Zero changes or a reduction from previous year.	It is extremely important that our road network is safe for everyone to use. Road crashes can involve factors that are outside of Council's control (such as speed or driver behaviour). It is important that other factors within our control are carefully managed to improve road safety across our region and reduce the number of deaths or serious injuries each year. These include the condition of the road and footpaths, the location of pedestrian crossings, and traffic signals.	Not Achieved	As at 30 June 2022: <table><tr><th>Financial Year</th><th>Fatal Crashes</th><th>Serious Injury Crashes</th></tr><tr><td>2020/2021</td><td>0</td><td>2</td></tr><tr><td>2021/2022</td><td>3</td><td>11</td></tr></table> The number of fatalities and serious injury crashes on the local road network is calculated utilising data from the crash analysis system (CAS) database.	Financial Year	Fatal Crashes	Serious Injury Crashes	2020/2021	0	2	2021/2022	3	11
Financial Year	Fatal Crashes	Serious Injury Crashes												
2020/2021	0	2												
2021/2022	3	11												
Roads in good condition*.	The average quality of ride on a sealed local road network measured by smooth travel exposure.	Minimum 85% of total area.	The roughness of roads can impact on the safety and comfort of road users. As well as on vehicle operating and maintenance costs. Smooth Travel Exposure (STE) is a system of measurement used to assess the quality of the ride on our district's roads. The higher the STE percentage, the smoother the network.	Achieved	As at 30 June 2022: Smooth Travel Exposure rating for 2021/22 is 93%. There was an annual survey completed in January 2022.									

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Roads that are maintained well*.	The percentage of the sealed local road network that is resurfaced annually.	Minimum of 5% of total area.	This measure provides information on how well we are maintaining our road network and meeting the targets for road resurfacing set in our Asset Management Plan.	Achieved	As at 30 June 2022: 27km of road was resealed in the 2021/22 year which is above the 26.6km required for 5% of the network.
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.	Footpaths are an important part of the district's infrastructure. Well maintained footpaths are important for pedestrian convenience and safety.	Not Achieved	As at 30 June 2022: 11% of footpath is in excellent condition and less than 5% is in poor condition. While the poor condition target was met, the excellent condition target was not, which means a Not Achieved overall.
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%	Interaction with the community is a key aspect of our service and response time is a key method of measuring whether Council is listening to its customers.	Achieved	As at 30 June 2022, Year-to-date 1,737 customer service requests have been received with 95% closed within 15 working days.

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory

Land Transport Financial Information

These graphs provide an overview of how the Land Transport activity has performed against budget.



This Funding Impact Statement for the Land Transport activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		3,621	3,681	3,011	3,022	11
Subsidies and grants for operating purposes	1	2,644	1,468	1,752	1,942	190
Fees and charges		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		260	365	376	398	22
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		6,525	5,514	5,139	5,362	223
Applications of operating funding						
Payments to staff and suppliers	2	2,780	2,653	2,945	3,386	(442)
Finance costs		92	277	153	92	61
Internal charges and overheads applied		725	988	1,020	1,025	(5)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		3,597	3,918	4,118	4,503	(386)
Surplus/ (deficit) of operating funding (A-B)		2,928	1,596	1,021	859	(163)
Sources of capital funding						
Subsidies and grants for capital expenditure	3	6,211	4,634	9,685	5,302	(4,383)
Development and financial contributions		-	-	276	8	(268)
Increase (decrease) in debt	4	1,409	1,970	4,490	317	(4,173)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		7,620	6,604	14,451	5,627	(8,824)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	10	-	-	4,960	612	4,348
- to improve the level of service	5,828	4,693	6,820	5,203	1,617	
- to replace existing assets	3,687	3,535	3,540	3,297	243	
Increase (decrease) in reserves	1,023	(28)	153	(2,626)	2,779	
Increase (decrease) of investments	-	-	-	-	-	
Total applications of capital funding (D)		10,548	8,200	15,472	6,486	8,897
Surplus/ (deficit) of capital funding (C-D)		(2,928)	(1,596)	(1,021)	(859)	163
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		3,933	5,305	3,932	4,360	(428)

Notes:

1. The additional income relates to additional funding received from Waka Kotahi NZTA as a result of increased maintenance spend on emergency works due to the various storm events during the year.
2. The additional spending is the result of increased maintenance spend on emergency works due to the various storm events during the year.
3. The lower levels of capital subsidies relate to less funding received from Waka Kotahi NZTA as a result of lower levels of capital spending due to major Gladstone Rd project being delayed.
4. The lower level of debt funding is due to lower levels of capital spending due to major Gladstone Rd project being delayed.

This expenditure summary for the Land Transport activity breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	LTP		LTP		Variance
	Actual	Forecast	Forecast	Actual	
	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Subsidised Roothing	6,553	7,756	7,278	7,441	(163)
Footpaths	688	1,102	376	717	(341)
Shared Pathways	90	71	161	151	10
Unsubsidised Roothing	199	294	236	342	(106)
Emergency Works	-	-	-	212	(212)
Total activity expenditure	7,530	9,223	8,051	8,863	(812)

This expenditure summary for the Land Transport activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP	Actual	Variance	Notes
	Forecast	2021/22		
	2021/22	\$000		
Primary Type: Renewals (replace existing assets) portion of projects				
Drainage renewals	275	201	74	
Footpath renewals	320	462	(142)	
Sealed roads resurfacing	1,300	1,447	(147)	
Structures component replacements	50	54	(4)	
Subsidised roading - Renewals	1,200	795	405	1
Traffic services	350	375	(25)	
Unsealed roads metalling	45	55	(10)	
Total renewal projects	3,540	3,389	151	
Primary Type: Level of service portion of project				
New footpaths	350	176	174	
Subsidised Roothing - Gladstone Road Realignment	5,000	3,592	1,408	2
Gladstone Road emergency works	-	966	(966)	3
Shared pathways - Cycle facilities	680	74	606	4
Subsidised - Road improvements	500	604	(104)	
Subsidised - Seal extensions & minor improvements	250	123	127	5
Total level of service projects	6,780	5,535	1,245	
Primary Type: Growth portion of project				
Tara-Ika - Roothing - Liverpool St correction	-	3	(3)	
Tara-Ika - Tararua Road intersection upgrade	4,000	-	4,000	6
Oakland Rd development	-	115	(115)	
Tara-Ika - Roothing - Tararua Road intersection upgrade	-	69	(69)	
Total growth projects	4,000	187	3,813	
Renewals – Replacing existing assets	3,540	3,297	243	
Improve level of service	6,780	5,203	1,577	
Growth – To meet additional demand	4,000	612	3,388	
Total Land Transport projects	14,320	9,111	5,209	

Notes:

1. The variance is the result of reprioritising different renewal work to what was planned.
2. The underspend is due to the project behind schedule but the total cost of the project is expected to be \$5.5m.
3. This is unplanned spend on storm damage to Gladstone Road.
4. Less work was done than budgeted as a result of reduced funding from Waka Kotahi.
5. These projects are behind schedule due to delays getting the bridge consent for the Koputaroa road pavement rehabilitation.

6. The budget includes land purchase that has been delayed and slower than anticipated Waka Kotahi progress, and the adjacent private developers yet to submit applications.

This loan summary relates to loans for the Land Transport activity.

Loans	Internal \$000
Loans as at 1/07/2021	4,692
Raised during year	5,815
Repaid during year	(5,498)
Loans as at 30/06/2022	5,009
Interest expense	92

Stormwater

Te Pūnaha Wai Ua

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

The Stormwater Activity includes the following Activities:

- 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.

Identified effects on wellbeing outcomes

Environmental Wellbeing Outstanding environment Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Environmental and Cultural Wellbeing Strong Communities and Partnership with Tangata Whenua Community Outcome
Improvements to stormwater drainage contributed to the environment and safety of the people in the community.	Enabling for environment for the business community.	Compliance with present and future resource consent conditions. Minimisation of any impacts on the natural environment, people and property.

Rationale

Activity	Community Outcomes	Council Role
Maintain a system to divert stormwater away from the road and to protect residential and business properties.	Vibrant Economy Fit for purpose Infrastructure	Funder/provider
Provide a means of ensuring minimal contamination of the receiving water course.	Outstanding Environment	Funder/provider
Ensure that the collection network is reliable and has minimal blockages or overflows.	Strong Communities	Funder/provider

Measuring Performance

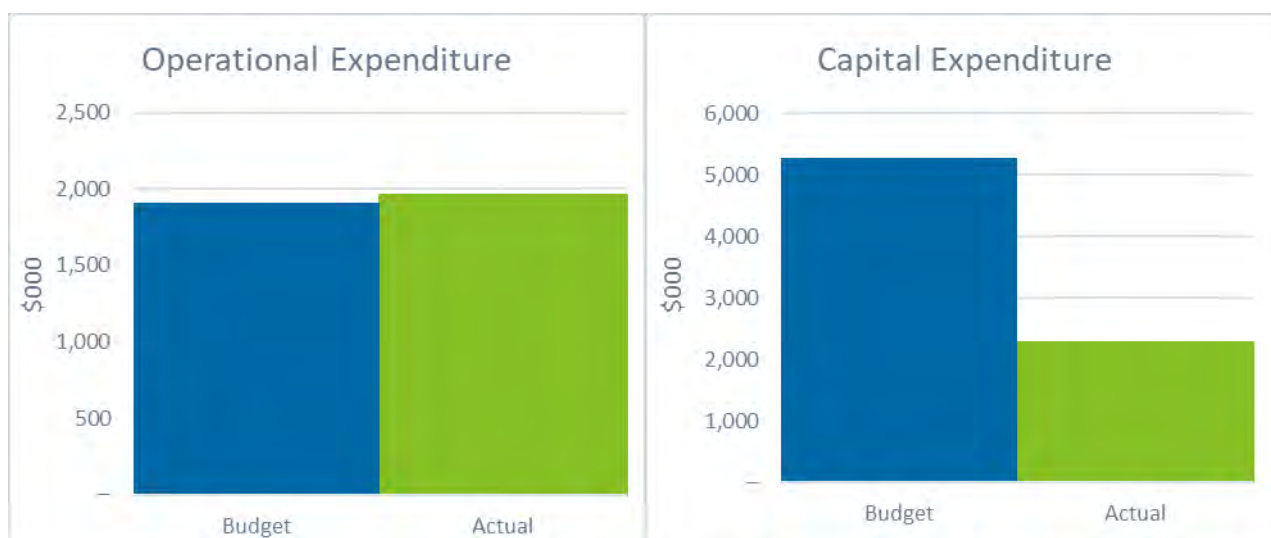
Measuring Performance				Actual Performance									
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary								
An adequate stormwater system.	Number of flooding events that occur in the district.	< 5 per year	It is important that our stormwater system is reliable and that the scale of any flooding event is minimised. This performance measure provides information on how effective our stormwater system is in providing an appropriate level of protection and how well it is being managed. In other words, whether it has been designed to an adequate standard and is being operated in a way that minimises harm to the community.	Achieved	As at 30 June 2022: While there were what can be described as flooding events in the district during this financial year, the definition of a flooding event as set by the Department of Internal Affairs for this measure is ‘an overflow of stormwater from a territorial authority’s stormwater system that enters a habitable floor’. There were zero flooding events that met the definition.								
	For each flooding event the number of habitable floors affected per 1,000 connections to Council’s stormwater networks.	2 or less	A flooding event means an overflow of stormwater from Council's stormwater system that enters a habitable floor. A habitable floor refers to a floor of a building (including a basement) but does not include ancillary structures such as standalone garden sheds or garages.	Achieved	As at 30 June 2022: <table><tr><th>Flooding Event</th><th>Per 1,000 Connections</th><th>Habitable Floors Affected</th></tr><tr><td>No flooding events</td><td>0</td><td>0</td></tr><tr><td colspan="3">There were 13,010 connections as at 1 July 2021</td></tr></table>	Flooding Event	Per 1,000 Connections	Habitable Floors Affected	No flooding events	0	0	There were 13,010 connections as at 1 July 2021	
Flooding Event	Per 1,000 Connections	Habitable Floors Affected											
No flooding events	0	0											
There were 13,010 connections as at 1 July 2021													
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	This measure shows how quickly we respond when there is a problem with the stormwater system. It measures situations where water from the stormwater system enters a habitable floor of a building. It is important that we are able to respond quickly to flooding events to reduce the impact they have on buildings and the welfare of the inhabitants of those buildings.	Achieved	As at 30 June 2022: <table><tr><th>Time</th><th>Comment</th></tr><tr><td>0</td><td>No flooding events</td></tr></table>	Time	Comment	0	No flooding events				
Time	Comment												
0	No flooding events												

Measuring Performance				Actual Performance											
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary										
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	The number of complaints received gives us an indication of the quality of service we are providing. It also gives us information about issues with the stormwater system and tells us how satisfied customers are with the stormwater network.	Achieved	As at 30 June 30 June 2022: <table><tr><th>No. of Complaints Per 1,000 Connections</th><th>No. of Complaints</th></tr><tr><td>3.69</td><td>48</td></tr><tr><td colspan="2">There were 13,010 connections as at 1 July 2021</td></tr></table>	No. of Complaints Per 1,000 Connections	No. of Complaints	3.69	48	There were 13,010 connections as at 1 July 2021					
	No. of Complaints Per 1,000 Connections	No. of Complaints													
3.69	48														
There were 13,010 connections as at 1 July 2021															
	Percentage of customers satisfied with the stormwater service. As per the Annual Resident Satisfaction Survey.	≥ 80%		Not Achieved	This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year’s survey was 35%.										
A sustainable stormwater service.	<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* for discharge from its stormwater system*.</div>	<div>0</div> <div>0</div> <div>0</div> <div>0</div>	This measure indicates how well Council is managing the environmental impacts of the stormwater system. Not complying with consent conditions may indicate that Council is not managing its processes adequately or that the infrastructure is no longer adequate.	Achieved	As at 30 June 2022: <table><tr><th></th><th>Full year</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>		Full year	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
	Full year														
Abatement Notice	0														
Infringement Notice	0														
Enforcement Order	0														
Convictions	0														

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory

Stormwater Financial Information

These graphs provide an overview of how the Stormwater activity has performed against budget.



This Funding Impact Statement for the Stormwater activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		1,389	1,417	1,656	1,663	7
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts		-	95	93	-	(93)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		1,389	1,512	1,749	1,663	(86)
Applications of operating funding						
Payments to staff and suppliers		263	432	565	484	81
Finance costs		225	462	254	226	28
Internal charges and overheads applied		456	102	376	491	(115)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		944	996	1,195	1,201	(6)
Surplus/ (deficit) of operating funding (A-B)		445	516	554	462	(92)
Sources of capital funding						
Subsidies and grants for capital expenditure	1	1,303	-	1,300	-	(1,300)
Development and financial contributions		-	-	94	5	(89)
Increase (decrease) in debt	2	433	780	3,389	1,876	(1,513)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		1,736	780	4,783	1,881	(2,902)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	3	290	245	2,006	990	1,016
- to improve the level of service	3	1,687	905	3,115	1,230	1,885
- to replace existing assets		37	98	156	49	107
Increase (decrease) in reserves		167	48	60	74	(14)
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		2,181	1,296	5,337	2,343	2,994
Surplus /(deficit) of capital funding (C-D)		(445)	(516)	(554)	(462)	92
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		741	690	716	757	(41)

Notes:

1. Tara-Ika capital subsidy not received due to work being delayed.
2. This is due to lower capital spending.
3. See the below capital spend variance explanations for more detail.

This expenditure summary for the Stormwater activity breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	Actual	LTP	LTP	Actual	Variance
	2021 \$000	Forecast 2021 \$000	Forecast 2022 \$000	2022 \$000	2022 \$000
Stormwater Drainage	1,686	1,686	1,911	1,957	(46)
Total activity expenditure	1,686	1,686	1,911	1,957	(46)

This expenditure summary for the Stormwater activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP* Forecast 2021/22 \$000	Actual 2021/22 \$000	Variance \$000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Districtwide pump stations - Planned renewal	49	15	34	
Districtwide reticulation renewals	150	62	88	
Total renewal projects	199	77	122	
Primary Type: Level of service portion of project				
Foxton East Drainage Scheme	504	731	(227)	1
Actions from Catchment Management Plans	132	-	132	
Lake Horowhenua water quality improvement project	300	46	254	2
Lake Horowhenua Stormwater	500	-	500	2
Queen St discharge & resource consent	348	121	227	3
Total level of service projects	1,784	898	886	
Primary Type: Growth portion of project				
Development Planning and resource consenting Foxton Beach	130	113	17	
Districtwide improvement works	360	24	336	3
Improvements NE Levin	-	(15)	15	
Levin Northeast Stormwater drainage	2,804	643	2,161	3
Roslyn Road Update - Stormwater	-	366	(366)	4
Tara-Ika - Liverpool St Stage 2 Stormwater (Pre-Ö2NL) - Regional Attenuation and Treatment	-	5	(5)	
Tara-Ika - Queen St Stage 1 Stormwater (Pre-Ö2NL) - Regional Attenuation and Treatment	-	159	(159)	
Total growth projects	3,294	1,295	1,999	
Renewals – Replacing existing assets	155	49	106	
Improve level of service	3,115	1,229	1,886	
Growth – To meet additional demand	2,007	990	1,017	
Total Stormwater projects	5,277	2,268	3,009	

Notes:

1. The total project cost is \$2.5m. The variance is the result of a timing difference between budget and actual spend.
2. These projects are expected to be started in 2023/24.
3. These projects are behind schedule and budget has been carried forward.
4. This project was approved after the adoption of the LTP so was funded from part of the Levin Northeast Stormwater drainage budget.

*LTP forecast – Our presentation has changed to link to the primary type rather than actuals which we did in the past.

This loan summary relates to loans for the Stormwater activity.

Loans	Internal \$000
Loans as at 1/07/2021	8,476
Raised during year	2,220
Repaid during year	(344)
Loans as at 30/06/2022	10,352
Interest expense	226

Water Supply

Te Whakarato Wai Māori

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

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.

Identified effects on wellbeing outcomes

Social Wellbeing Strong Communities Community Outcome	Environmental Wellbeing Outstanding Environment Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Economic Wellbeing Fit for Purpose Infrastructure Community Outcome	Cultural Wellbeing Partnership with Tangata Whenua Community Outcome
Safe and aesthetically pleasing water throughout the district to promote good health and vitality.	Improve leak detection and lost water reduction meaning that less water is extracted from the natural environment, reducing our energy footprint.	Robust infrastructure to serve our current economy and provide for future growth.	Vastly improved resilience and reliability to supply water despite storms and power outages to ensure a positive future.	Improved relationships with iwi as a result of improved consultation, communication, and fostering of relationships.

Rationale

Activity	Community Outcomes	Council Role
Maintain a safe and reliable water supply for domestic and business activity use.	Vibrant Economy Fit for Purpose Infrastructure	Funder/Provider
Resource consents restricting water usage are monitored and adhered to through demand management.	Outstanding Environment	Funder/Provider
Deliver education to the community to encourage sustainable use of the natural water resource.	Outstanding Environment	Provider/Advocate
The water supply is safe to drink.	Strong Communities	Funder/Provider
There is adequate supply of water for firefighting.	Strong Communities Fit for Purpose Infrastructure	Funder/Provider
The water supply can be quickly restored following a natural disaster event.	Strong Communities Fit for Purpose Infrastructure	Funder/Provider

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Safe water supply*.	Council’s drinking water supply complies with: (a) part four of the Drinking Water Standards (bacteria compliance criteria) in <ul style="list-style-type: none">LevinShannonFoxtonFoxton BeachTokomaru	Achieve	This measure informs ratepayers and consumers on whether the water supplied is safe to drink. The New Zealand Drinking Water Standards, monitored until November 2021 by the Ministry of Health, provide a recognised standard for public safety. Once this ended a report was completed by Wai Comply covering the full period 1 July 2021 to 30 June 2022 to assess our compliance.	Achieved	As at 30 June 2022:

Measuring Performance				Actual Performance													
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary												
	Council’s drinking water supply complies with: (b) part five of the Drinking Water Standards (protozoa compliance criteria) in <ul style="list-style-type: none">LevinShannonFoxtonFoxton BeachTokomaru	Achieve		Achieved	As at 30 June 2022: <table><tr><th>Scheme</th><th>Full Year %</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	Full Year %	Levin	100%	Shannon	100%	Foxton	100%	Foxton Beach	100%	Tokomaru	100%
Scheme	Full Year %																
Levin	100%																
Shannon	100%																
Foxton	100%																
Foxton Beach	100%																
Tokomaru	100%																
Customer satisfaction.	Percentage of customers satisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 84%	The percentage of satisfied customers gives us an indication of the quality of service we are providing.	Not Achieved	As at 30 June 2022: This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year’s survey was 73%.												
Water supply has adequate flow and pressure.	Network supply pressure at all property boundaries visited during maintenance work is not less than 250kPa for on demand connections and 150kPa for restricted flow connections.	Achieve	The water in the supply network is maintained at positive pressure to ensure that water reaches all parts of the network, that a sufficient flow is available at every take-off point and to ensure that untreated water in the ground cannot enter the network. This measure is used to ensure that these objectives are met.	Achieved	As at 30 June 2022: 100% of water connections checked across the district during maintenance works were measured to be equal to or exceed pressures of 250kPa at the property boundary for on demand supply and 150kPa for restricted connections.												

Measuring Performance				Actual Performance																											
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary																										
Water supply is sustainable*.	Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). lpcd = litres per capita per day.	≤ 300 lpcd	Careful water management ensures demand does not exceed capacity, that water is allocated efficiently, and that productivity is maximised. A system that treats and transfers less water maximises the value of existing infrastructure. It costs less to construct and maintain, uses fewer chemicals, and less energy. Where there is increasing demand for water, managing demand provides a means for a Community to defer investment in new water infrastructure through more efficient use of existing resources.	Not Achieved	As at 30 June 2022: Average consumption across the district is 362L/person/day. This is calculated based on total water produced, minus commercial consumption, then divided by the connected population. Please note that the figure above includes residential consumption, water taken from hydrants for firefighting/training and system leaks. Therefore, the actual residential consumption should be much less than the amount noted above.																										
Drinking water that tastes and looks satisfactory*.	The total number of complaints received about any of the following (expressed per 1,000 connections): <ul style="list-style-type: none">Water clarity;Drinking water taste;Drinking water odour;Drinking water pressure or flow;Continuity of supply; andCouncil’s response to any of these issues. Total	1 1 1 1 1 1 ≤ 6	The number of complaints provides an indication of the quality of the service provided. This measure also provides information on problems requiring attention, such as the need for maintenance, repair, upgrading or new infrastructure.	Achieved	As at 30 June 2022: <table><tr><th rowspan="2"></th><th colspan="2">Full Year</th></tr><tr><th>No. of Complaints Per 1,000 Connections</th><th>No. of Complaints</th></tr><tr><td>Clarity</td><td>0.22</td><td>3</td></tr><tr><td>Taste</td><td>0.44</td><td>6</td></tr><tr><td>Odour</td><td>0.15</td><td>2</td></tr><tr><td>Pressure or flow</td><td>0.07</td><td>1</td></tr><tr><td>Continuity of supply</td><td>0.07</td><td>1</td></tr><tr><td>Council’s response</td><td>0.00</td><td>0</td></tr><tr><td>Total</td><td>0.95</td><td>13</td></tr></table> Number of properties charged with water rates = 13,695		Full Year		No. of Complaints Per 1,000 Connections	No. of Complaints	Clarity	0.22	3	Taste	0.44	6	Odour	0.15	2	Pressure or flow	0.07	1	Continuity of supply	0.07	1	Council’s response	0.00	0	Total	0.95	13
	Full Year																														
	No. of Complaints Per 1,000 Connections	No. of Complaints																													
Clarity	0.22	3																													
Taste	0.44	6																													
Odour	0.15	2																													
Pressure or flow	0.07	1																													
Continuity of supply	0.07	1																													
Council’s response	0.00	0																													
Total	0.95	13																													

Measuring Performance				Actual Performance											
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary										
Firefighting needs are met.	Percentage of sampled network where firefighting flows in urban residential areas meet the NZ Fire Service firefighting water supplies Code of Practice SZ 4509:2008.	≥ 80%	The fire service requires a minimum pressure from a water network to effectively control fires. This measure indicates the adequacy of our water network for firefighting.	Not Achieved	As at 30 June 2022: Firefighting flows are tested by testing the flow of fire hydrants. The last time fire hydrants were tested was December 2018. This was because implementation of a new bylaw was delayed until testing parameters and processes were clarified. Testing of hydrants is also conducted by Fire and Emergency NZ. Frequent weather events have prevented this work resuming this year. Plan to resume the flow testing in the 2022/23 financial year and will change methodology to comply with SZ4509:2008.										
Sustainable water supply management.	The number of: <ul style="list-style-type: none">Abatement Notices;Infringement Notices;Enforcement Orders; and Convictions Received by Council in relation to Horizons Regional Council resource consents.	0 0 0 0	This measure indicates how well Council is managing the environmental impacts of the water network. Not complying with consent conditions may indicate that Council is not managing its processes adequately or that the infrastructure is no longer adequate.	Achieved	As at 30 June 2022: <table><tr><th></th><th>Full year</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>		Full year	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
	Full year														
Abatement Notice	0														
Infringement Notice	0														
Enforcement Order	0														
Convictions	0														

Minimal water losses*.	Real water loss performance of the network as measured by the standard World Bank Institute Band for Leakage.	Band “B”	Water lost from leaking pipes is a key indicator of the performance of our water network. High levels of water loss can show that the network is in poor condition or that it is being operated inefficiently. To reduce the amount of water lost from the network, we will continue with our programme to find and fix leaks. We use the World Bank Institute Band for leakage to calculate how much water is lost from the network. This uses a grading system ranked from Band “A to D”. Specifically, Council’s target is Band “B” and represents potential for marked improvements; consider pressure management, better active leakage control practices, and better network maintenance. The Infrastructure Leakage Index (ILI) is used to categorise operational performance in real loss management into one of 4 Bands, which (for Developed Countries) are as shown in below:	Not Achieved	As at 30 June 2022: A system for the monitoring of night flow trends, which forms the basis of this performance assessment, has been implemented for all the supplies. The assessment which determines achievement/non-achievement has been updated with the values for June 2022 as shown in the table below.
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Table 2.3 World Bank Institute Bands for Leakage Management in Developed Countries		
Band	ILI Range	Guideline Description of Real Loss Management Performance Categories for Developed Countries
A	< 2.0	Further loss reduction may be uneconomic unless there are shortages; careful analysis needed to identify cost-effective leakage management
B	2.0 to < 4.0	Possibilities for further improvement; consider pressure management, better active leakage control, better maintenance
C	4.0 to < 8.0	Poor leakage management, tolerable only if plentiful cheap resources; even then, analyse level and nature of leakage, intensify reduction efforts
D	8.0 or more	Very inefficient use of resources, indicative of poor maintenance and system condition in general, leakage reduction programs imperative and high priority

	Higher the ‘Band’, the better the performance from a water leakage point of view in water supply reticulation system. Band B is a resource consent condition requirement.
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Supply	"Snapshot" Infrastructure Leakage Index
Levin	C
Shannon & Mangaore	C
Foxton	C
Foxton Beach	A
Tokomaru	B

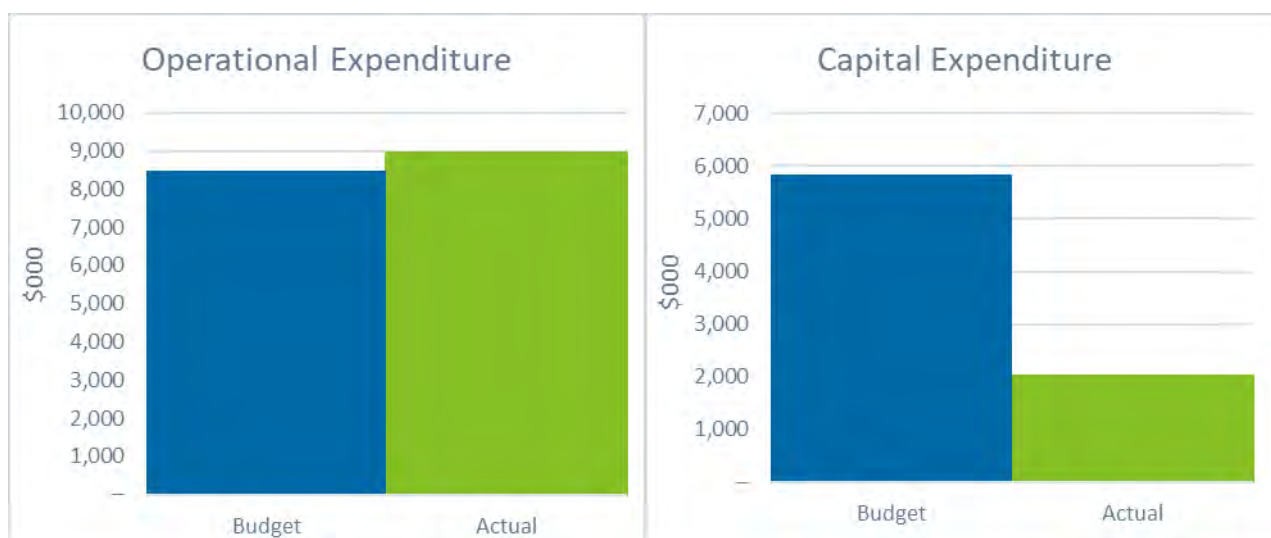
Only Foxton Beach and Tokomaru achieved the target WBI band for Leakage in June 2022.

Measuring Performance				Actual Performance			
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary		
Response to faults*.	The median time from the time that Council received notification, to the time that service personnel: <ul style="list-style-type: none">● Reach the site for urgent call-outs;● Confirm resolution of the fault or interruption of urgent call-outs;● Reach the site for non-urgent call-outs; and; Confirm resolution of the fault or interruption of non-urgent call-outs.	<div>< 1 hour</div> <div><8 hours</div> <div><3 days</div> <div><3 days</div>	Households and businesses rely heavily on water, so it’s important that we provide a timely response when something goes wrong. An urgent call-out is one when no water is being delivered. A non-urgent call-out is where there is still a supply of water.	Achieved	As at 30 June 2022:		
						Time	Comment
					Reach the site for urgent call-outs	0hrs 33mins	Received one urgent call out and attended to one within one hour or less.
					Resolution of the fault or interruption of urgent call-outs	0hrs 33mins	Received one urgent call out and resolved one within 8 hours or less.
					Reach the site for non-urgent call-outs	7hrs 10mins	Received 442 non-urgent call outs and attended to 402 within three days or less.
					Resolution of the fault or interruption of non-urgent call-outs	17hrs 36mins	Received 442 non-urgent call outs and resolved 397 in three days or less.

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory

Water Supply Financial Information

These graphs provide an overview of how the Water Supply activity has performed against budget.



This Funding Impact Statement for the Water Supply activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		6,254	6,925	7,165	7,030	(135)
Subsidies and grants for operating purposes		126	-	-	-	-
Fees and charges		41	129	62	37	(25)
Local authorities fuel tax, fines, infringement fees, and other receipts		3	117	128	4	(124)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		6,424	7,171	7,355	7,071	(284)
Applications of operating funding						
Payments to staff and suppliers	1	3,111	3,142	3,805	4,054	(249)
Finance costs		426	706	471	429	42
Internal charges and overheads applied		964	519	852	1,036	(184)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		4,501	4,367	5,128	5,519	(391)
Surplus/ (deficit) of operating funding (A-B)		1,923	2,804	2,227	1,552	(675)
Sources of capital funding						
Subsidies and grants for capital expenditure	2	-	-	1,254	-	(1,254)
Development and financial contributions		-	-	220	30	(190)
Increase (decrease) in debt	3	(570)	656	1,912	831	(1,081)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		(570)	656	3,386	861	(2,525)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	4	50	561	1,420	545	875
- to improve the level of service		(11)	25	517	343	174
- to replace existing assets	4	3,084	2,636	3,899	1,121	2,778
Increase (decrease) in reserves		(1,770)	238	(223)	404	(627)
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		1,353	3,460	5,613	2,413	3,200
Surplus/ (deficit) of capital funding (C-D)		(1,923)	(2,804)	(2,227)	(1,552)	675
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		3,476	2,654	3,338	3,424	(86)

Notes:

1. Additional spending was due to unbudgeted Three Waters Reform Stimulus projects that will be externally funded.
2. Lower capital subsidies are due the delays to the Tara Ika project.
3. The reduction in debt is due to lower spending on capital projects.
4. See the below capital spend variance explanations for more detail.

This expenditure summary for the Water Supply activity breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	LTP		LTP		Variance
	Actual	Forecast	Forecast	Actual	
	2021	2021	2022	2022	
	\$000	\$000	\$000	\$000	\$000
Foxton Water	1,059	1,099	1,222	1,076	146
Foxton Beach Water	817	862	959	855	104
Levin Water	4,726	3,832	4,693	5,388	(695)
Shannon Water	906	768	975	1,017	(42)
Tokomaru Water	443	454	529	581	(52)
Ōhau Water	13	3	67	12	55
Waitārere Beach Water	13	3	20	14	6
Total activity expenditure	7,977	7,021	8,465	8,943	(478)

This expenditure summary for the Water Supply activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP*		Actual	Variance	Notes
	Forecast	Forecast			
	2021/22	2021/22			
	\$000	\$000	\$000	\$000	
Primary Type: Renewals (replace existing assets) portion of projects					
Ballance Street Shannon	-		169	(169)	
Foxton Beach reticulation - Renewals	252		21	231	1
Foxton Beach treatment plant - Renewals	68		49	19	
Foxton reticulation - Renewals	450		96	354	1
Water Supply property renewals	14		-	14	
Shannon resource consent renewal	199		-	199	2
Firefighting reservoir capacity increase - tanks (Waitārere Beach/Waikawa/Hokio Beach)	125		-	125	
Norbiton Road water main renewal	-		-	-	
Foxton water treatment plant - Renewals	199		59	140	
Levin reticulation - Renewals	1,272		313	959	1
Levin treatment plant - Renewals	-		98	(98)	
Reactive renewals - Districtwide	120		246	(126)	
Shannon - Mangaore reticulation - Renewals	1,302		106	1,196	1
Shannon treatment plant - Renewals	360		75	285	3
Tokomaru water treatment plant - Renewals	100		46	54	
Total renewal projects	4,461		1,278	3,183	
Primary Type: Level of service portion of project					
New water connections Levin	-		2	(2)	
Districtwide - Marae water treatment assessment & upgrade	259		-	259	4
Three Waters Reform Stimulus funding - Firefighting capacity Increase	-		124	(124)	
Levin water supply intake - River realignment	-		217	(217)	5
Total level of service projects	259		343	(84)	
Primary Type: Growth portion of project					
Levin growth area	530		128	402	1
Alternative water source for Levin	200		219	(19)	
Levin WTP - resilience (secondary pipeline from River to WTP)	386		-	386	1
Tara-Ika - WS 300dia central trunk main	-		41	(41)	
Total growth projects	1,116		388	728	
Renewals – Replacing existing assets			3,899	1,121	2,778
Improve level of service			517	343	174
Growth – To meet additional demand			1420	545	875
Total Water projects			5,836	2,009	3,827

*LTP forecast – Our presentation has changed to link to the primary type rather than actuals which we did in the past.

Notes:

1. These projects are behind schedule and budget has been carried forward into the 2022/23 financial year.
2. Work was completed last year and so the budget was not required.
3. Only turbidity improvements were made and therefore the remainder of the budget wasn't required.
4. This was treated as an operational project as assets created weren't Council owned.
5. Reprioritised work completed out of other unused budgets.

This loan summary relates to loans for the Water Supply activity.

Loans	Internal \$000
Loans as at 1/07/2021	14,664
Raised during year	1,448
Repaid during year	(617)
Loans as at 30/06/2022	15,495
Interest expense	429

Wastewater Treatment

Te Pūnaha Wai Para

The Wastewater Treatment 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. The Wastewater Treatment Activity includes the following Activities:

The Council owns and operates several schemes:

Scheme	Treatment	Disposal
Levin	Screening, sedimentation, biological filtration and oxidation	To land (pine plantation)
Waitārere	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)

Identified effects on wellbeing outcomes

Social Wellbeing Strong Communities Community Outcome	Environmental Wellbeing Outstanding Environment Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Economic Wellbeing Fit for Purpose Infrastructure Community Outcome	Cultural Wellbeing Partnership with Tangata Whenua Community Outcome
Resilient and reliable wastewater collection and safe irrigation of treated wastewater effluent to agricultural blocks ensuring good community health.	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.	Robust infrastructure to serve our current economy and provide for future growth.	Well maintained and reliable wastewater collection, treatment and disposal to cater for the communities needs both now and in the future.	Improved relationships with iwi as a result of improved consultation, communication, and fostering of relationships.

Rationale

Activity	Community Outcomes	Council Role
Maintain the safe collection, treatment, and disposal of wastewater produced by residential and business activities.	Vibrant Economy Fit for Purpose Infrastructure	Funder/provider
Resource consent conditions on the quality of discharges are met.	Outstanding Environment	
The collection network is reliable and has minimal blockages or overflows.	Fit for Purpose Infrastructure	

Measuring Performance

Measuring Performance

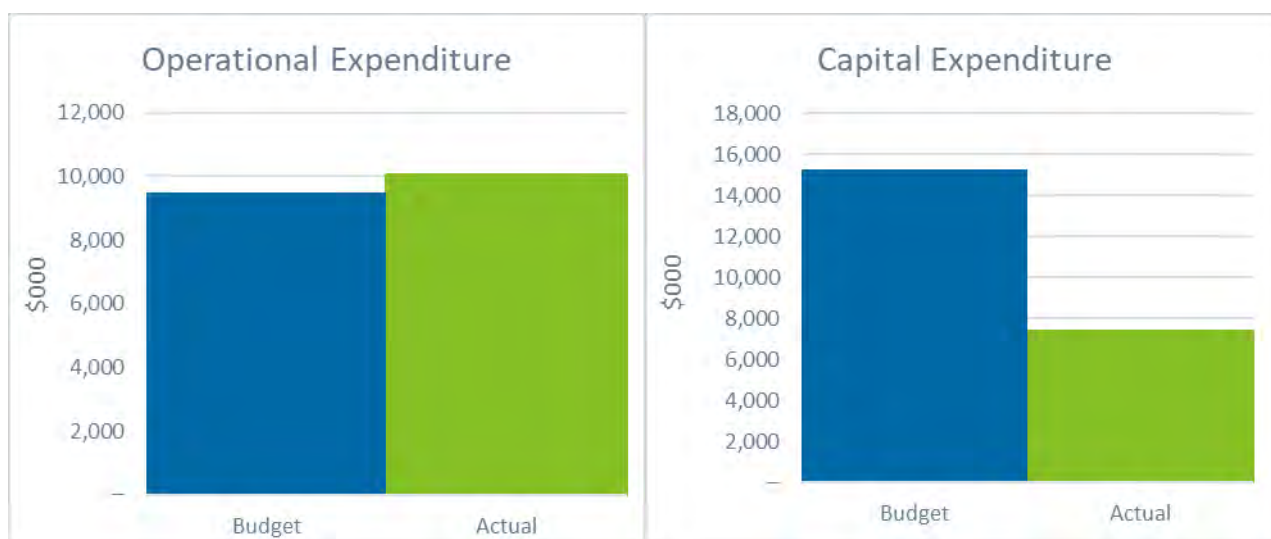
Measuring Performance				Actual Performance													
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary												
Reliable wastewater collection and disposal*.	The number of dry weather wastewater overflows from the wastewater system per 1,000 connections.	≤ 2	This measure provides information on whether the wastewater system is designed to an adequate standard and is being maintained in a way that minimises harm to the community. Overflows are when wastewater escapes the wastewater system and enters the environment.	Achieved	As at 30 June 2022: <table><tr><th colspan="3">Full year</th></tr><tr><th></th><th>Per 1,000 Connections</th><th>No. of Overflows</th></tr><tr><td>Number of overflows</td><td>1.46</td><td>19</td></tr><tr><td colspan="3">Number of connections as at 1 July 2021 = 13,048</td></tr></table>	Full year				Per 1,000 Connections	No. of Overflows	Number of overflows	1.46	19	Number of connections as at 1 July 2021 = 13,048		
Full year																	
	Per 1,000 Connections	No. of Overflows															
Number of overflows	1.46	19															
Number of connections as at 1 July 2021 = 13,048																	
Safe disposal of wastewater	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions Received by Council in relation to Horizons Regional Council resource consents.	0 0 0 0	This measure indicates how well we are managing the environmental impacts of the district's wastewater system. It only includes formal actions taken, as they represent incidents that may have the greatest adverse impact on the environment	Achieved	As at 30 June 2022: <table><tr><th colspan="2">Full year</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>	Full year		Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0		
Full year																	
Abatement Notice	0																
Infringement Notice	0																
Enforcement Order	0																
Convictions	0																

Measuring Performance				Actual Performance																									
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary																								
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	This measure shows how quickly we respond when there is a problem with the sewerage system, and how quickly the problem is resolved.	Achieved	As at 30 June 2022: <table><tr><th></th><th>Full year</th></tr><tr><td>Resolution time</td><td>0hr 47mins</td></tr></table> Major weather event in mid-May delayed the response to individual properties as priority was given to main system faults.		Full year	Resolution time	0hr 47mins																				
		Full year																											
Resolution time	0hr 47mins																												
	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	Achieved	As at 30 June 2022: <table><tr><th></th><th>Full Year</th></tr><tr><td>Response time</td><td>0hr 41mins</td></tr></table>		Full Year	Response time	0hr 41mins																					
	Full Year																												
Response time	0hr 41mins																												
The service is satisfactory*.	The total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding: Wastewater odour; Wastewater systems faults; Wastewater system blockages; and Council's response to issues with its wastewater system. Total number of complaints received about any of the above.	<4 < 6 < 8 <4 < 22	The number of complaints provides an indication of the quality of the service provided. This measure also provides information on problems requiring attention, such as the need for maintenance, renewals, upgrades, or new infrastructure.	Achieved	As at 30 June2022: <table><tr><th></th><th colspan="2">Full year</th></tr><tr><th></th><th>Per 1,000 Connections</th><th>No. of Complaints</th></tr><tr><td>Odour</td><td>1.00</td><td>13</td></tr><tr><td>Faults</td><td>2.22</td><td>29</td></tr><tr><td>Blockages</td><td>11.42</td><td>149</td></tr><tr><td>Council's Response</td><td>0</td><td>0</td></tr><tr><td>Total</td><td>14.64</td><td>191</td></tr><tr><td colspan="3">Number of connections as at 1 July 2021 = 13,048</td></tr></table>		Full year			Per 1,000 Connections	No. of Complaints	Odour	1.00	13	Faults	2.22	29	Blockages	11.42	149	Council's Response	0	0	Total	14.64	191	Number of connections as at 1 July 2021 = 13,048		
		Full year																											
	Per 1,000 Connections	No. of Complaints																											
Odour	1.00	13																											
Faults	2.22	29																											
Blockages	11.42	149																											
Council's Response	0	0																											
Total	14.64	191																											
Number of connections as at 1 July 2021 = 13,048																													
	Percentage of customers satisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 84%		Not Achieved	This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 57%																								

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory

Wastewater Treatment Financial Information

These graphs provide an overview of how the Wastewater Treatment activity has performed against budget.



This Funding Impact Statement for the Wastewater Treatment activity outlines what we have spent and how we have funded this activity

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual	LTP	LTP	Actual	Variance
	Note	2021	Forecast	Forecast	2022	2022
		\$000	\$000	\$000	\$000	\$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		6,327	8,364	6,854	6,858	4
Subsidies and grants for operating purposes		51	-	-	-	-
Fees and charges		1,156	1,110	1,191	1,294	103
Local authorities fuel tax, fines, infringement fees, and other receipts		53	196	112	119	7
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		7,587	9,670	8,157	8,271	114
Applications of operating funding						
Payments to staff and suppliers	1	3,129	2,600	3,903	4,623	(721)
Finance costs		768	1,662	921	773	148
Internal charges and overheads applied		901	467	869	897	(28)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		4,798	4,729	5,691	6,293	(601)
Surplus/ (deficit) of operating funding (A-B)		2,789	4,941	2,464	1,978	(487)
Sources of capital funding						
Subsidies and grants for capital expenditure	2	2,641	-	2,693	1,165	(1,528)
Development and financial contributions	3	-	-	1,523	65	(1,458)
Increase (decrease) in debt	4	4,291	3,978	8,682	3,534	(5,148)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		6,932	3,978	12,898	4,764	(8,134)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	5	2,265	2,199	7,306	2,244	5,062
- to improve the level of service	5	4,941	3,422	2,465	2,998	(533)
- to replace existing assets	5	2,555	2,738	5,491	2,150	3,341
Increase (decrease) in reserves		(40)	560	101	(650)	751
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		9,721	8,919	15,362	6,742	8,621
Surplus/ (deficit) of capital funding (C-D)		(2,789)	(4,941)	(2,464)	(1,978)	487
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		3,849	3,518	3,797	3,770	27

Notes:

- Higher costs relate to the increased sludge disposal costs with waste going to Bonny Glen and increased reactive maintenance.
- Delays in the Tara-Ika project resulted in delays receiving capital subsidies.
- While the Council has assessed new developments for development contributions since 1 July 2021, the invoicing will not occur until separate titles (224C) are applied for meaning less revenue has been realised.
- Delays in capital programme resulted in less loan required to fund the work.
- See the below capital spend variance explanations for more detail.

This expenditure summary for the Wastewater Treatment activity breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	LTP		LTP		Variance
	Actual	Forecast	Forecast	Actual	
	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Foxton Wastewater	828	1,071	1,139	1,000	139
Foxton Beach Wastewater	729	688	819	863	(44)
Levin Wastewater	5,163	4,460	5,412	5,816	(404)
Shannon Wastewater	1,153	1,193	1,183	1,273	(90)
Tokomaru Wastewater	245	298	336	259	77
Waitārere Beach Wastewater	516	534	565	842	(277)
Ōhau Wastewater	13	3	37	12	25
Total activity expenditure	8,647	8,247	9,491	10,065	(574)

This expenditure summary for the Wastewater Treatment activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP*			
	Forecast	Actual	Variance	
	2021/22	2021/22		Notes
	\$000	\$000	\$000	
Primary Type: Renewals (replace existing assets) portion of projects				
Condition assessment for renewals - Waste water	–	91	(91)	
Districtwide - Reticulation - Unplanned renewals	161	45	116	
Foxton Beach wastewater reticulation - Renewals	330	28	302	1
Foxton Beach wastewater treatment plant - Unplanned renewals	–	1	(1)	
Foxton Reticulation Renewals	330	8	322	1
Wastewater property renewals	4	1	3	
Shannon reticulation – Infiltration & Inflow	150	–	150	
Tokomaru reticulation – Infiltration & Inflow	150	–	150	
Foxton Beach wastewater treatment plant - Planned renewals	66	31	35	
Foxton wastewater treatment plant - Planned renewals	45	4	41	
Foxton wastewater treatment plant - Pond desludge	–	148	(148)	
Foxton wastewater treatment plant - Unplanned renewals	–	2	(2)	
Levin wastewater reticulation - Renewals	1,956	691	1,265	2
Levin wastewater treatment plant - Planned renewals	1,750	1,281	469	2
Shannon wastewater treatment plant - Planned renewals	205	9	196	
Tokomaru wastewater treatment plant - Planned renewals	36	15	21	
Waitārere Beach wastewater treatment plant - Planned renewals	90	36	54	
Waitārere Beach wastewater treatment plant - Unplanned renewals	–	1	(1)	
Total renewal projects	5,273	2,392	2,881	
Primary Type: Level of service portion of project				
District reticulation - Planned pump renewals	100	92	8	
Levin Treated Eff. discharge - Strategic upgrade POT	1,750	25	1,725	3
POT development	–	1,251	(1,251)	3
POT mitigation	–	127	(127)	3
Districtwide - Marae wastewater assessment & upgrade	259	–	259	4
Districtwide - WTP & WWTP structural improvements	300	–	300	
Levin WWTP Master plan & strategic upgrade	–	148	(148)	
Foxton wastewater treatment plant - Strategic upgrade	1,300	1,426	(126)	
New wastewater connections Shannon	–	10	(10)	
Shannon wastewater disposal system	–	(7)	7	
Tokomaru wastewater to land project	120	279	(159)	
Total level of service projects	3,829	3,351	478	

Primary Type: Growth portion of project

Flaxhaven development	-	7	(7)	
Levin NE Growth wastewater reticulation	166	8	158	
Levin reticulation upgrade - growth	2,004	577	1,427	2
Levin growth area - Wastewater	3,900	-	3,900	5
Tara-Ika - Wastewater - New 225dia Tararua Road main (East Roe St)	-	812	(812)	5
Tara-Ika - Wastewater - Upgrade Liverpool Street to 220dia main	-	6	(6)	5
Tara-Ika - Wastewater - Upgrade Tararua Road to 225dia main (West Roe St)	-	231	(231)	5
Waitārere Beach wastewater treatment plant - Strategic upgrade	90	8	82	
Total growth projects	6,160	1,649	4,511	

Renewals – Replacing existing assets	5,491	2,150	3,341
Improve level of service	2,465	2,998	(533)
Growth – To meet additional demand	7,306	2,237	5,069
Total Wastewater projects	15,262	7,392	7,870

*LTP forecast – Our presentation has changed to link to the primary type rather than actuals which we did in the past.

Notes:

1. This project has been moved to next year to align with water supply reticulation work.
2. These projects are behind schedule and budget has been carried forward.
3. The original budget was broken down into small projects.
4. This project was classified as operational and not capital.
5. Budgeted Tara-Ika project broken into smaller projects but slower than expected progress has seen this budget carried over into next year.

This loan summary relates to loans for the Wastewater Treatment activity.

Loans	Internal \$000
Loans as at 1/07/2021	31,759
Raised during year	6,033
Repaid during year	(2,499)
Loans as at 30/06/2022	35,293
Interest expense	773

Solid Waste Te Para Totoka

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.

The Solid Waste Group of Activities includes the following Activities:

- 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.
-

Identified effects on wellbeing outcomes

Social Wellbeing Strong Communities Community Outcome	Environmental Wellbeing Outstanding Environment Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Economic Wellbeing Fit for Purpose Infrastructure Community Outcome	Environmental Wellbeing Consults with Tangata Whenua
Waste education is made available to all schools in the district, while various workshops and initiatives seek broader community engagement and educational opportunities.	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.	Environmental Infrastructure oversees the waste collectors' licence terms and conditions and ensures healthy competition exists within the district in the waste sector.	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.	Environmental Infrastructure consults with tangata whenua on various topics that include landfill consents and operations, as well as the Hokio cut remediation project

Rationale

Activity	Community Outcomes	Council Role
Provision of landfill and static recycling stations. These help reduce waste and minimise its negative environmental effects.	Outstanding Environment Strong Communities Fit for Purpose Infrastructure	Provider
Provision of waste transfer stations, recycling, and refuse collection. These help reduce waste and minimise its negative environmental effects.	Outstanding Environment Fit for Purpose Infrastructure	
Provision of waste minimisation education to the community.	Outstanding Environment	Provider/advocate

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Provision of landfill but minimising the amount that is sent there.	Quantity of waste going to the landfill per person per year.	≤ 400 kg per person per year	The provision of a landfill and encouraging recycling helps reduce waste and minimise its negative environmental effects.	Not Achieved	<p>As at 30 June 2022:</p> <p>It is estimated that 18,000 tonnes of general waste has been produced and disposed of in the Horowhenua District this year. With an estimated population of 36,000, a waste disposal quantity of 500 kg per person per year has been estimated. The amount of general waste produced and disposed of in Horowhenua is estimated using the waste disposed of at the three local transfer stations as well as special waste and wastewater treatment sludge taken to Levin Landfill. This is only an estimate and may not account for:</p> <p>Waste produced in the Horowhenua, but disposed of at a transfer station/landfill outside the district.</p> <p>Waste produced outside the district brought to a transfer station in the Horowhenua for disposal.</p> <p>The estimate above also includes both household and commercial waste disposed in the district. 'Waste per person per year' does not necessarily mean the waste produced per household.</p> <p>Please note: Due to a change of contract, from May 2022 only HDC-controlled tonnage data is readily available. Total district tonnes for May 2022 and June 2022 have been estimated based on previous months.</p>

Measuring Performance				Actual Performance		
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary	
Recycling is encouraged.	Level of recycling at Kerbside Transfer stations,	≥ 40% of total waste ≥ 40% of total waste		Not Achieved	As at 30 June 2022:	
					Total recycling	2,032 T
					Percentage of waste production that is recycling	10%
Currently data on recycling collection cannot be separated into kerbside and transfer stations. Therefore, only the total tonnage of recycling can be reported. Annual figures have been estimated based on data from July 21–April 2022. Due to a change in contract, data was not collected for May and June of 2022. Data collection resumed in July 2022.						
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	The number of complaints provides an indication of the quality of the service provided. This measure also provides data that highlights problems requiring attention, such as the need for maintenance, repair, upgrading, or new infrastructure.	Achieved	As a 30 June 2022:	
					Waste transfer stations	0
					Recycling stations	5
Response to service requests regarding Council’s Solid Waste Activities is timely.	Time all requests are responded to.	Within 3 working days.	This measure shows how quickly we respond when there is a problem regarding solid waste.	Not Achieved	As of 30 June 2022: 1,073 customer service requests were received, of which 1,054 (98%) of them are resolved and closed. Of the 1,054 that were closed 694 (66%) were resolved within three days.	

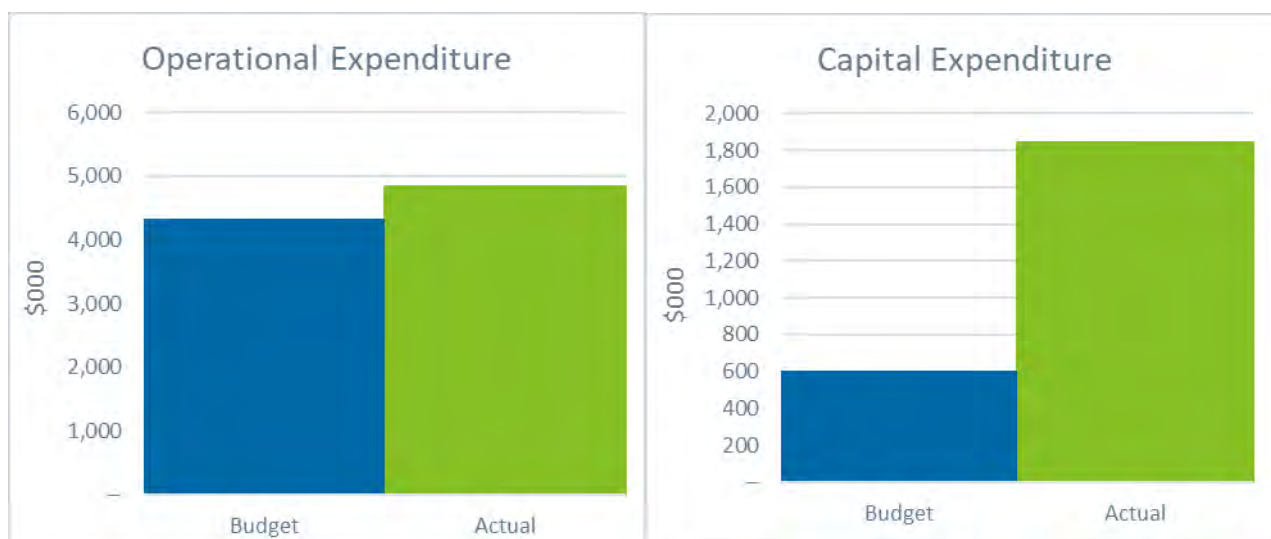
Measuring Performance				Actual Performance							
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary						
Recycling and refuse is collected on time and in a sanitary manner.	Number of complaints per month about non-collection of: Kerbside recycling Kerbside refuse	< 6 per month < 6 per month	The number of complaints provides an indication of the quality of the service provided. This measure also provides information on problems requiring attention.	Not Achieved	As at 30 June 2022: <table><tr><th colspan="2">2021/2022</th></tr><tr><td>Kerbside recycling</td><td>188 total complaints</td></tr><tr><td>Kerbside refuse</td><td>61 total complaints</td></tr></table> Please note: These numbers include all complaints of non-collection, including those where the bin was not collected for a legitimate reason. These reasons could include: Bin was put out on the wrong week Bin was not out at time of collection Bin was not collected due to contamination Missed collection CRMs are actioned by Low Cost Bins.	2021/2022		Kerbside recycling	188 total complaints	Kerbside refuse	61 total complaints
2021/2022											
Kerbside recycling	188 total complaints										
Kerbside refuse	61 total complaints										
Recycling stations are available and accessible in urban centres in summer.	All recycling stations are available at the agreed locations on the agreed days and times outlined on Council’s website.	Achieve	Available collection points stop rubbish and recycling becoming a health risk.	Achieved	As at 30 June 2022: All recycling stations including static have been available as outlined on the Council’s website. Stations may be removed temporarily in order to be emptied.						
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%	Available collection points stop rubbish and recycling becoming a health risk.	Not Achieved	As at 30 June 2022: This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year’s survey for Kerbside Recycling was 73% and Kerbside Refuse was 74%.						
Customers are educated on waste minimisation practices.	Number of school-aged students waste education is provided to each year.	≥ 300 students per year	Waste minimisation is important because it helps protect the environment and it makes good business sense. Today’s environmentally savvy	Achieved	As at 30 June 2022: At least 881 students have been educated on waste minimisation practices through Zero Waste Education. At the time of reporting class numbers have not been received for Zero Waste Education visits carried out in June 2022.						

Measuring Performance				Actual Performance											
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary										
Customers are educated on waste minimisation practices.	Number of events Council attends to promote ways to minimise waste.	≥ 5 events per year	children are tomorrow’s environmentally responsible adults. This measure shows that Council is doing its part in protecting the environment.	Achieved	As at 30 June 2022: Council has held three online courses promoting waste minimisation and has attended two community meetings to encourage waste minimisation.										
Sustainable solid waste management.	The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions Received by Council in relation to Horizons Regional Council resource consents	0 0 0 0	This measure indicates how well Council is managing the environmental impacts of its Solid Waste Activities. Not complying with consent conditions may indicate that Council is not managing its processes adequately or that the infrastructure is no longer adequate.	Achieved	As at 30 June 2022: <table><tr><th></th><th>Full year</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>		Full year	Abatement Notice	0	Infringement Notice	0	Enforcement Order	0	Convictions	0
	Full year														
Abatement Notice	0														
Infringement Notice	0														
Enforcement Order	0														
Convictions	0														

* These performance measurements are provided by the Department of Internal Affairs and they are mandatory

Solid Waste Financial Information

These graphs provide an overview of how the Solid Waste activity has performed against budget.



This Funding Impact Statement for the Solid Waste activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		-	-	-	-	-
Targeted rates		1,232	350	2,214	2,213	(1)
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges	1	1,676	2,233	1,767	1,321	(446)
Local authorities fuel tax, fines, infringement fees, and other receipts		3	34	21	48	27
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		2,911	2,617	4,002	3,582	(420)
Applications of operating funding						
Payments to staff and suppliers	2	3,471	1,581	3,159	3,702	(543)
Finance costs		181	295	223	182	41
Internal charges and overheads applied		408	89	567	502	65
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		4,060	1,965	3,949	4,386	(437)
Surplus/ (deficit) of operating funding (A-B)		(1,149)	652	53	(804)	(857)
Sources of capital funding						
Subsidies and grants for capital expenditure		-	-	3	-	(3)
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	3	(152)	(218)	183	(56)	(239)
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		(152)	(218)	186	(56)	(242)
Applications of capital funding						
Capital expenditure						
- to meet additional demand		-	-	42	30	12
- to improve the level of service		118	23	335	166	169
- to replace existing assets	4	3	-	227	1,649	(1,422)
Increase (decrease) in reserves	5	(1,422)	411	(365)	(2,705)	2,340
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		(1,301)	434	239	(860)	1,099
Surplus/ (deficit) of capital funding (C-D)		1,149	(652)	(53)	804	857
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		463	340	388	459	(71)

Notes:

1. Lower landfill fees are due to closure of the landfill.
2. More was spent on professional services related to the future of the landfill.
3. Less level of service and growth projects done which require less loans
4. More spent on renewal projects which are reserve funded so more reserve funding required.
5. See the below capital spend variance explanations for more detail.

This expenditure summary for the Solid Waste activity breaks down the operational expenses (opex) noted in the Funding Impact Statement

Activity Expenditure	Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
Roadside Collection Bags	441	200	478	489	(11)
Landfill	1,901	1,109	1,537	1,929	(392)
Recycling Centres	1,812	670	1,884	1,937	(53)
Waste Transfer Stations	369	326	438	491	(53)
Total activity expenditure	4,523	2,305	4,337	4,846	(509)

This expenditure summary for the Solid Waste activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP* Forecast 2021/22 \$000	Actual 2021/22 \$000	Variance \$000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Cap Shape Correction	150	7	143	
Landfill Gas Flare renewals	10	-	10	
Solid Waste property renewals	2	-	2	
Unplanned small landfill maintenance	25	23	2	
Renewal works at Foxton Transfer Station	42	84	(42)	
Levin Landfill Capping Project	-	1,487	(1,487)	1
Total renewal projects	229	1,601	(1,372)	
Primary Type: Level of service portion of project				
Landfill development	12	-	12	
Landfill development (gas collection & ongoing capping)	320	68	252	2
Weighbridge at Foxton Transfer Station or Levin Landfill (if stays open)	5	143	(138)	
Landfill development	-	12	(12)	
Total level of service projects	337	223	114	
Primary Type: Growth portion of project				
Wheelie bins	38	22	16	
Total growth projects	38	22	16	
Renewals – Replacing existing assets	227	1,649	(1,422)	
Improve level of service	335	166	169	
Growth – To meet additional demand	42	30	12	
Total Solid Waste projects	604	1,845	(1,241)	

*LTP forecast – Our presentation has changed to link to the primary type rather than actuals which we did in the past.

Notes:

1. Capping required not budgeted for.
2. The lower spending relates to slowing the development work on the landfill as a result of the uncertainty over the future of the landfill.

This loan summary relates to loans for the Solid Waste activity.

Loans	Internal \$000
Loans as at 1/07/2021	6,319
Raised during year	197
Repaid during year	(253)
Loans as at 30/06/2022	6,263
Interest expense	182

Community Infrastructure

Tūāhanga Hapori

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

Identified effects on wellbeing outcomes

Social Wellbeing Strong Communities Community Outcome	Environmental Wellbeing Outstanding Environment Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Economic Wellbeing Fit for Purpose Infrastructure Community Outcome	Cultural Wellbeing Strong Communities Community Outcome
<p>Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom are multi-functional facilities that provide a wide range of services and events that contribute to the wellbeing of the community and to visitors to the Horowhenua District.</p> <p>Horowhenua Aquatics provide public access to swimming pools, fitness, play, rehabilitation, and swimming programmes to enhance community wellbeing through providing healthy recreational and social opportunities.</p>	<p>Careful management of aquatic facility water quality and implementing water conservation measures contribute 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–</p>	<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.</p> <p>Council employs a number of local tradespeople in managing its assets and provides jobs for a range of locals via its contracted services portfolio.</p>	<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>	<p>Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom provide a welcoming experience that celebrate our community's vast and vibrant cultures.</p> <p>A variety of programming and events have been offered through Library Services, Community Development, Youth Space, The Mahi Space and the Community Hubs. These have included Matariki, SPYFusion, the Dutch Day Out, Diwali and Chinese New Year.</p> <p>Districtwide library services in Levin Foxton and Shannon deliver programmes and services that:</p> <ul style="list-style-type: none"> – provide a healthy, accessible and attractive environment where people have a sense of belonging and visitors and new arrivals feel welcome

	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.			<ul style="list-style-type: none"> - support vibrant arts and diverse cultural experiences - promote and celebrate Horowhenua's heritage resources.
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Reserves and Beautification, Public Halls, Sports Grounds and Cemeteries

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.

What it involves

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 Outcomes	Council Role
Maintain public reserves.	Outstanding Environment	Funder/provider/advocate
Manage a beautification programme across the district.	Strong Communities	
Maintain sports grounds for public use.	Outstanding Environment Vibrant Economy Strong Communities Fit for Purpose Infrastructure	Funder/provider
Operate cemeteries.	Strong Communities Fit for Purpose Infrastructure	

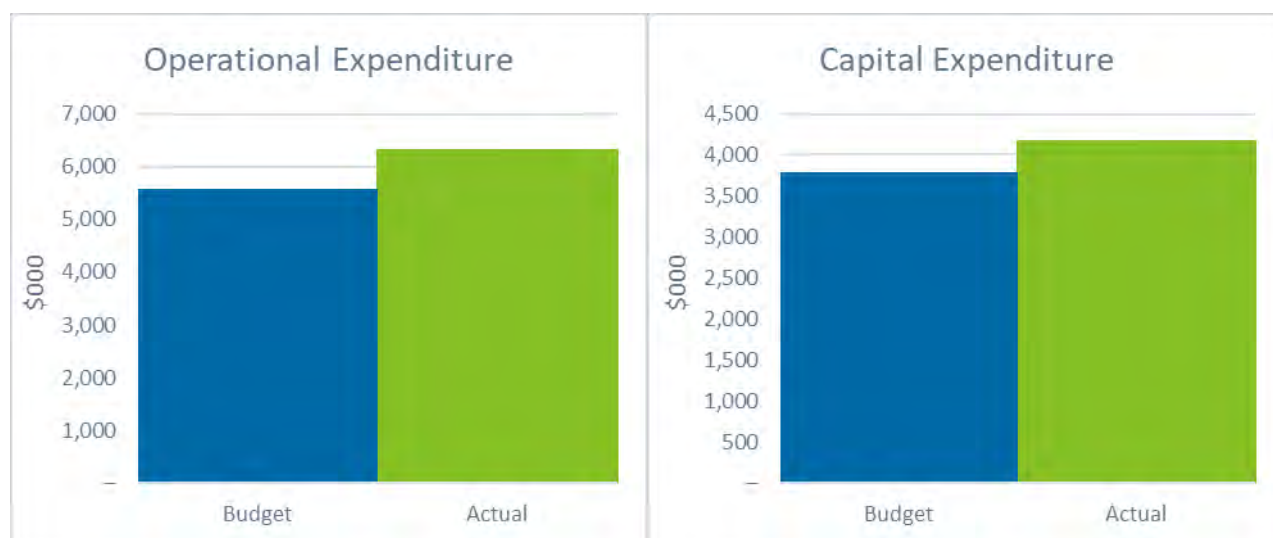
Measuring Performance

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Reserves are available for Community use.	Residential dwellings in urban areas are within 400 metres of local reserves, either Council or privately provided	≥ 80%	Reserves allow a diverse range of pursuits important to the enjoyment of healthy lifestyles. This measure shows Council that its reserves are located in areas where they are accessible to the public.	Achieved	As at 30 June 2022: Council has 82% of residential dwellings in urban areas that are within 400 metres of local reserves, either Council or privately provided.
	Residential dwellings in urban areas are within 800 metres of playgrounds or destination reserves.	≥ 80%	The percentage of satisfied customers gives us an indication of the quality of service we are providing.	Achieved	As at 30 June 2022: Council has 90% of residential dwellings in urban areas that are within 800 metres of playgrounds or destination reserves.
Reserves meet local needs.	Percentage of customers satisfied with the service, based on the Annual Customer Satisfaction Survey.	≥ 80%	Sports grounds cater for both organised and casual sports. This measure shows Council have grounds available all year round.	Achieved	As at 30 June 2022: This measure is obtained from the Annual Residents Satisfaction Survey. The rating achieved in this year's survey was 80%.
Playgrounds are safe for users.	All playground facilities comply with relevant National Playground standards.	Achieve	It is extremely important to Council our playgrounds are safe for everyone to use.	Achieved	As at 30 June 2022: 100% of playground facilities complied.
Sports grounds are available for Community use.	Percent of time that sports grounds are available for use during their opening hours.	≥ 95%	Sports grounds cater for both organised and casual sports. This measure shows Council has grounds available all year round.	Achieved	As at 30 June 2022: 100% of sports grounds were available for use during their opening hours.
Sports grounds meet local needs.	Number of Customer Request Management complaints reporting of ground conditions per annum.	< 5	The number of complaints gives us an indication of the quality of service we are providing.	Achieved	As at 30 June 2022: Zero complaints have been received.

Measuring performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Community Halls are available for public use.	Number of uses per fortnight for Community Halls.	10	Halls provide public spaces for local Communities to come together and participate in sport, social or other Community events. This measure is used to ensure the Halls are being utilised.	Achieved	As at 30 June 2022: Levin Memorial Hall was used 200 times. Shannon Memorial Hall was used 12 times. Foxton Memorial Hall was used 21 times Holben Pavilion was used 17 times Civic was used 6 times Total = 256 times (an average of 10 times per fortnight). COVID-19 has impacted these figures.

Community Infrastructure Financial Information

These graphs provide an overview of how the Community Infrastructure activity has performed against budget.



This Funding Impact Statement for the Community Infrastructure activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		5,065	5,439	5,325	5,322	(3)
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes		1,953	3	-	4	4
Fees and charges		354	324	285	324	39
Local authorities fuel tax, fines, infringement fees, and other receipts	1	75	147	876	315	(561)
Internal charges and overheads recovered		-	-	-	-	-
Total operating funding (A)		7,447	5,913	6,486	5,965	(521)
Applications of operating funding						
Payments to staff and suppliers	2	5,730	3,666	3,686	4,088	(401)
Finance costs		140	411	147	140	7
Internal charges and overheads applied		1,176	992	1,028	994	34
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		7,046	5,069	4,861	5,222	(360)
Surplus/ (deficit) of operating funding (A-B)		401	844	1,625	743	(881)
Sources of capital funding						
Subsidies and grants for capital expenditure		1,911	-	-	-	-
Development and financial contributions		-	-	632	-	(632)
Increase (decrease) in debt	3	898	568	1,481	2,175	694
Gross proceeds from sale of assets		-	-	-	-	-
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		2,809	568	2,113	2,175	62
Applications of capital funding						
Capital expenditure						
- to meet additional demand		-	-	607	564	43
- to improve the level of service		2,314	389	1,303	1,850	(547)
- to replace existing assets		375	962	1,882	1,754	128
Increase (decrease) in reserves	4	521	61	(54)	(1,250)	1,195
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		3,210	1,412	3,738	2,918	819
Surplus /(deficit) of capital funding (C-D)		(401)	(844)	(1,625)	(743)	881
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		900	668	724	1,084	(358)

Notes:

1. Foxton freeholding fund grant not released due to Endowment – Foxton Beach reserves projects not completed.
2. This relates to the \$322k grant to the Hockey Turf which was funded by the special fund that holds the yearly allocation Council makes for the turf replacement.
3. The increased debt was due to more level of service and growth projects than budget which are loan funded.
4. The larger decrease in reserves was required to fund the smaller than budgeted operating surplus.

This expenditure summary for the Community Infrastructure activity breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	LTP		LTP		Variance
	Actual	Forecast	Forecast	Actual	
	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Cemeteries	577	451	600	574	26
Public toilets	324	367	328	337	(9)
Beautification	587	722	642	558	84
Reserves	4,288	2,271	2,020	2,297	(277)
Sports grounds	1,366	1,252	1,227	1,724	(497)
Halls	334	273	284	347	(63)
Urban Cleaning	471	401	480	471	9
Total activity expenditure	7,947	5,737	5,581	6,308	(727)

This expenditure summary for the Community Infrastructure activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP*			
	Forecast	Actual	Variance	Notes
	2021/22 \$000	2021/22 \$000	\$000	
Primary Type: Renewals (replace existing assets) portion of projects				
District Halls (& Pavilions) - Reactive renewals	27	24	3	1
Public toilets - Minor renewals	54	44	10	
Sports grounds renewals (buildings)	152	146	6	
Reserves renewals (buildings)	2	1	1	
Donnelly Park - Replace netball lights	180	197	(17)	
Reserves renewals	962	1,139	(177)	
Endowment - Foxton Beach reserves projects	700	371	329	
Waikawa Beach pedestrian bridge	50	62	(12)	
Public toilets - Major renewals	452	398	54	
Park lighting upgrade	255	173	82	
Total renewal projects	2,834	2,555	279	
Primary Type: Level of service portion of projects				
District fencing contingency	45	43	2	2
District play equipment	81	98	(17)	
Playford Park - Improvements	450	384	66	
Shannon Domain lights	160	198	(38)	
Wairarawa Stream works	-	25	(25)	
Donnelly Park improve cricket facilities	71	79	(8)	
Foxton Beach Coastal Reserve implement actions of FB Coastal	50	49	1	
Foxton futures	-	635	(635)	
Jail house	-	1	(1)	
Stream management plan	16	8	8	
Waitārere Domain improvement plan	85	89	(4)	
Total level of service projects	958	1,609	(651)	
Primary Type: Growth portion of projects				
Total growth projects	-	-	-	
Renewals – Replacing existing assets	1,882	1,754	128	
Improve level of service	1,303	1,850	(547)	
Growth – To meet additional demand	607	564	43	
Total Community Infrastructure projects	3,792	4,168	(376)	

*LTP forecast - Our presentation has changed to link to the primary type rather than actuals which we did in the past.

Notes:

1. This project was carried over to next financial year due contractors' availability to complete work on the tennis court.
2. This relates to the completion of the toilet and drainage works. This was funded from prior year budgets which was not carried over.

This loan summary relates to loans for the Community Infrastructure activity.

Loans	Internal \$000
Loans as at 1/07/2021	5,883
Raised during year	2,410
Repaid during year	(235)
Loans as at 30/06/2022	8,058
Interest expense	140

Property Ngā Rawa

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 and the capital cost required to maintain the property including earthquake strengthening amongst other factors.

The Property Group of Activities includes the following Activities:

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 include motor camps, historic and cultural buildings, and depots and carparks.

Identified effects on wellbeing outcomes

Social Wellbeing Fit for Purpose Community Outcome	Environmental Wellbeing Outstanding Environment Community Outcome	Social Wellbeing Strong Communities Community Outcome	Economic Wellbeing Vibrant Economy Community Outcome	Cultural Wellbeing Partnership with Tangata Whenua Community Outcome
<p>Council is responsible for ensuring that Building Warrants of Fitness are achieved across its portfolio, a number of which are infrastructural buildings,</p> <p>Council completes an annual renewals programme on its property portfolio to ensure the portfolio is maintained in a fit for purpose state,</p>	<p>Council is in the process of upgrading a number of its buildings with LED to reduce energy demand and lessen its carbon footprint.</p> <p>The main Council building utilises grey water for flushing its wastewater and considers sustainability matters in developing its property projects.</p> <p>Cleaning products utilised are organic and biodegradable reducing localised impacts of harsh chemicals on the environment. Its contractors are qualified under ISO: 14001 which is an international quality standard for environmental management.</p>	<p>Council continues to facilitate a range of voluntary organisations through its community leases policy that contribute to developing community sustainability and community capacity.</p> <p>Building Officers are in the process of undertaking a refurbishment programme and seismic strengthening of the Foxton Surf Life Saving Club building, and are involved in planning a replacement facility at Waitārere Beach for that Surf Life Saving Club unit that will provide community spaces.</p> <p>Council is in the process of freeing up land in its property portfolio for the development of an affordable housing project.</p>	<p>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.</p> <p>Council employs a number of local tradespeople in managing its assets and provides jobs for a range of locals via its contracted services portfolio.</p> <p>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.</p>	<p>Iwi are an active member of many of the local groups that Council works with including Progressive Associations and special interest groups.</p> <p>Council has entered a number of agreements with iwi and has assisted with the construction of Whare in Shannon that foregrounds Māori culture and its relationship with the Manawatū River.</p>

Rationale

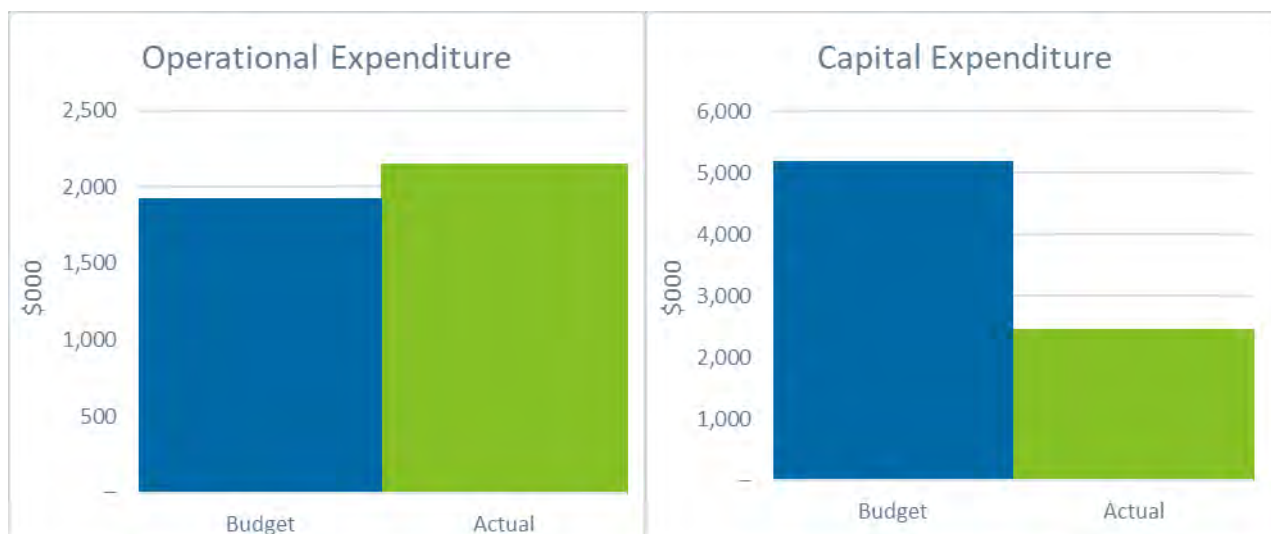
Activity	Community Outcomes	Council Role
Management and maintenance of Council-owned properties.	Strong Communities Vibrant Economy Fit for Purpose Infrastructure	Funder/provider

Measuring Performance

Measuring Performance				Actual Performance	
Service	Performance Measure	Target	What This Tells Me	Actual Performance	Commentary
Council-operated facilities are available for public hire.	Number of hours and days Levin, Foxton and Shannon Memorial Halls facilities are available for public hire outside of maintenance closedowns.	8 hrs per day, 7 days a week, and review annually	Halls provide public spaces for local Communities to come together and participate in sport, social or other Community events. This measure shows Council promotes the use of public space, the halls are available and hire charges are set to recover a proportion of cost.	Achieved	As at 30 June 2022: The three Memorial Hall facilities were available for hire for at least eight hours per day, seven days per week, outside of maintenance closedowns.
	Conduct an annual review of hire charges.	Achieve		Achieved	As at 30 June 2022: An annual review of hire charges was conducted as part of the Annual Plan process and as a result hire charges were increased by approximately 2% for this activity.
Council's properties will comply with relevant legislation.	All buildings with compliance schedules will have current building WOF.	Achieve	It is extremely important to Council that our buildings are safe for everyone to use.	Achieved	As at 30 June 2022: All Council buildings with Compliance Schedules have current BWOs. 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.

Property Financial Information

These graphs provide an overview of how the Property activity has performed against budget.



This Funding Impact Statement for the Property activity outlines what we have spent and how we have funded this activity.

FUNDING IMPACT STATEMENT for the year ended 30 June 2022		Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
	Note					
Sources of operating funding						
General rates, uniform annual general charges, rates penalties		922	1,107	852	851	(1)
Targeted rates		-	-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-	-
Fees and charges		222	170	171	278	107
Local authorities fuel tax, fines, infringement fees, and other receipts		31	129	194	37	(157)
Internal charges and overheads recovered		370	484	405	378	(27)
Total operating funding (A)		1,545	1,890	1,622	1,544	(78)
Applications of operating funding						
Payments to staff and suppliers		1,055	1,173	1,088	1,004	84
Finance costs		242	327	195	244	(49)
Internal charges and overheads applied		327	312	377	388	(11)
Other operating funding applications		-	-	-	-	-
Total applications of operating funding (B)		1,624	1,812	1,660	1,636	24
Surplus/ (deficit) of operating funding (A-B)		(79)	78	(38)	(92)	(54)
Sources of capital funding						
Subsidies and grants for capital expenditure		807	-	200	67	(133)
Development and financial contributions		-	-	-	-	-
Increase (decrease) in debt	1	786	587	4,511	1,254	(3,257)
Gross proceeds from sale of assets		2,021	-	650	464	(186)
Lump sum contributions		-	-	-	-	-
Other dedicated capital funding		-	-	-	-	-
Total sources of capital funding (C)		3,614	587	5,361	1,785	(3,576)
Applications of capital funding						
Capital expenditure						
- to meet additional demand	2	-	1	1,700	422	1,278
- to improve the level of service		3,044	2,377	1,500	1,277	223
- to replace existing assets	2	64	589	1,999	739	1,260
Increase (decrease) in reserves	3	427	(2,302)	124	(745)	869
Increase (decrease) of investments		-	-	-	-	-
Total applications of capital funding (D)		3,535	665	5,323	1,693	3,630
Surplus/ (deficit) of capital funding (C-D)		79	(78)	38	92	54
Funding balance ((A-B)+(C-D))		-	-	-	-	-
Depreciation		327	251	266	511	(245)

Notes:

1. This relates to lower level of service and growth projects which are funded by loans.
2. See the below capital spend variance explanations for more detail.
3. This relates to lower renewal projects which are reserve funded.

This expenditure summary for the Property activity breaks down the operational expenses (opex) noted in the Funding Impact Statement above.

Activity Expenditure	Actual 2021 \$000	LTP Forecast 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
Council Building	272	324	266	292	(26)
Camping Grounds	21	6	20	16	4
Commercial Properties	59	122	-	51	(51)
Endowment Property	483	397	363	347	16
General Property	746	730	876	1,064	(188)
Total activity expenditure	1,581	1,579	1,525	1,770	(245)

This expenditure summary for the Property activity breaks down the capital expenses (capex) noted in the Funding Impact Statement above.

Acquisition and Renewal of Assets for the Overall Activity	LTP Forecast 2021/22 \$000	Actual 2021/22 \$000	Variance \$000	Notes
Primary Type: Renewals (replace existing assets) portion of projects				
Community buildings programmed renewals	58	63	(5)	
Dog pound office building renewal	21	12	9	
Levin Depot buildings renewals	33	19	14	
Levin Depot yard reseal	29	10	19	
Pottery shed replace roof	17	-	17	
Waitārere Beach Surf life club saving design and build	1,504	298	1,206	1
Property renewals programme	337	337	-	
Total renewal projects	1,999	739	1,260	
Primary Type: Level of service portion of project				
Strategic land purchases	1,500	972	528	2
Foxton Beach surf club building upgrade	-	305	(305)	3
Total level of service projects	1,500	1,277	223	
Primary Type: Growth portion of project				
260 Gladstone Road subdivision	400	-	400	4
Endowment subdivision Forbes Rd extension	800	-	800	4
Poads Road quarry	500	422	78	
Total growth projects	1,700	422	1,278	
Renewals – Replacing existing assets	1,999	739	1,260	
Improve level of service	1,500	1,277	223	
Growth – To meet additional demand	1,700	422	1,278	
Total Property projects	5,199	2,438	2,761	

Notes:

1. The Waitārere Beach Surf lifesaving club room project is behind schedule, but completion is planned for next year.
2. Strategic land purchase programme planned to continue with the next year.
3. Final work completed on the Foxton Beach surf club upgrade.
4. These projects are not going ahead.

This loan summary relates to loans for the Property activity.

Loans	Internal \$000
Loans as at 1/07/2021	9,456
Raised during year	1,699
Repaid during year	(445)
Loans as at 30/06/2022	10,710
Interest expense	244

Financial Information

Financial Statements

This section provides information on the financial outcomes for the year ended 30 June 2022.

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 officers 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 2021/22, 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 2021/22 (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 2022. 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 2021/22.

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 2021/22.

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 Horowhenua District Council's annual report for the year ended 30 June 2022

The Auditor-General is the auditor of Horowhenua District Council (the District Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Clint Ramoo, using the staff and resources of Audit New Zealand, to report on the information in the District Council's annual report that we are required to audit under the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the District Council has complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the District Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

We refer to this information as "the disclosure requirements" in our report.

Our audit was completed on 10 May 2023. This is the date at which our opinion is expressed. We acknowledge that our audit was completed later than required by section 98(7) of the Local Government Act 2002. This was due to an auditor shortage in New Zealand and the consequential effects of Covid-19, including lockdowns.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the statement of service provision (reported as Activity performance measures)

In our opinion:

- the financial statements on pages 152 to 158, 162 to 202 and pages 208 to 225:
 - present fairly, in all material respects:
 - the District Council and Group's financial position as at 30 June 2022;
 - 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 159, 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;
- the statement about capital expenditure for each group of activities on pages 53 to 145, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the District Council's long-term plan; and
- the funding impact statement for each group of activities on pages 54 to 144, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the District Council's long-term plan.

Qualified opinion on the statement of service provision (reported as Activity performance measures)

In our opinion, except for the possible effects of the matter described in the *Basis for our opinion on the audited information* section of our report, the statement of service provision (reported as Activity performance measures) on pages 37 to 145:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, 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 203 to 207, 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.

The basis for our opinion is explained below and we draw attention to uncertainty over the water services reform programme. In addition, we outline the responsibilities of the Council and our responsibilities relating to the audited information, we comment on other information, and we explain our independence.

Basis for our opinion on the audited information

Activity performance measures: Our work was limited with respect to the verification of the number of complaints for some services

The District Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2013 (the Rules) made by the Secretary for Local Government. These performance measures are included in the statements of service provision for each activity contained within the *Activity Performance Measures and Funding Impact Statements* section.

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, up until January 2022, 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 2021.

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

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information.

Emphasis of matter – Uncertainty over the water services reform programme

Without further modifying our opinion, we draw attention to note 41 on page 198 which outlines the developments in the Government's water service reform programme which will affect the District Council in future years.

Legislation passed in December 2022 established four publicly owned water services entities to carry out responsibilities for the delivery of three waters services and related assets and liabilities currently controlled by local authorities. A water services Bill to enable the transfer of these assets and liabilities to the water services entities, is currently before Parliament. Until the Bill is passed, the financial impact of the transfer on the District Council, remains uncertain.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

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 long-term plan.

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District Council and Group's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the Activity performance measures, as a reasonable basis for assessing the levels of service achieved and reported by the District Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the District Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the District Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 36, 146, 160, 161 and 226 to 228, but does not include the audited information, the disclosure requirements, and our auditor's report thereon.

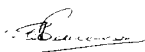
Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the District Council and Group in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners 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.



Clint Ramoo
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Statement of Compliance

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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
10 May 2023



Monique Davidson
Chief Executive
10 May 2023

Statement of Comprehensive Revenue and Expense

HOROWHENUA DISTRICT COUNCIL For the year ended 30 June 2022

	Note	Council Actual \$ 30 June 2022 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Revenue						
Rates	1	43,408	43,447	39,268	43,408	39,268
Finance revenue	2a	81	200	107	86	114
Grants and subsidies	2b	9,848	17,235	19,650	9,848	19,650
Fees and charges	2c	4,241	4,748	4,341	4,241	4,341
Other revenue	2d	5,020	4,722	4,246	5,020	4,246
Vested assets	2e	5,628	-	2,612	5,628	2,612
Development contributions	2f	122	2,744	-	122	-
Gain on derivative financial instruments	19	2,916	-	1,517	2,916	1,517
Other gains	3, 10	680	17	360	680	360
Total revenue		71,944	73,113	72,101	71,949	72,108
Expenditure						
Employee benefit expenses	4	17,451	18,169	15,709	17,451	15,709
Depreciation and amortisation	11, 12, 34	16,091	14,722	15,399	16,091	15,399
Finance costs	6	3,088	2,964	2,565	3,088	2,565
Loss on derivative financial instruments	19	-	-	-	-	-
Other losses	3	690	-	955	690	955
Increase / (decrease) in landfill provision	16	3,300	-	(1,044)	3,300	(1,044)
Other expenses	5	32,867	26,832	29,596	32,870	29,603
Total expenses		73,487	62,687	63,180	73,490	63,187
Operating surplus / (deficit) before tax		(1,543)	10,426	8,921	(1,541)	8,921
Income tax expense	37	-	-	-	-	-
Operating surplus / (deficit) after tax		(1,543)	10,426	8,921	(1,541)	8,921
Surplus / (deficit) attributable to: Horowhenua District Council		-	-	-	-	-
Other comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations		43,213	3,700	16,451	43,213	16,451
Gain / (loss) on operational assets revaluation		16,293	-	-	16,293	-
Gain / (loss) on restricted assets revaluation		30,282	-	-	30,282	-
Total other comprehensive revenue and expense for the year		89,788	3,700	16,451	89,788	16,451
Total comprehensive revenue and expense (deficit) for the year		88,245	14,126	25,372	88,247	25,372
Total comprehensive revenue and expense attributable to Horowhenua District Council		88,245	14,126	25,372	88,247	25,372
Net Interest as percentage of operating revenue		4%	4%	4%	4%	4%
Net Interest to rates		7%	7%	7%	7%	7%

Explanations of major variances against budget are provided on page 153.

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 2021/22

Revenue

Grants and subsidies

Received \$7.4m less than planned due to the timing of the capital programme. The revenue planned to come from Crown Infrastructure Partners for the infrastructure investment to service the Tara-Ika development will likely occur next financial year due to the revised timing of the programme.

Finance revenue

The lower income of \$119k is due to not holding the budgeted \$5m term deposit and instead using it to reduce borrowings.

Other revenue

The additional revenue of \$213k primarily relates to additional revenue received for building consents of \$284k, resource consents of approximately \$81k, (as a result of increased building development activity in the district but offset with Parking revenue down \$110k due to COVID-19 affecting the number of vehicles parking.

Development contributions

While the Council has assessed new developments for development contributions since 1 July 2021, the invoicing will not occur until separate titles (224C) or Code of Compliance certificates are applied for meaning less revenue has been realised.

Gains on derivative financial instruments

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

Vested assets

The vested assets income of \$5.6m relates to infrastructure assets vested to the Council as part of the subdivision process due to growth.

Expenditure

Employee benefit expenses

The reduced expenditure of \$718k is due to vacancies across Council operations.

Depreciation

The additional depreciation expense of \$1.4m is due to the Foxton Beach Surf Club and Foxton Future projects being completed and depreciated. Also contributing to the additional depreciation is depreciating line markings over a shorter life.

Finance costs

The higher finance costs of \$124k relate to increased interest rates. The Council is carefully monitoring the interest rates changes and ensuring we have an appropriate level of fixed interest rates cover.

Other losses

This is due to the sale of an Endowment property \$157k, write off old library loan stock \$111k, the reduced valuation of the forestry assets \$171k, \$210k for the revaluation of investment property and donation of Santa Statue to a local community trust for \$41k

Increase in landfill provision

This increased expenditure reflects the reassessment of the landfill provision. The increase is mainly due to the cost of the best practicable option for remedying the old dump site increasing.

Other expenses

The additional expenditure of \$6.0m is made up mostly by the following:

- \$2.1m additional spending on professional services. The higher spending relates to additional resourcing in Planning & Regulatory to support the increased volume of work of \$498k and additional costs in the Solid Waste activity to support the work around the Future of the Levin Landfill of \$478k. The majority of the remaining additional spend was for the operational portion of iwi resourcing payments for the year resulting in additional spending of \$665k. Within the Council's growth-related work, we also spent an additional \$539k within the District Plan and Sustainable Growth Planning areas due to work being advanced earlier than planned in the LTP and consultancy work for Ō2NL. This work is budgeted to be loan funded.
 - \$2.0m additional spending on maintenance. The primary driver for the increased maintenance costs relate to the Roding activity and emergency works of Gladstone Road \$282k. The Wastewater overspend of \$418k was mostly under the Alliance contract and was due to increased sludge disposal costs and more reactive maintenance across the district. The Water Supply overspend of \$331k was mainly due to Three Waters Stimulus Funding projects which were funded externally. The additional \$408k in Community Support was a result of storm damage costs.
 - \$1.1m less in staff time was recorded against the capital projects and relates to the lower capital project expenditure.
-

Statement of Changes in Ratepayers' Equity

HOROWHENUA DISTRICT COUNCIL For the year ended 30 June 2022

		Council Actual \$ 30 June 2022 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
	Note					
Balance at 01 July		616,436	581,914	591,064	616,811	591,440
Total comprehensive revenue and expense for the year		88,245	14,126	25,372	88,247	25,372
Balance at 30 June	21	704,681	596,040	616,436	705,058	616,812

Explanations of major variances against budget are provided on page 157

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 2022

		Council Actual \$ 30 June 2022 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
	Notes					
Assets						
Current assets						
Cash and cash equivalents	7	5,998	11,519	9,402	6,024	9,426
Debtors and other receivables	8	4,984	5,960	7,207	4,984	7,207
Prepayments		921	380	380	921	380
Derivative financial instruments	19	192	-	-	192	-
Other financial assets	9	386	5,360	371	386	371
Non-current assets held for sale	10	-	4,293	1,090	-	1,090
Total Current assets		12,481	27,512	18,450	12,507	18,474
Non-current assets						
Plant, property and equipment						
- Operational assets	11	75,679	44,414	57,170	75,679	57,170
- Infrastructural assets	11	663,707	601,858	605,275	663,707	605,275
- Restricted assets	11	96,192	71,132	63,835	96,192	63,835
Intangible assets	12	1,739	970	1,463	1,739	1,463
Forestry assets	13	1,110	1,107	1,248	1,110	1,248
Commercial property	14	884	-	-	884	-
Derivative financial instruments	19	901	-	-	901	-
Other financial assets:						
- Investments CCOs & similar entities	9	204	220	204	204	204
- Investments in associates	9	52	-	37	52	37
- Other	9	2,392	1,706	1,772	2,392	1,772
Total Non-current assets		842,860	721,407	731,004	842,860	731,004
Total Assets		855,341	748,919	749,454	855,367	749,478
Liabilities						
Current liabilities						
Payables and deferred revenue	15	15,898	13,721	15,948	15,547	15,597
Provisions	16	1,614	30	30	1,614	30
Employee benefit liabilities	17	1,546	1,060	1,422	1,546	1,422
Derivative financial instruments	19	104	-	702	104	702
Borrowings and other financial liabilities	18	25,000	10,000	28,000	25,000	28,000
Total Current liabilities		44,162	24,811	46,102	43,811	45,751
Non-current liabilities						
Provisions	16	7,097	6,425	5,381	7,097	5,381
Employee benefit liabilities	17	330	207	256	330	256
Borrowings and other financial liabilities	18	99,000	117,821	80,000	99,000	80,000
Derivative financial instruments	19	71	-	1,296	71	1,296
Other	20	-	3,615	(17)	-	(17)
Total Non-current liabilities		106,498	128,068	86,916	106,498	86,916
Total Liabilities		150,660	152,879	133,018	150,309	132,667
Net Assets		704,681	596,040	616,436	705,058	616,811
Equity						
Retained earnings	21	252,588	261,402	254,154	252,965	254,529
Revaluation reserves	21	442,305	324,660	352,517	442,305	352,517
Other reserves	21	9,788	9,978	9,765	9,788	9,765
Total Equity		704,681	596,040	616,436	705,058	616,811

Explanations of major variances against budget are provided on page 157.

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 2021/22

Assets

Cash and cash equivalents – The lower cash balance is due to it now being cheaper to reduce borrowing than to hold cash.

Other financial assets – The budget relates to inventories held and term deposits. A \$5m term deposit was used to reduce loans.

Non-current assets for sale – The sale of Focal Point Cinema is no longer expected to be completed in the next financial year and so has been recorded within Plant, property and equipment assets.

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

Investment property – Due to the sale of Focal Point Cinema no longer expected to be completed in the next financial year, it has been reclassified back to investment property.

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

Liabilities

Payables and deferred revenue – The increase is due a higher level of capital work and operational work occurring in the last two months of the year and not being paid until July.

Total borrowings – The overall lower borrowings are due to major projects pushed back into future years.

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

Provisions – This increase reflects the increased cost of the best practicable option for remedying the old dump site in Hokio.

Other – The Annual Report has been presented differently to the LTP budget. In the LTP budget "Other" was made up both current and non-current liability for derivative financial instruments and LGFA amortisation reserves.

Equity

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

Statement of Cash Flows

HOROWHENUA DISTRICT COUNCIL As At 30 June 2022

		Council Actual \$ 30 June 2022 \$000	Council Budget \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
	Note					
Cashflow from operating activities						
Cash was provided from:						
Revenue from rates		43,191	43,447	38,644	43,191	38,644
Other revenue		21,043	29,450	29,285	21,043	29,285
Interest received		129	200	89	131	89
Net GST movement		167	-	-	167	-
Total cash provided		64,530	73,097	68,018	64,532	68,018
Cash was disbursed to:						
Suppliers, services and employees		50,118	45,003	44,426	50,118	44,426
Interest paid		2,884	2,964	2,745	2,884	2,745
Net GST movement		-	-	215	-	215
Total cash disbursed		53,002	47,967	47,386	53,002	47,386
Net cashflow from operating activity	32	11,528	25,130	20,632	11,530	20,632
Cashflows from investing activities						
Cash was provided from:						
Proceeds from asset sales		1,146	2,056	2,038	1,146	2,038
Proceeds from investments		-	-	-	-	-
Total cash provided		1,146	2,056	2,038	1,146	2,038
Cash was disbursed to:						
Purchases of investments		620	-	102	620	102
Purchase of assets		31,458	47,208	31,058	31,458	31,058
Total cash disbursed		32,078	47,208	31,160	32,078	31,160
Net cashflow from investing activity		(30,932)	(45,152)	(29,122)	(30,932)	(29,122)
Cashflows from financing activities						
Cash was provided from:						
Loans raised		78,000	65,022	53,000	78,000	53,000
Total cash provided		78,000	65,022	53,000	78,000	53,000
Cash was disbursed to:						
Repayment of public debt		62,000	45,000	51,000	62,000	51,000
Total cash disbursed		62,000	45,000	51,000	62,000	51,000
Net cashflow from financing activity		16,000	20,022	2,000	16,000	2,000
Net increase (decrease) in cash held		(3,404)	-	(6,490)	(3,402)	(6,490)
Add opening cash brought forward		9,402	11,519	15,892	9,426	15,916
Closing cash balance		5,998	11,519	9,402	6,024	9,426
Closing balance made up of cash and cash equivalents	7	5,998	11,519	9,402	6,024	9,426

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 2022

	Annual Plan Forecast 2021 \$000	Annual Report Actual 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	10,379	10,305	11,657	11,732	75
Targeted rates	29,305	28,964	31,790	31,675	(115)
Subsidies and grants for operating purposes	2,104	6,778	2,101	2,645	544
Fees and charges	4,551	4,341	4,721	4,241	(480)
Interest and dividends from investments	206	111	200	84	(116)
Local authorities fuel tax, fines, infringement fees, and other receipts	3,191	4,240	4,748	5,018	269
Total operating funding (A)	49,736	54,739	55,217	55,395	177
Applications of operating funding					
Payments to staff and suppliers	39,663	45,305	45,003	50,318	(5,315)
Finance costs	3,202	2,565	2,964	3,088	(124)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	42,865	47,870	47,967	53,406	(5,439)
Surplus / (deficit) of operating funding (A-B)	6,871	6,869	7,250	1,989	(5,262)
Sources of capital funding					
Subsidies and grants for capital expenditure	10,676	12,873	15,135	7,203	(7,932)
Development and financial contributions	-	-	2,744	122	(2,622)
Increase (decrease) in debt	9,325	2,000	20,022	16,000	(4,022)
Gross proceeds from sale of assets	5,000	2,040	2,056	955	(1,101)
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	25,001	16,913	39,957	24,280	(15,677)
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2,000	2,616	18,042	5,407	12,635
- to improve the level of service	16,182	18,211	18,659	13,581	5,078
- to replace existing assets	12,425	10,872	18,838	12,108	6,730
Increase (decrease) in reserves	1,265	(7,994)	(8,332)	(5,462)	(2,869)
Increase (decrease) of investments	-	77	-	635	(635)
Total applications of capital funding (D)	31,872	23,782	47,207	26,269	20,939
Surplus/ (deficit) of capital funding (C-D)	(6,871)	(6,869)	(7,250)	(1,989)	5,262
Funding balance ((A-B)+(C-D))	-	-	-	-	-
Depreciation	14,848	15,399	14,722	16,091	(1,369)

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 2022

	Annual Report Actual 2021 \$000	LTP Forecast 2022 \$000	Actual 2022 \$000	Variance 2022 \$000
Revenue				
Statement of comprehensive revenue and expense				
Total operating revenue	72,101	73,113	71,944	(1,169)
Summary funding impact statement				
Sources of operating funding				
Total operating funding	54,739	55,218	55,395	177
Add sources of capital funding				
Subsidies and grants for capital expenditure	12,873	15,134	7,203	(7,931)
Development and financial contributions	-	2,744	122	(2,622)
Gain on derivative financial instruments	1,517	-	2,916	2,916
Other gains	360	17	680	663
Vested assets	2,612	-	5,628	5,628
Total revenue	72,101	73,113	71,994	(1,169)
Expenditure	-	-	-	-
Statement of comprehensive revenue and expense				
Total operating expenditure	63,180	62,687	72,769	10,082
Summary funding impact statement				
Total application of operating funding	47,870	47,965	53,406	5,441
Loss on derivative financial instruments	-	-	-	-
Other losses	955	-	690	690
Increase / (decrease) in landfill provision	(1,044)	-	2,582	2,582
Add depreciation and amortisation expense	15,399	14,722	16,091	1,369
Total expenditure	63,180	62,687	72,769	10,082

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

Council's Interest in Other Entities

The Local Government Act 2002, Schedule 10 (28) requires Council to provide information with regard to organisations under the control of the Council.

Shannon Community Development Trust

Nature and scope of activities provided

The Shannon Community Development Trust has been set up for the benefit of residents of the Shannon Township. The purpose of the Trust is, but not limited to, education activities, including scholarships for education purposes, the alleviation of hardship, the provision of training and equipment for the protection of the community, and the provision of financial assistance for events recognising the involvement of community members

Policies and objectives on ownership and control

The Trust was established on 02 August 2012. The Trust has five Trustees (excluding Advisory Trustees). The current councillor for Miranui Ward will automatically be one of the five.

The Trust is an exempt council controlled organisation, as it has not been established for the purposes of making a profit and is not intended to be a Council Controlled Organisation under the Local Government Act 2002. The Trust is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) as approved by Council on 10 November 2021

The Council receives the Trust's annual report. The annual accounts are included in the Group financials for 30 June 2022.

Manawatu- Whanganui Local Authority Shared Services Limited (MW LASS)

Nature and scope of activities provided

Manawatu- Whanganui LASS Limited was formed in October 2008 by seven local councils to provide an 'umbrella vehicle' for councils of the Manawatu-Whanganui region to investigate, procure, develop and deliver shared services.

Policies and objectives on ownership and control

The company comprises of a Board of eight directors, seven CEOs of the shareholding councils and one Independent Director. The Board oversees the governance of Manawatu-Whanganui LASS Limited.

To date there has been one call on share capital and is now trading. Horowhenua District Council owns 14% of this company and has a \$16,000 share capital.

The company is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) as approved by Council on 10 November 2021

Notes to the Financial Statements

For the year ended 30 June 2022

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1. Rates Revenue	Council and Group Actual \$ 30 June 2022 \$000	Council and Group Budget \$ 30 June 2022 \$000	Council and Group Actual \$ 30 June 2021 \$000
Gross rates			
General rates			
Uniform annual general charge	–	–	–
Differential general rates	11,630	11,637	10,322
Penalties	439	390	330
Total general-purpose rates	12,069	12,027	10,652
Targeted rates			
Solid waste rates	2,213	2,214	1,232
Roading rate	3,022	3,011	3,621
Library services and Community Centres rate	4,595	4,596	4,518
Representation and Community Leadership rate	4,050	4,051	3,565
Aquatic centre (Swimming pool) rate	2,244	2,244	2,058
Stormwater rate	1,663	1,656	1,389
Wastewater Disposal rate	6,858	6,854	6,327
Total targeted rates excluding water rates	24,645	24,626	22,710
Water rates			
District wide	5,139	5,138	4,590
Foxton Beach	476	475	449
Metered water supply	1,416	1,551	1,214
Total targeted water rates	7,031	7,164	6,253
Total rates revenue (gross of remissions)	43,745	43,817	39,615
Net Rates			
Total rates revenue (gross)	43,745	43,817	39,615
Remissions under the Council remission policy	(337)	(370)	(347)
Total rate remissions	(337)	(370)	(347)
Total rates revenue net of remissions	43,408	43,447	39,268
Exchange transaction	–	–	–
Non-exchange transaction	43,408	43,447	39,268
Total transactions	43,408	43,447	39,268
Total rates revenue includes \$172,638 (2021 \$162,908) for rates paid by Horowhenua District Council on properties owned by Council			
Rateable properties	30 June 2022	30 June 2021	
Total properties	18,521	18,396	
Total land value	\$5,041,569,800	\$4,972,927,950	
Total capital value	\$10,022,728,850	\$9,677,052,250	

Horowhenua District Council's rates remissions policies allow Horowhenua District Council to remit rates on community groups, voluntary protected land, penalties, excessive water charges, remnant land, rating units in industrial and commercial areas used for residential purposes, small rate balances, targeted rates on non-rateable land, properties affected by disasters, unsold subdivision lots, bare land, contiguous rating units not in common ownership and Māori land.

In accordance with the Local Government (Rating) Act 2002, certain properties cannot be rated for general rates. These include schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute remission under Horowhenua District Council's Rates Remission Policy.

	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
2. Finance Revenue and Other Revenue				
2a. Finance revenue				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	70	48	75	55
Borrower notes	11	59	11	59
Total finance revenue	81	107	86	114
Exchange transactions	81	107	86	114
Non-exchange transactions	-	-	-	-
Total finance revenue transactions	81	107	86	114
2b. Subsidies and grants				
Waka Kotahi/NZTA government grants	7,243	7,205	7,243	7,205
Three Waters Stimulus fund	1,802	2,174	1,802	2,174
Private sector grants	-	807	-	807
Provincial Growth Fund	67	7,092	67	7,092
Other government grants	736	2,372	736	2,372
Total subsidies and grants	9,848	19,650	9,848	19,650
Exchange transactions	-	-	-	-
Non-exchange transactions	9,848	19,650	9,848	19,650
Total subsidies and grants transactions	9,848	19,650	9,848	19,650
2c. Fees and charges				
User charges	4,096	4,195	4,096	4,195
Rental revenue from commercial properties	145	146	145	146
Total fees and charges	4,241	4,341	4,241	4,341
Exchange transactions	232	191	232	191
Non-exchange transactions	4,009	4,150	4,009	4,150
Total fees and charges transactions	4,241	4,341	4,241	4,341
2d. Other revenue				
Infringements and fines	306	281	306	281
Rendering of services	1,075	658	1,075	658
Petrol tax	228	231	228	231
Dividend revenue	3	4	3	4
Insurance recoveries:				
- buildings	1	-	1	-
Regulatory revenue	3,394	3,007	3,394	3,007
Donations	13	65	13	65
Total other revenue	5,020	4,246	5,020	4,246
Exchange transactions	357	442	357	442
Non-exchange transactions	4,663	3,804	4,663	3,804
Total other revenue transactions	5,020	4,246	5,020	4,246

2. Finance Revenue and Other Revenue (cont.)	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
2e. Vested assets	5,628	2,612	5,628	2,612
2f. Development contributions	122	–	122	–
Total vested assets and development contributions	5,750	2,612	5,750	2,612
Exchange transactions	–	–	–	–
Non-exchange transactions	5,750	2,612	5,750	2,612
Total vested assets and development contributions transactions	5,750	2,612	5,750	2,612

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.

The vested assets income relates to infrastructure assets vested to Council as part of the subdivision process.

3. Other Gains/(Losses)		Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
	Note				
Non-financial instruments					
Gain/(loss) on changes in fair value of forestry assets	13	(171)	139	(171)	139
Gain/(loss) on changes in fair value of carbon credits		419	162	419	162
Gain on disposal of property, plant and equipment		246	19	246	19
Loss on disposal of property, plant and equipment		(309)	(955)	(309)	(955)
Gain/(loss) on changes in fair value of investment property	14	(210)	–	(210)	–
Total non-financial instruments		(25)	(635)	(25)	(635)
Financial instruments					
Gain/(loss) on revaluation of financial liabilities		–	–	–	–
Gain/(loss) on revaluation of financial assets		15	40	15	40
Total financial instruments		15	40	15	40
Total gains/(losses)		(10)	(595)	(10)	(595)

Properties sold during the year ending 30 June 2022

8 Signal Street
2 Carthew Terrace
Former Foxton Library

4. Employee Benefit Expenses		Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
	Note				
Salaries and wages		16,441	14,828	16,441	14,828
Increase/(decrease) in employee entitlements		90	211	90	211
Other employee benefit expenses		481	280	481	280
Employer contributions to superannuation schemes		439	390	439	390
Total employee benefit expenses		17,451	15,709	17,451	15,709

5. Other Operating Expenses		Council Actual \$ 30 June 2022 Note	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Fees to auditors					
Fees to Audit NZ for audit of the financial statements and performance information			183	174	183
Fees to Audit NZ for audit of the Long Term Plan for 2021-2041			–	94	–
Fees to Audit NZ for other services			5	–	5
Fees to Assurance CA firm for audit of Council's subsidiaries' financial statement				–	–
Total fees to auditors			188	268	188
Donations			–	–	–
Debtors written off		8	30	–	30
Impairment of receivables		8	347	–	347
Impairment of non-current assets for sale			–	315	–
Minimum lease payments under operating leases			118	210	118
Professional services			7,660	5,800	7,660
Asset maintenance contract expenditure			18,322	16,117	18,322
General grants			1,052	2,082	1,052
Expenditure on utilities			1,243	1,019	1,243
Other			3,907	3,785	3,910
Total other operating expenses			32,867	29,596	32,870
6. Finance Costs					
Interest on borrowings			2,497	2,399	2,497
Interest rate swaps (presented net)			591	166	591
Total finance costs			3,088	2,565	3,088
7. Cash and Cash Equivalents					
Cash at bank and in hand			5,998	4,402	6,024
Term deposits with maturities less than three months at acquisition			–	5,000	–
Total cash and cash equivalents			5,998	9,402	6,024
Cash and cash equivalents for the purpose of the statement of cash flows					
Cash at bank and in hand			5,998	4,402	6,024
Term deposits with maturities less than three months at acquisition			–	5,000	–
Bank overdrafts			–	–	–
Total cash and cash equivalents for the purpose of the statement of cash flows			5,998	9,402	6,024

The carrying value of cash at bank and short-term deposits with maturities less than three months approximates their fair value.

There are no financial assets recognised in a non-exchange transaction that are subject to restrictions.

8. Debtors and Other Receivables		Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
	Note				
Gross debtors and other receivables					
Rates receivables		2,529	2,904	2,529	2,904
Related party receivables	24	-	-	-	-
GST receivable		1,151	1,049	1,151	1,049
Other receivables		2,028	4,356	2,202	4,356
Total gross debtors and other receivables		5,708	8,309	5,708	8,309
Less provision for impairment of receivables		(724)	(1,102)	(724)	(1,102)
Net debtors and other receivables		4,984	7,207	4,984	7,207
Less non-current portion:		-	-	-	-
Total current portion debtors and other receivables		4,984	7,207	4,984	7,207
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.		4,906	7,033	4,906	7,033
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.		78	174	78	174
Total debtors and other receivables transactions		4,984	7,207	4,984	7,207

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 2022 and 2021 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 2022 and 2021 are detailed below:

	2022			2021		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Council						
Not past due	4,115	–	4,115	5,777	–	5,777
Past due < 1 year	2,228	724	1,504	2,892	1,102	1,790
Past due > 1 year	86	–	86	185	–	185
Total	6,428	724	5,704	8,854	1,102	7,752
Group						
Not past due	4,115	–	4,115	5,777	–	5,777
Past due < 1 year	2,228	724	1,504	2,892	1,102	1,790
Past due > 1 year	86	–	86	185	–	185
Total	6,428	724	5,704	8,854	1,102	7,752

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 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Individual impairment	724	1,102	724	1,102
Collective impairment	–	–	–	–
Total provision for impairment	724	1,102	724	1,102

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

Individual impairment				
Past due < 1 year	–	–	–	–
Past due > 1 year	724	1,102	724	1,102
Total individual impairment	724	1,102	724	1,102

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

At 01 July	1,102	1,102	1,102	1,102
Reduction of provisions made during the year	(347)	–	(347)	–
Debtors written off during period	(30)	–	(30)	–
Increase in infringement provision	–	–	–	–
At 30 June	724	1,102	724	1,102

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

	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
9. Other Financial Assets				
Current portion				
Inventories	36	21	36	21
Loans and receivables				
Short-term deposits with maturities of 4–12 months	350	350	350	350
Community loans	–	–	–	–
Total loans and receivables	350	350	350	350
Total current portion	386	371	386	371
Non-current portion				
Investment in CCOs and similar entities				
Unlisted shares in NZLGIC Limited	104	104	104	104
Unlisted shares in LGFA	100	100	100	100
Total investment in CCOs and similar entities	204	204	204	204
Investment in associates				
MW LASS	52	37	52	37
Total investment in associates	52	37	52	37
Other				
LGFA borrower notes	2,392	1,772	2,392	1,772
Deposits with maturities of over 12 months				
Investments carried at cost:				
Community loans	–	–	–	–
Total other	2,392	1,772	2,392	1,772
Total non-current portion	2,648	2,013	2,648	2,013
Total other financial assets	3,034	2,384	3,034	2,384

Fair value

All unlisted shares have been valued at cost and not fair value. The carrying amount of term deposits and LGFA borrower notes approximates their fair value.

	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Maturity analysis and effective interest rates:				
Short-term deposits with maturities 3 months or less	–	5,000	–	5,000
Average maturity	–	91 Days	–	91 Days
Weighted average effective interest rate	–	0.43%	–	0.43%
Short-term deposits with maturities of 4–12 months	350	350	350	350
Average maturity	365 Days	214 Days	365 Days	214 Days
Weighted average effective interest rate	4.24%	0.95%	4.24%	0.95%

Impairment

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

Community Loans	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
As at 01 July	-	81	-	81
Amount of new loans granted during the year	-	-	-	-
Fair value adjustment on initial recognition	-	-	-	-
Loans repaid during the year (principal and interest)	-	(81)	-	(81)
Unwind of discount and interest charged during the year	-	-	-	-
As at 30 June	-	-	-	-

10. Non-Current Assets Held for Sale	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Land & Buildings	-	1,090	-	1,090
Total assets held for sale	-	1,090	-	1,090

The Focal Point Cinema sale was expected to be completed by the end of the financial year but did not eventuate. It is now expected to be sold in the next financial year.

11. Property, Plant and Equipment (PPE) 2022 – Council & Group

2022	Cost / revaluation 1-Jul-21 \$000	Accumulated depreciation and impairment charges 1-Jul-21 \$000	Carrying amount 1-Jul-21 \$000	Additions 2021/22 \$000	Vested assets 2021/22 \$000	Disposals at cost 2021/22 \$000	Depreciation on disposals 2021/22 \$000	Depreciation 2021/22 \$000	Revaluation 2021/22 \$000	Impairment 2021/22 \$000	Cost transfers 2021/22 \$000	Accumulated depreciation transfers 2021/22 \$000	Cost / revaluation 30-Jun-22 \$000	Accumulated depreciation & impairment charges 30-Jun-22 \$000	Carrying amount 30-Jun-22 \$000
Council operational assets															
Land	18,035	-	18,035	1,049	-	(83)	-	-	7,822	-	-	-	26,823	-	26,823
Buildings	35,770	(792)	34,978	1,418	-	(81)	10	(766)	8,527	-	(232)	-	43,862	-	43,862
Library books and other lending stock	1,648	(913)	735	451	-	(200)	88	(132)	-	-	-	-	1,987	(1,045)	942
Plant and equipment	7,749	(4,327)	3,422	1,603	-	(244)	93	(774)	(84)	-	42	(6)	9,159	(5,107)	4,052
Total operational assets	63,202	(6,032)	57,170	4,521	-	(608)	191	(1,672)	16,265	-	(182)	(6)	81,831	(6,152)	75,679
Council infrastructural assets															
Wastewater treatment	51,821	(1,199)	50,622	4,805	-	-	-	(1,034)	(8,127)	-	-	-	46,274	(8)	46,266
Wastewater other	118,479	(2,697)	115,782	2,589	2,711	-	-	(2,736)	12,319	-	-	-	130,665	-	130,665
Water supply treatment	28,098	(1,037)	27,061	886	-	-	-	(915)	2,085	-	-	-	29,117	-	29,117
Water supply other	105,530	(2,500)	103,030	1,123	1,442	-	-	(2,507)	6,377	-	-	-	109,465	-	109,465
Stormwater drainage	48,242	(798)	47,444	2,269	1,165	-	-	(757)	6,075	-	-	-	50,609	(13)	56,196
Solid waste	6,365	(445)	5,920	1,846	-	-	-	(418)	-	-	-	-	8,211	(863)	7,348
Roads	190,331	(3,293)	187,038	8,400	-	-	-	(3,681)	19,810	-	-	-	211,567	-	211,567
Footpaths	44,732	(639)	44,093	712	-	-	-	(679)	4,672	-	-	-	48,798	-	48,798
Land under roads	24,285	-	24,285	-	-	-	-	-	-	-	-	-	24,285	-	24,285
Total infrastructural assets	617,883	(12,608)	605,275	22,630	5,318	-	-	(12,727)	43,211	-	-	-	664,591	(884)	663,707
Council restricted assets															
Cemeteries	1,517	(19)	1,498	22	-	-	-	(22)	775	-	-	-	2,273	-	2,273
Parks and reserves	51,708	(1,390)	50,318	3,463	310	-	-	(1,187)	21,448	-	(71)	6	74,287	-	74,287
Endowment properties	12,090	(71)	12,019	388	-	(595)	-	(238)	8,058	-	-	-	19,632	-	19,632
Total restricted assets	65,315	(1,480)	63,835	3,873	310	(595)	-	(1,447)	30,281	-	(71)	6	96,192	-	96,192
Total Council PPE	746,400	(20,120)	726,280	31,022	5,628	(1,203)	191	(15,846)	89,787	-	(253)	-	842,614	(7,036)	835,578

Work in Progress	30 June 2022	30 June 2021
Land	\$77,497	\$-
Buildings	\$1,252,201	\$438,818
Wastewater	\$3,961,160	\$15,637,369
Water	\$-	\$439,888
Parks	\$657,983	\$68,314
Plant & Equipment	\$230,967	\$107,175
Solid Waste	\$-	\$-
Stormwater	\$959,604	\$836,705
Cemeteries	\$-	\$49
Total	\$7,139,412	\$17,528,318

The Work in Progress in the table is included in the above asset schedule.

Restrictions on Title

There are no pledges or restrictions on titles for any properties, plant or equipment as per the accounting policies for restricted assets.

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

Valuation

Operational land and buildings:

At "fair value" was determined from market-based evidence by an independent valuer, and where the value of the asset is not able to be readily determined using market based evidence, depreciated replacement cost has been used to determine fair value. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 30 June 2022.

Restricted land and buildings: Parks, cemeteries and endowment land:

At "fair value" was determined from market-based evidence by an independent valuer, and where the value of the asset is not able to be readily determined using market based evidence, depreciated replacement cost has been used to determine fair value. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 30 June 2022.

Infrastructural asset classes: Roadings:

The "fair value" is measured using the optimised depreciated replacement cost method. The valuation is based on the inventory within the Road Assessment and Maintenance Management (RAMM) database and unit prices updated as part of the valuation. The rates for replacement costs of assets are based on current construction costs of similar works. Rates for major items are equivalent rates for similar roading work in other parts of the Wellington region. Unit rates have been adjusted using the appropriate roading construction index. The condition of Roadings assets was not considered as part of the Roadings revaluation because the confidence levels in the condition data was not high enough to be relied upon. There was an assumption made that there has been no change to the fair value of useful life (UL)/Remaining useful life (RUL) due to the conditions of the assets.

The most recent independent valuation with an effective date of 30 June 2022 was performed internally with external peer review by GHD.

Infrastructural asset classes: Water reticulation, sewerage reticulation and stormwater systems:

The fair value is measured using the optimised depreciated replacement cost method. Valuations are based on the physical attributes of the assets, their condition and their remaining lives based on Council's best information reflected in its assets management plans. The costs are based on current quotes from suppliers and as such they include ancillary cost such as breaking through seal, traffic control and rehabilitation. Unit rates are adjusted using the appropriate water and environmental management index.

Infrastructural assets were revalued in two parts, one part made up of three waters reticulation and treatment plants the other Infrastructure land and buildings. Three waters reticulation and treatment plants were independently valued with an effective date of 30 June 2022 which was performed by WSP New Zealand.

Infrastructural asset classes: Land and building portion of treatment plants:

At "fair value" was determined from market-based evidence by an independent valuer, and where the value of the asset is not able to be readily determined using market based evidence, depreciated replacement cost has been used to determine fair value. The most recent valuation was performed by B D Lavender (ANZIV, SNZPI) of TelferYoung and the valuation is effective as at 30 June 2022.

11. Property, Plant and Equipment (PPE) 2021 – Council & Group

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

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 2022 – Council & Group

2022	Cost / revaluation 1-Jul-21 \$000	Accumulated amortisation and impairment charges 1-Jul-21 \$000	Carrying amount 1-Jul-21 \$000	Additions 2021/22 \$000	Vested Assets 2021/22 \$000	Disposals at Cost 2021/22 \$000	Amortisation on Disposals 2021/22 \$000	Amortisation 2021/22 \$000	Revaluation 2021/22 \$000	Cost transfers 2021/22 \$000	Accumulated depreciation transfers 2021/22 \$000	Cost / revaluation 2021/22 \$000	Accumulated amortisation and impairment charges 30-Jun-22 \$000	Carrying amount 30-Jun-22 \$000
Council intangible assets														
Easements	265	–	265	–	–	–	–	–	31	–	–	296	–	296
Carbon credits	609	–	609	419	–	–	–	–	–	–	–	1,028	–	1,028
Computer software	4,861	(4,272)	589	71	–	–	–	(245)	–	–	–	4,932	(4,517)	415
Total council intangible assets	5,735	(4,272)	1,463	490	–	–	–	(245)	31	–	–	6,256	(4,517)	1,739

12. Intangible Assets 2021 – Council & Group

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

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 2022 \$000	Council and Group Actual \$ 30 June 2021 \$000
	Note		
Balance at 01 July		1,248	1,090
Gains / (losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	3	(171)	139
Purchase of trees		32	19
Harvest of trees at the POT		–	–
Total Forestry assets		1,110	1,248

Council owns 133.3 hectares of pinus radiata forest and other harvestable trees, which are at varying stages of maturity ranging from one to 28 years. This consists of the Ferry Reserve 11.9 ha, Purcell St Transfer Station 3.9 ha, Hōkio Landfill 38.6 ha and Target Reserve 23.4 ha. The POT forest has been harvested and replanted over the last two years. The net stocked area of the forest is now 55.5 ha (2021: 33.5 ha).

Independent registered valuers, Forme Consulting Ltd, have valued the forestry assets as at 30 June 2022. Valuation assumptions adopted in determining the fair value of the forestry assets include:

- a pre-tax discount rate of 7.9% (2021: 7.9%) has been used in discounting the present value of expected cash returns;
- the value of the land and the cost of owning the land are not allowed for in the valuation;
- the estimated net stocked forest area is based on aerial mapping records;
- trend log prices are based on an average of the last six quarters; and
- costs are current average costs.

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 2022 \$000	Council and Group Actual \$ 30 June 2021 \$000
	Note		
Balance at 01 July		-	-
Additions from acquisitions		4	-
Additions from subsequent expenditure		-	-
Disposals		-	-
Transfer from / (to) assets held for sale		1,090	-
Fair value gains / (losses) on valuation	3	(220)	-
Total Commercial property		884	-

Horowhenua District Council's investment properties are valued annually at fair value effective 30 June 2022. All investment properties were valued based on open market evidence. The valuation was performed by Bruce Lavender ANZIV, an independent valuer from TelferYoung, experienced valuers with extensive market knowledge in the types of investment properties owned by Horowhenua District Council.

The market value at 30 June 2022 was \$884,000 which has taken into account all the improvements made to that time. Assumptions vary depending on the item being valued. Land is based on current sales, Leasehold Land is based on recent market sales evidence and commercial properties is determined by rental achieved or achievable with appropriate capitalisation return indicating property worth.

Revenue and Expense from Commercial Property	Council and Group Actual \$ 30 June 2022 \$000	Council and Group Actual \$ 30 June 2021 \$000
Rental revenue	97	92
Direct operating expenses from commercial property generating revenue	(51)	(59)
Direct operating expenses from commercial property not generating revenue	-	-
Contractual obligations for capital expenditure	-	-
Contractual obligations for operating expenditure	-	-
Surplus / (deficit) from investment property	46	33

15. Payables and Deferred Revenue		Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
	Note				
Trade payables		8,833	9,166	8,832	9,165
Amounts due to related parties	24	-	-	-	-
Deposits and bonds		1,511	2,599	1,511	2,599
Accrued expenses		1,940	1,233	1,940	1,233
Rates and other revenue in advance		2,247	1,888	2,247	1,888
Rates instalment		-	-	-	-
Other		1,017	712	1,017	712
Term deposit held for Shannon Community Trust		350	350	-	-
Total payables and deferred revenue		15,898	15,948	15,547	15,597
Exchange transactions		13,615	11,803	13,265	11,452
Non-exchange transactions		2,283	4,145	2,283	4,145
Total payables and deferred revenue transactions		15,898	15,948	15,547	15,597

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 2022 \$000	Council and Group Actual \$ 30 June 2021 \$000
Current provisions are represented by:		
Landfill aftercare	1,614	30
Total current provisions	1,614	30
Non-current provisions are represented by:		
Landfill aftercare	7,097	5,381
Total non-current provisions	7,097	5,381
Total provisions	8,711	5,411
Landfill aftercare		
Opening balance	5,411	6,455
Additional provisions made during the year	3,300	(1,044)
Unwinding of discount	-	-
Amounts used during the year	-	-
Closing landfill aftercare balance	8,711	5,411

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 2022 (30 June 2021: \$Nil). Refer to Note 23.

Provision for landfill aftercare costs

Horowhenua District Council gained resource consent in 2002 to operate a landfill near Levin. Horowhenua District Council has responsibility under the resource consent to provide ongoing maintenance and monitoring of the landfill after the site is closed.

Cash outflows for landfill post-closure costs are already being incurred for closed cells, (a cell is a set area of the landfill) that has and will increase as each current and future cell is closed (that time is between 2022 and 2052). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and using discount rates ranging from 3.34% to 4.47% (2021: 0.38% to 3.55%). The inflation factor is the Treasury's CPI assumption with rates ranging from 3.34% to 4.28% (2021: 1.88% to 1.93%). The gross provision before discounting was \$14.1m (2021: \$11.43m).

The provision was estimated by P Landmark of Stantec New Zealand as at 30 June 2022 (2021: P Landmark of Stantec New Zealand). P Landmark of Stantec New Zealand is an independent valuer.

Assumptions have been made that additional remediation, including clay capping, is required and that environmental monitoring will be increased. It has also been assumed that pumping operations will need to continue for a period of at least 30 years after the closure of the landfill and post-closure costs have been assumed from information presented in the Ministry for the Environment (MfE) Closed Landfills Guideline.

The remaining capacity of the consented landfill is approximately 540,000 cubic metres (2021: 562,900), net volume (total volume less capping volume).

The estimated remaining life is approximately 15 years (2021: 14 years). The estimate is longer than last year due to reduced waste volumes assumed indicating the landfill won't reach capacity before the consent expires in 2037.

17. Employment Benefit Liabilities	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Accrued pay	308	200	308	200
Annual leave	1,238	1,222	1,238	1,222
Long service leave	330	256	330	256
Retirement gratuities	–	–	–	–
Total employee benefit liabilities	1,876	1,678	1,876	1,678
Comprising:				
Current	1,546	1,422	1,546	1,422
Non-current	330	256	330	256
Total employee benefit liabilities	1,876	1,678	1,876	1,678

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.

	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
18. Borrowings				
Current				
Bank overdraft	–	–	–	–
Secured loans	25,000	28,000	25,000	28,000
Total current borrowings	25,000	28,000	25,000	28,000
Non-current				
Secured loans	99,000	80,000	99,000	80,000
Total non-current borrowings	99,000	80,000	99,000	80,000
Total borrowings	124,000	108,000	124,000	108,000

Horowhenua District Council manages its borrowings in accordance with its funding and financial policies, including a liability management policy, which has been adopted as part of Horowhenua District Council's Long Term Plan (LTP).

Fixed rate debt

Horowhenua District Council's secured debt of \$70,000,000 (2021: \$52,000,000) is issued at rates of interest fixed at time of issue.

Floating rate debt

Horowhenua District Council has \$54,000,000 of secured debt on current floating rate (2021: \$56,000,000). 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 (2021: Nil).

Committed cash advance facility

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

Credit card

Horowhenua District Council has a total Mastercard facility of \$50,000 with BNZ. There are three credit cards on issue with a total limit of \$30,000. The current balances of the cards on issue are recorded in the financial statements but the remaining balance of the total facility are not recorded in the financial statements.

Security

All Horowhenua District Council's secured loans are secured under the terms of the Debenture Trust Deed between Horowhenua District Council and Covenant Trustee Services Ltd as Trustee. Security is by a charge over Council's ability to levy rates in favour of the Trustee. Pursuant to the Debenture Trust Deed, Horowhenua District Council has issued to its bankers security certificates totalling \$163m to secure the various bank loan facilities and guarantees issued on behalf of Horowhenua District Council and other general banking facilities. An additional \$16,770m of security certificates have been issued as part of the Local Government Funding Agency agreement to jointly secure debt issues with other shareholding Councils.

The following is a maturity analysis of Horowhenua District Council's borrowings. There are no early repayment options.

Council and Group	Secured Loans	Secured Loans	Bank Overdraft	Bank Overdraft
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Less than one year	25,000	28,000	-	-
Effective weighted average interest rate	2.84%	0.63%	-	-
Later than one year but not more than five years	71,000	49,000	-	-
Effective weighted average interest rate	3.68%	3.80%	-	-
Later than five years	28,000	31,000	-	-
Effective weighted average interest rate	2.31%	2.25%	-	-
Total borrowings	124,000	108,000	-	-

Fair value of borrowings

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

Council and Group	Carrying Amounts		Fair Values	
	Actual \$	Actual \$	Actual \$	Actual \$
	30 June	30 June	30 June	30 June
	2022	2021	2022	2021
	\$000	\$000	\$000	\$000
Secured Loans	124,000	108,000	124,000	108,000
Total borrowings	124,000	108,000	124,000	108,000

The carrying amounts of borrowings repayable within one year approximate their fair value. The fair values are based on cash flow using a rate based on the weighted borrowing rates ranging from 1.4800% to 5.1336% (2021: 0.5600% to 5.5000%).

Internal borrowings

Information about internal borrowings per activity is provided on the activity funding impact statements on pages 55 and 145.

LGFA Covenant Compliance		LGFA Lending Policy	Actual 30 June 2022	Actual 30 June 2021
	Council Limits			
Net debt to total operating revenue	< 225%	< 300%	189%	146%
Net interest to total operating revenue	< 20%	< 20%	5%	4%
Net interest to annual rates revenue	< 25%	< 25%	7%	6%
Available financial accommodation to external indebtedness	> 110%	> 110%	117%	120%

The net debt to total operating revenue Council limit and LGFA lending policy limit are different because a 175% limit is for councils without a credit rating and the 300% limit are for councils that do. Council has reset its limit to 225% in the 2021/41 LTP and has an AA- credit rating from Standard and Poor's.

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

	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
19. Derivative Financial Instruments				
Asset				
Current asset				
Interest rate swaps – cashflow hedges	192	–	192	–
Non-current asset				
Interest rate swaps – cashflow hedges	901	–	901	–
Total derivative financial instrument asset	1,093	–	1,093	–
Liability				
Current liability				
Interest rate swaps – cashflow hedges	104	702	104	702
Non-current liability				
Interest rate swaps – cashflow hedges	71	1,296	71	1,296
Total derivative financial instrument Liability	175	1,998	175	1,998
Gain or loss on derivative financial instruments				
Opening balance	1,998	3,515	1,998	3,515
Closing balance	(918)	1,998	(918)	1,998
Derivative gain/(loss)	2,916	1,517	2,916	1,517

Fair value

The fair value of interest rate swaps have been derived using a discounted cash flows valuation technique based on quoted market prices.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for Horowhenua District Council were \$26m (2021: \$26m and for the Horowhenua District Council group were \$26m (2021: \$26m). At 30 June 2022, the fixed interest rate of the cash flow hedge interest rate swaps varied from 2.150% and 4.750% (2021 2.150% and 4.750%).

	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
20. Other Non-Current Liabilities				
Development contributions	–	–	–	–
LGFA amortisations	–	(17)	–	(17)
Total other non-current liabilities	–	(17)	–	(17)

21. Equity	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Retained earnings				
As at 01 July	254,154	245,387	254,529	245,762
Transfers to:				
Special funds	(826)	(592)	(826)	(592)
Transfers from:				
Special funds	803	438	803	438
Asset revaluation reserve on disposals		-	-	-
Surplus / (deficit) for the year	(1,543)	8,921	(1,541)	8,921
As at 30 June	252,588	254,154	252,965	254,529
Other reserve funds (refer to separate schedule on page)				
As at 01 July	9,765	9,611	9,765	9,611
Transfers to:				
Retained earnings	(803)	(438)	(803)	(438)
Transfers from:				
Retained earnings	826	592	826	592
As at 30 June	9,788	9,765	9,788	9,765
Asset revaluation reserves				
As at 01 July	352,517	336,066	352,517	336,066
Revaluation gains / (losses)	89,788	16,451	89,788	16,451
Transfers to:				
Retained earnings on disposal of Property, plant and equipment	-	-	-	-
As at 30 June	442,305	352,517	442,305	352,517
Asset revaluation reserves consist of				
Operational assets				
Land and Buildings	32,164	15,868	32,164	15,868
Infrastructural assets				
Sewerage system	101,127	96,935	101,127	96,935
Water system	91,667	83,205	91,667	83,205
Stormwater drainage system	34,879	28,804	34,879	28,804
Solid waste	1,845	1,845	1,845	1,845
Road network	120,734	96,252	120,734	96,252
Restricted assets				
Cemeteries	869	94	869	94
Parks and reserves	43,807	22,359	43,807	22,359
Endowment property	15,213	7,155	15,213	7,155
Total asset revaluation reserves	442,305	352,517	442,305	352,517
Total equity	704,681	616,436	705,058	616,811

Refer to reserve funds statement, pages 199 to 202 for details on restricted reserves and Council-created reserve funds.

22. Capital Commitments and Operating Leases	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
PPE capital commitments				
Wastewater treatment	-	873	-	873
Water treatment	-	-	-	-
Wastewater other	2,523	-	2,523	-
Water other	-	-	-	-
Stormwater	933	-	933	-
Roading	1,678	-	1,678	-
Buildings	-	-	-	-
Parks	618	389	618	389
Total PPE capital commitments	5,752	1,262	5,752	1,262

Council has entered into an agreement with Alliance for the provision of service to carry out the capital programme as per the Annual Plan.

Operating leases as lessee

Horowhenua District Council leases Property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

Operating Leases as Lessee	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Non-cancellable operating leases as lessee				
Less than one year	59	137	59	137
Later than one year but not more than five years	16	47	16	47
Later than five years	-	-	-	-
Total non-cancellable operating leases	75	184	75	184

Leases can be renewed at Horowhenua District Council's option, with rents set by reference to current market rates of equivalent age and condition. Horowhenua District Council does have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on Horowhenua District Council by any of the leasing arrangements.

Operating leases as lessor

Horowhenua District Council leases its investment properties, Foxton Beach endowment land and other property under operating leases. The majority of the investment and endowment property leases are leases in perpetuity and therefore non-cancellable; the majority of the other leases are cancellable. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

Operating Leases as Lessor	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Non-cancellable operating leases as lessor				
Less than one year	385	248	385	248
Later than one year but not more than five years	1,193	860	1,193	860
Later than five years	732	701	732	701
Total non-cancellable operating leases	2,310	1,808	2,310	1,808

Figures for later than five years are impracticable because most of the leases are in perpetuity. The total annual lease amounts are expected to be at least those indicated above.

No contingent rents have been recognised in the statement of financial performance during the period.

23. Contingencies	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Guarantees	5,219	5,219	5,219	5,219
Government grant	-	-	-	-
Total contingencies	5,219	5,219	5,219	5,219

Guarantees

The value of guarantees disclosed as contingent liabilities reflects Horowhenua District Council's assessment of the undiscounted portion of financial guarantees that are not recognised in the statement of financial position. See Note 16 Provisions, for information on recognised financial guarantees.

A condition of the sale of residential housing to Compassion Horowhenua was that the suspensory loan from Housing NZ to build the Cambridge St flats will transfer to Sisters of Compassion, but Council will issue security stock as guarantee for the loan. The maximum financial exposure 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. Council has now withdrawn from the Risk Pool but still has insurance cover via an insurance broker. Risk Pool operates as a mutual fund where each member makes an annual contribution to obtain cover; however, should claims exceed contributions then calls can be made on the members of that fund year for the shortfall amount. Risk Pool has advised that further calls may be made to Council for past pool periods. Horowhenua District Council has budgeted monies in its current Long Term Plan (LTP) to cover these calls.

Council has several ongoing legal proceedings. The outcome of these remains uncertain at the end of the reporting period. The maximum financial exposure is anticipated to be \$200,000

Horowhenua District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (LGFA). The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of AA+.

Horowhenua District Council is one of 30 local authority shareholders and 68 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 2022, NZLGFA had borrowings totalling \$15,789m (2021: \$13,610m).

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

- Council is not aware of any local authority debt default events in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

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

Personal grievances claims represent amounts claimed by employees for personal grievances cases. There are no open personal grievances claims as at 30 June 2022 (2021: 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 is 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 2022 there were 22 facilities having an approximate value of \$20.59m (2021: 24 facilities, \$20.56m). This estimate has been based on district rating valuations.

Horowhenua District Council also has a contingent asset in the land sold to the Foxton Medical Trust, which, should the Foxton Medical Trust sell the land, Council will receive the market value at the time of transfer.

24. Related Party Transactions

Manawatū/Whanganui Local Authorities Shared Services Limited (MW LASS)

This company was set up in 2008 by seven local councils to investigate the possibilities of economies of scale by joint procurement.

To date there has been one call on share capital and the company is now trading. Horowhenua District Council owns one-seventh or 14% of this company and has a \$16,000 share capital.

The company is considered to be a Council Controlled Organisation under the Local Government Act 2002 but the member councils have resolved that it is exempt for the purposes of section 6(4)(i) of that Act for 2021/22 and 2020/21.

Related Party Transactions	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000
Total MW LASS related party transactions	126	124

Shannon Community Development Trust

The Council holds \$350,000 (2021: \$350,000) on deposit on behalf of the Shannon Community Development Trust.

Key management personnel

During the year key management personnel (the Mayor, Councillors and senior managers) were involved in minor transactions with Horowhenua District Council (e.g., payment of rates, purchase of rubbish bags, and registration of dogs) as part of a normal customer relationship. In addition, the following transactions were conducted with key management personnel:

Transactions with Key Management Personnel	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000
Wayne Bishop Builder Limited – in which Cr Wayne Bishop is a director / shareholder	–	20
EM SERVICES (2020) LIMITED – in which Cr Ross Brannigan is a director / shareholder	145	–
The George Café 2018 Limited – in which Cr Wayne Bishop is a director / shareholder	–	–
Brady Electrical and Control Ltd – in which Nicki Brady is a director / shareholder	20	15
Arohamai Aotearoa Literacy Inc. – in which Cr David Allan is a director / shareholder	–	–
Nua Bins Limited – in which Cr Todd Isaacs is a director / shareholder	2	–
McLeods Book Centre (1965) Limited – in which Mayor Bernie Wanden is a director / shareholder	12	11
Total transactions with key management personnel	179	45

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2021: \$Nil).

Foxton Beach Community Board Members

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

Related Party Transactions	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000
Foxton Beach Community Board members		
Mastermix Packaging Ltd (in which Tricia Metcalf is a shareholder)	12	–
Total transactions with Foxton Beach Community Board members	12	–

Key Management Personnel Compensation	Council Actual \$ 30 June 2022	Council Actual \$ 30 June 2021
Remuneration		
Councillors	568,563	558,846
Senior management team, including the Chief Executive	1,640,708	1,518,841
Total key management personnel remuneration	2,209,271	2,077,687
Full-time equivalent key management personnel		
Councillors*	11	11
Senior management team, including the Chief Executive	7	6
Total full-time equivalent key management personnel	18	17

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

25. Remuneration	Council Actual \$ 30 June 2022	Council Actual \$ 30 June 2021
Chief Executives		
David Clapperton (1 July 2021 - 21 January 2022)		
Salary	336,463	309,985
Vehicle (FBT value)	8,425	15,000
Final holiday pay	97,560	-
David Wright - Interim CE (31 January 2022 - 1 May 2022)		
Salary	169,855	-
Vehicle (FBT value)	-	-
Final holiday pay	-	-
Monique Davidson (2 May 2022 - 30 June 2022)		
Salary	54,181	-
Vehicle (FBT value)	2,466	-
Final holiday pay	-	-
Total Chief Executive remuneration	668,950	324,985

Note 25 includes payments made to the former, interim, and current Chief Executives during the year ending 30 June 2022.

	Council Actual \$ 30 June 2022		Council Actual \$ 30 June 2021	
Elected representatives	Remuneration	Other Allowances	Remuneration	Other Allowances
Mayor				
B Wanden	128,991	2,113	125,695	3,013
Councillors:				
D Allen	38,900	3,402	38,332	2,317
W Bishop	38,900	1,292	38,332	808
R Brannigan	38,900	1,292	38,332	1,503
T Isaacs	38,900	1,292	38,332	966
S Jennings	38,900	1,292	38,332	987
V Kaye-Simmons	46,680	1,292	45,998	808
R Ketu	38,900	1,292	38,332	1,538
J Mason	70,022	1,292	68,998	808
C Mitchell	42,790	1,292	42,165	808
P H Tukapua	46,680	1,292	45,998	808
Total elected representatives' remuneration	568,563	17,143	558,846	14,364
Foxton Beach Community Board				
D Roache (Chair)	12,704	1,292	12,518	808
T Chambers	6,352	1,292	6,259	808
J Girling	6,352	1,292	6,259	998
P Metcalf	6,352	1,292	6,259	808
N Newland	1,954	392	6,259	808
Total Foxton Beach Community Board remuneration	33,714	5,560	37,554	4,230

	Council Actual 30 June 2022
Council employees	
Total annual remuneration by band	
<\$60,000	126
\$60,000 – \$79,999	51
\$80,000 – \$99,999	44
\$100,000 – \$119,999	20
\$120,000 – \$139,999	10
\$140,000 – \$159,999	8
\$160,000 – \$259,999	6
\$260,000 – \$339,999	1
Total Council employees	266

	Council Actual 30 June 2021
Council employees	
Total annual remuneration by band	
<\$60,000	113
\$60,000 – \$79,999	51
\$80,000 – \$99,999	29
\$100,000 – \$119,999	14
\$120,000 – \$139,999	10
\$140,000 – \$259,999	7
\$260,000 – \$339,999	1
Total Council employees	225

Total remuneration includes any non-financial benefits provided to employees.

At balance date, Council employed 160 (2021: 139) full-time employees, with the balance of staff representing 51 (2021: 49) full-time equivalent employees. A full-time employee is determined on the basis of a 40-hour working week.

26. Severance Payments

For the year ended 30 June 2022 Horowhenua District Council made 0 severance payments to employees totalling \$0 (2021: \$0).

27. Events After the Balance Sheet Date

There have been no events after 30 June 2022 that have impacted the accounts. In February, Cyclone Gabrielle hit the north island of New Zealand. Horowhenua District Council was not impacted by this event.

28. Financial Instruments

28a. Financial Instrument Categories	Note	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Financial assets					
Loans and receivables					
Cash and cash equivalents	7	5,998	9,402	6,024	9,426
LGFA borrower notes	9	2,392	1,772	2,392	1,772
Debtors and other receivables	8	4,984	7,207	4,984	7,207
Other financial assets:					
– Term deposits	9	350	350	350	350
– Community loan	9	–	–	–	–
Total loans and receivables		13,724	18,731	13,750	18,755
Fair value through surplus or deficit					
Derivative financial instrument liabilities	19	1,093	–	1,093	–
Total fair value through surplus or deficit		1,093	–	1,093	–
Fair value through other comprehensive revenue and expense					
Unlisted shares in NZLGIC Limited	9	104	104	104	104
Unlisted shares in LGFA	9	100	100	100	100
Total fair value through other comprehensive revenue and expense		204	204	204	204
Total financial assets		15,021	18,935	15,047	18,959
Financial Liabilities					
Fair value through surplus or deficit – held for trading					
Derivative financial instrument liabilities	19	175	1,998	175	1,998
Financial liabilities at amortised cost					
Creditors and other payables	15	15,898	15,948	15,547	15,597
Borrowings:					
– bank overdraft	7	–	–	–	–
– secured loans	18	124,000	108,000	124,000	108,000
Total financial liabilities at amortised cost		139,898	123,948	139,547	123,597
Total financial liabilities		140,073	125,946	139,722	125,595

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 measured at fair value in the statement of financial position:

	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non- observable inputs \$000
Council 2022				
Financial assets				
Shares	204	–	–	204
Swap derivatives	1,093	–	1,093	–
Financial liabilities				
Swap derivatives	175	–	175	–
Group 2022				
Financial assets				
Shares	204	–	–	204
Swap derivatives	1,093	–	1,093	–
Financial liabilities				
Swap derivatives	175	–	175	–
Council 2021				
Financial assets				
Shares	204	–	–	204
Financial liabilities				
Swap derivatives	1,998	–	1,998	–
Group 2021				
Financial assets				
Shares	204	–	–	204
Financial liabilities				
Swap derivatives	1,998	–	1,998	–

Market Risk

Price risk

Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices. Horowhenua District Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to movements in fair value of unlisted securities. This price risk is managed by a prohibition of further share investment in Horowhenua District Council's Investment Policy.

Horowhenua District Council holds unlisted equity instruments in Civic Financial Services Limited, which are not publicly traded. If the fair value of the shares had moved plus or minus 5%, the effect would have been to increase/decrease the fair value through equity reserve by \$5,200 (2021: \$5,200).

Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Horowhenua District Council is not exposed to currency risk, as it does not enter into foreign currency transactions.

Interest rate risk

The interest rates on Horowhenua District Council's investments are disclosed in Note 9 and on Horowhenua District Council's borrowings in Note 18.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowing issued at fixed rates exposes the Horowhenua District Council to fair value interest rate risk. Horowhenua District Council's liability management policy outlines the level of borrowing that is to be secured using fixed rate instruments. Fixed to floating interest rate swaps are entered into to hedge the fair value interest rate risk arising where Horowhenua District Council has borrowed at fixed rates. In addition, investments at fixed interest rates expose the Horowhenua District Council to fair value interest rate risk.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Horowhenua District Council to cash flow interest rate risk.

Horowhenua District Council manages its cash flow interest rate risk on borrowings by borrowing primarily at fixed rates and taking out swap contracts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to Horowhenua District Council, causing Horowhenua District Council to incur a loss. Debtors and other receivables mainly arise from Horowhenua District Council's statutory functions, therefore there are no procedures in place to monitor or report the quality of debtors and other receivables with reference to internal or external credit ratings. Horowhenua District Council has no significant concentrations of credit risk, as it has a large number of credit customers, mainly ratepayers, and Horowhenua District Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

The Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in Note 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 Council does not require any collateral or security to support these financial instruments.

Maximum exposure to credit risk

Horowhenua District Council's maximum credit exposure for each class of financial instrument is as follows:

Maximum Exposure to Credit Risk	Note	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Cash at bank and term deposits	7	6,348	9,402	6,374	9,426
Debtors and other receivables	8	4,984	7,207	4,984	7,207
Total credit risk		11,332	16,609	11,358	16,633

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 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Cash at bank and term deposits:					
AA –	7	6,348	9,402	6,374	9,426
Total cash at bank and term deposits		6,348	9,402	6,374	9,426

Liquidity Risk**Management of liquidity risk**

Liquidity risk is the risk that Horowhenua District Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Horowhenua District Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Horowhenua District Council maintains a target level of investments that must mature within the next 12 months.

Horowhenua District Council manages its borrowings in accordance with its funding and financial policies, which includes a liability management policy. These policies have been adopted as part of Horowhenua District Council's LTP.

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

Council is exposed to liquidity risk as a guarantor of all LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in Note 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.

		Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Council 2022							
Creditors and other payables	15	15,898	15,898	15,898	-	-	-
Secured loans	18	124,000	127,375	25,709	11,375	61,645	28,646
Swap derivatives	19	175	175	19	156	-	-
Total		140,073	143,448	41,627	11,530	61,645	28,646
Group 2022							
Creditors and other payables	15	15,548	15,548	15,548	-	-	-
Secured loans	18	124,000	127,375	25,709	11,375	61,645	28,646
Swap derivatives	19	175	175	19	156	-	-
Total		139,723	143,098	41,277	11,530	61,645	28,646
Council 2021							
Creditors and other payables	15	15,948	15,948	15,948	-	-	-
Secured loans	18	108,000	115,270	29,886	15,700	38,108	31,576
Swap derivatives	19	1,998	2,028	704	561	760	3
Total		125,946	133,246	46,538	16,261	38,868	31,579
Group 2021							
Creditors and other payables	15	15,597	15,597	15,597	-	-	-
Secured loans	18	108,000	115,270	29,886	15,700	38,108	31,576
Swap derivatives	19	1,998	2,028	704	561	760	3
Total		125,595	132,895	46,187	16,261	38,868	31,579

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
Council 2022							
Cash and cash equivalents	7	5,998	5,998	5,998	–	–	–
Debtors and other receivables	8	4,984	4,984	4,984	–	–	–
Other financial assets:							
Term deposits	9	350	365	365	–	–	–
Community loan	9	–	–	–	–	–	–
Total		11,332	11,347	11,347	–	–	–
Group 2022							
Cash and cash equivalents	7	6,024	6,024	6,024	–	–	–
Debtors and other receivables	8	4,984	4,984	4,984	–	–	–
Other financial assets:							
Term deposits	9	350	365	365	–	–	–
Community loan	9	–	–	–	–	–	–
Total		11,358	11,373	11,373	–	–	–
Council 2021							
Cash and cash equivalents	7	9,402	9,402	9,402	–	–	–
Debtors and other receivables	8	7,207	7,207	7,207	–	–	–
Other financial assets:							
Term deposits	9	350	351	351	–	–	–
Community loan	9	–	–	–	–	–	–
Total		16,959	16,960	16,960	–	–	–
Group 2021							
Cash and cash equivalents	7	9,426	9,426	9,426	–	–	–
Debtors and other receivables	8	7,207	7,207	7,207	–	–	–
Other financial assets:							
Term deposits	9	350	351	351	–	–	–
Community loan	9	–	–	–	–	–	–
Total		17,363	17,364	17,364	–	–	–

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 2022 –100bps	Council & Group 30 June 2022 +100bps	Council & Group 30 June 2021 –100bps	Council & Group 30 June 2021 +100bps
Financial assets				
Cash and cash equivalents	(60)	60	(94)	94
Financial liabilities				
Borrowings	540	(540)	560	(560)

Cash and cash equivalents include deposits at call totalling \$5,998,000 (2021: \$9,402,000) which are at floating rates. A movement of interest rates of plus or minus 1% has an effect on interest income of \$59,980 (2021: \$94,020).

Borrowings include total debt of \$54,000,000 (2021 \$56,000,000) on current floating rates.

29. Budgets for year ended 30 June 2022

Budgets are as per the 2021/41 Long Term Plan year 1, 2021/22.

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 (2021: \$Nil).

32. Reconciliation of surplus with cash flows from operating activities	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
Surplus (deficit)	(1,543)	8,921	(1,543)	8,921
Add / (less) non-cash items:				
Depreciation and amortisation	16,091	15,399	16,091	15,399
Other including vested and donated assets	(5,628)	(2,612)	(5,628)	(2,612)
Net gains and losses on Landfill provision	3,300	1,044	3,300	1,044
Net gains and losses on derivative financial instruments	(2,916)	(1,517)	(2,916)	(1,517)
Increase / (decrease) in other assets	42	(1,492)	42	(1,492)
Increase / (decrease) in non-current liabilities	74	49	74	49
Add / (less) movements in working capital:				
Increase / (decrease) in accounts receivable	1,682	(984)	1,682	(984)
Increase / (decrease) in stock on hand	(15)	(6)	(15)	(6)
Increase / (decrease) in current liabilities	441	1,830	441	1,830
Net cash flows from operating activities	11,528	20,632	11,530	20,632

33. Capital Management

Council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted by the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long Term Plan (LTP) and its annual plan (where applicable) to meet the expenditure needs identified in those plans and the Act sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the financial policies in Council's LTP.

Horowhenua District Council has the following Council-created reserves:

- reserves for different types of rates;
- reserves for the repayment of loans;
- depreciation funds.

Refer to pages 199 to 202 for Council-created reserves.

34. Depreciation and Amortisation Expense by Group of Activity	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000
Community support	9	9
Regulatory services	110	85
Community facilities	1,019	978
Community infrastructure	1,084	900
Property	511	327
Roading	4,360	3,933
Solid waste	459	463
Stormwater	757	741
Wastewater	3,770	3,849
Water supply	3,424	3,476
Council operating assets	588	638
Total	16,091	15,399

35. Insurance of Assets	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000
Total value of assets covered by insurance contracts	155,477	161,457
Maximum amount of insurance	271,298	258,008
Total value of assets covered by financial risk sharing arrangements	276,036	264,021
Maximum amount available under those arrangements	516,348	470,205
Total value of assets that are self-insured	391,665	303,141
The value of funds maintained for that purpose	–	–

It is anticipated (but cannot be guaranteed) that under the terms contained in the Guide to the Civil Defence Emergency Plan, central government may fund 60% of the qualifying cost of reinstating essential infrastructure assets in the event of a major disaster.

36. Replacement Cost of CORE infrastructural Assets	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000
Water other	198,287	184,428
Water treatment plant and facilities	48,700	47,385
Wastewater treatment plant and facilities	90,839	62,426
Wastewater other	253,023	217,281
Stormwater	86,731	70,984
Solid waste	11,273	11,077
Roading and footpaths	456,733	385,394
Total replacement cost of core infrastructure assets	1,145,586	978,974

Refer to Note 11 for vested assets and additions.

	Council Actual \$ 30 June 2022 \$000	Council Actual \$ 30 June 2021 \$000	Group Actual \$ 30 June 2022 \$000	Group Actual \$ 30 June 2021 \$000
37. Tax				
Components of tax expense				
Current tax	-	-	-	-
Tax expense	-	-	-	-
Relationship between tax expense and accounting surplus				
Surplus / (deficit) before tax	(1,543)	8,921	(1,541)	8,921
Tax at 28%	(432)	2,498	(431)	2,498
Plus / (less) tax effect of:				
Non-deductible expense	432	(2,498)	431	(2,498)
Non-assessable revenue	-	-	-	-
Tax expense	-	-	-	-

38. Reconciliation of movements in liabilities arising from financial activities		Derivative (Mark to market movements)	Other
	Borrowing		
Balance at 1 July 2021	108,000	1,998	(17)
Cash inflows	78,000	-	-
Cash outflows	(62,000)	-	-
Non-cash changes	-	(2,916)	17
Balance at 30 June 2022	124,000	(918)	-
Balance at 1 July 2020	106,000	3,515	100
Cash inflows	53,000	-	-
Cash outflows	(51,000)	-	-
Non-cash changes	-	(1,517)	(117)
Balance at 30 June 2021	108,000	1,998	(17)

39. COVID-19 Impact Disclosure

COVID-19 Disclosure – due to the unique circumstances that have faced New Zealand (and the world) over the past two and a half years, Council has continued to recover from COVID-19 and contribute to the district's economic and social recovery.

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

The financial statements presented in this report include the direct and indirect impact from the changes in alert levels due to the global coronavirus pandemic (COVID-19). Council and its subsidiaries continued to be impacted to varying degrees both financially and non-financially due to on-going supply chain constraints, increased costs and border closures.

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

Impact on parent financial performance. Council recorded lower revenue 30% from budget in aquatics and library facilities, but building consenting remained at an elevated level.

40. Breach of Statutory Deadline

The Horowhenua District Council was required under Section 98 of the Local Government Act 2002 to complete its audited financial and service performance information by 31 December 2022. This timeframe was not met because Audit New Zealand was unable to complete the audit within this timeframe due to an auditor shortage and the consequential effects of Covid-19, including lockdowns.

41. Water services reform programme

Legislation passed in December 2022 established four publicly owned water services reform programme to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The impact of these reforms will mean that District Council will no longer deliver three waters services or own the assets required to deliver these services. There is a water services Bill to enable the transfer of these assets and liabilities to the water services entity, until the Bill is passed, the financial impact of the transfer on the Horowhenua District Council remains uncertain.

On 13 April 2023, the Government announced further proposed amendments to the number of water services entities and to stagger their establishment dates starting from early 2025, with all the water services entities to be established by 1 July 2026. The timing of the transfer of assets and liabilities is therefore uncertain until amendments to existing legislation are passed.

Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose, and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserve are credited with interest. Council holds 17 reserves, with five being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council-created reserves are discretionary reserves which Council has established for the fair and transparent use of monies. Reserve balances are not separately held in cash, and the funds are managed as part of Council's treasury management.

Below is a list of current reserves outlining the purpose for holding each reserve and the Council activity to which each reserve relates, together with summary financial information across the year of the annual report:

2022 Reserve Funds	Opening Balance 1 July 2021 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2022 \$000s
Restricted reserves – purpose of the fund				
Foxton Beach Freeholding Fund (Property) Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,674	270	(663)	5,281
Reserve Land Reserve (Parks and Recreation) To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	198	5	-	203
Road Upgrade Reserve (Roading Activity) To fund transport network improvements as approved by Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	836	25	-	861
Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream.	58	2	-	60
Total restricted reserves	6,766	302	(663)	6,405
Financial and Capital contributions for Roading (Roading Activity) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	92	3	-	95
Financial and Capital contributions for Water Supplies (Water Supply Activity) To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	607	18	-	625
Financial and Capital contributions for Wastewater Schemes (Wastewater Activity) To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	150	3	-	153
Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity)				

To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	701	21	-	722
Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election.	26	0	-	26
Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	927	27	-	954
Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton.	4	0	-	4
Hockey Turf Replacement Fund (Parks and Recreation – Sports Grounds) To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust.	322	34	(322)	34
Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public accessways to esplanade reserves created under the Resource Management Act.	142	4	-	146
Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station.	28	0	-	28
Total Council-created reserves	2,999	110	(322)	2,787
Total all reserve funds	9,765	412	(985)	9,192

2021 Reserve Funds	Opening Balance 1 July 2020 \$000s	Deposits for the period of the year \$000s	Withdrawals For the period of the year \$000s	Closing Balance 30 June 2021 \$000s
Restricted reserves – purpose of the fund				
Foxton Beach Freeholding Fund (Property) Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,713	399	438	5,674
Reserve Land Reserve (Parks and Recreation) To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	189	9	–	198
Road Upgrade Reserve (Roothing Activity) To fund transport network improvements as approved by Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	802	34	–	836
Wairarawa Stream Walkway To hold funds for the construction of a walkway along the Wairarawa stream.	56	2	–	58
Total restricted reserves	6,760	444	438	6,766

Financial and Capital contributions for Roothing (Roothing Activity) To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	88	4	–	92
Financial and Capital contributions for Water Supplies (Water Supply Activity) To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	582	25	–	607
Financial and Capital contributions for Wastewater Schemes (Wastewater Activity) To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	144	6	–	150
Financial and Capital contributions for Parks and Reserves (Parks and Recreation Activity) To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	672	29	–	701
Election Fund (Representation and Governance Activity) To smooth the rating impact of election costs and to fund any by-election.	24	2	–	26
Capital Projects Fund (All Activities) To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	889	38	–	927

Foxton Citizens Fund (Community Support Activity) To provide a fund for awards in recognition of community service in Foxton.	4	-	-	4
Hockey Turf Replacement Fund (Parks and Recreation – Sports Grounds) To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust.	285	37	-	322
Esplanade Fund (Parks and Recreation) To provide a fund to construct or provide for possible public access ways to esplanade reserves created under the Resource Management Act.	136	6	-	142
Shannon Railway Station Fund (Property Activity) Set aside from grants to preserve the historic Shannon Railway Station.	27	1	-	28
Total Council-created reserves	2,851	148	-	2,999
Total all reserve funds	9,611	592	438	9,765

Benchmarks Disclosure Statement

For the year ended 30 June 2022

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

Council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

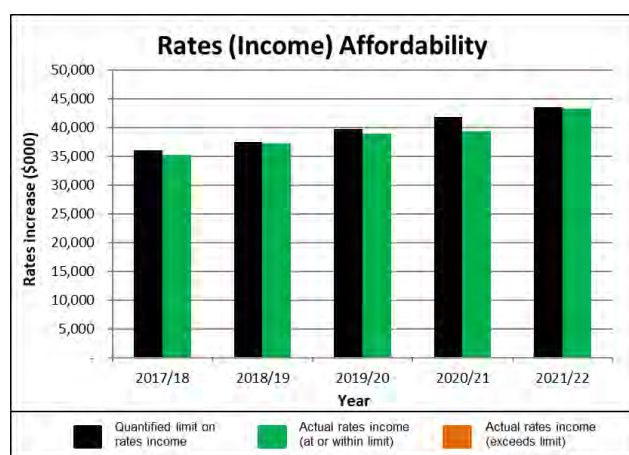
Rates affordability benchmarks

The Council meets the rates affordability benchmark if

- Its actual rates income equals or is less than each qualified limit on rates; and
- Its actual increases equal or are less than each qualified limit on rates increases.

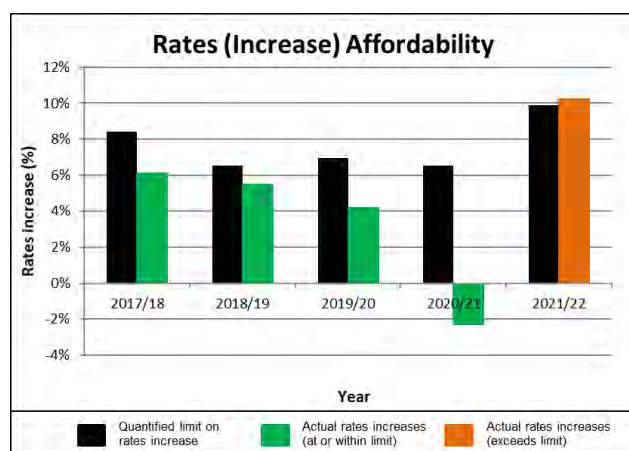
Rates (income) affordability

The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long Term Plan (LTP). The quantified limit is \$36,109,000 (2017/18), \$37,457,000 (2018/19), \$39,686,000 (2019/20), \$41,886,000 (2020/21) and \$43,514,000 (2021/22).



Rates (increases) affordability

The following graph compares Council's actual rate increase with a quantified limit on rates increases included in the financial strategy in Council's LTP. The quantified limits are 8.43% (2017/18), 6.55% (2018/19), 6.96% (2019/20), 6.54% (2020/21) and 9.90% (2021/22) after growth.



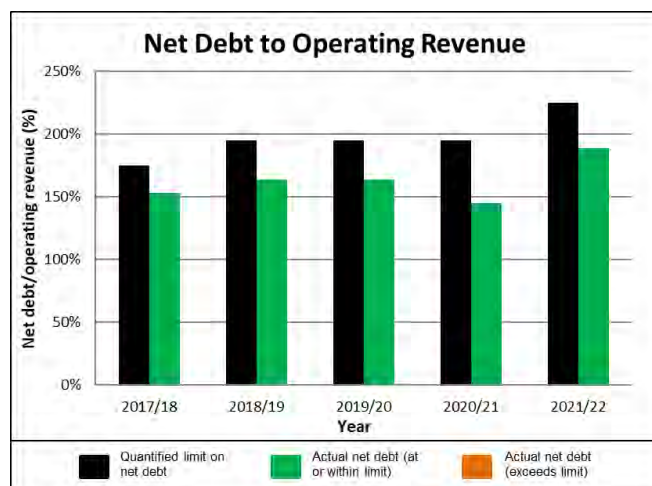
While the Council set rates at 7.8%, with a limit of 8% for the 2021/22, the actual rates were lower due to lower water rates billed.

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

Debt affordability benchmark

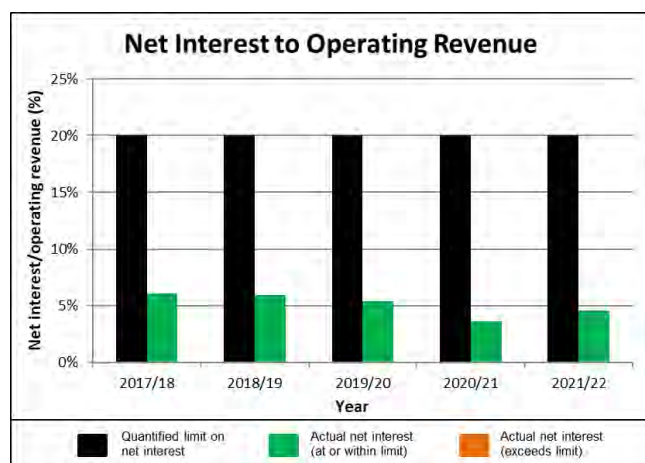
Council meets the debt affordability benchmark for a year if actual borrowing is within each quantified limit on borrowing.

The following graph compares Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limits are net debt to operating revenue should be below 225%, this was increased from 175% to 195% in the 2018/38 LTP and subsequently to 225% in the 2021/41 LTP.

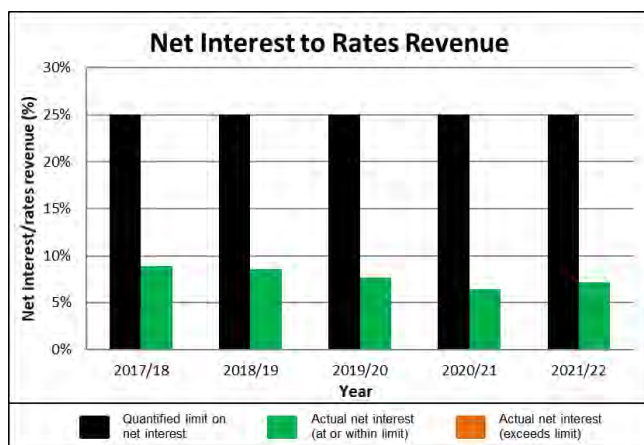


Total revenue is defined as cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets). Net debt is defined as total debt less liquid financial assets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

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



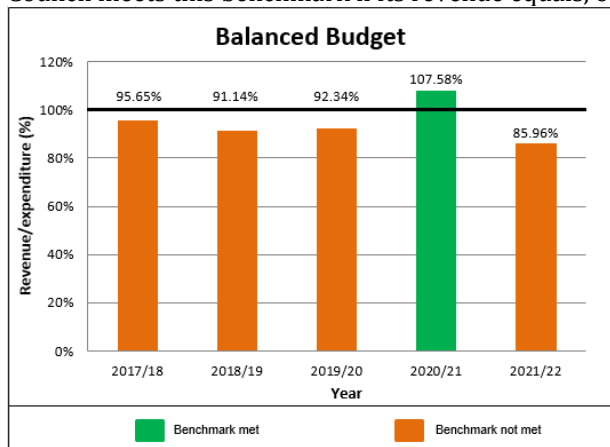
The following graph compares Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limits are net interest to annual rates revenue should be below 25%.



Balanced budget benchmark

The following graph displays Council's revenue excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment, as a proportion of operating expenses, excluding losses on derivative financial instruments and revaluations of property, plants or equipment.

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



Explanation on balanced budget benchmark

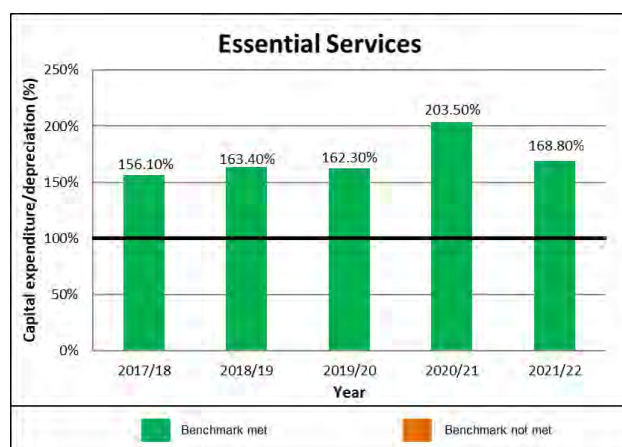
In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only 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 152 and 153. The benchmark was met in the 2020/21 year due to the significant increase in external capital funding from the Crown.

Essential services benchmark

The following graph displays Council's capital expenditure on network services as a proportion of depreciation on network services. Capital work includes both renewals of existing infrastructure and new capital works undertaken.

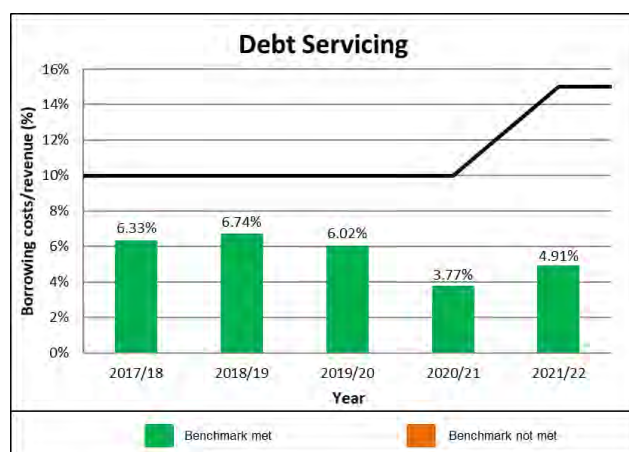
Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

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



Debt servicing benchmark

The following graph displays Council's borrowing costs as a proportion of revenue excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment.

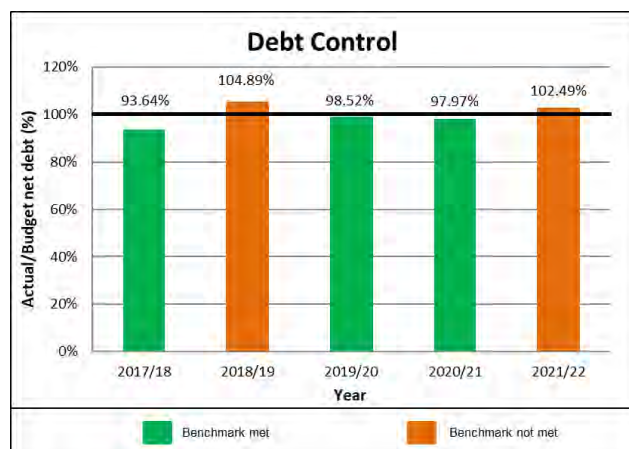


Because Statistics New Zealand projects the district's population will grow more slowly than the national population growth rate, it meets the debt control benchmark if its borrowing costs are equal or less than 10% of its revenue, (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property, plant or equipment). During the 2021/22 financial year the district grew faster than the national population growth rate so a 15% limit has been used.

Debt control benchmark

The following graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt is financial liabilities less financial assets (excluding trade and other receivables).

Council meets the debt control benchmark if its actual net debt is less than or equal to the net debt planned for the year in its LTP.



Explanation on debt control benchmark

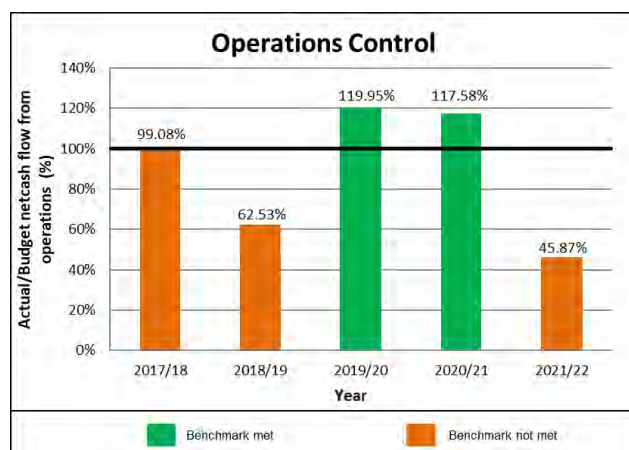
The benchmark was not met in the 2021/22 year as planned asset proceeds did not occur as planned.

The benchmark was not met in the 2018/19 year as the LTP year 1 (2018/19) had anticipated the \$7m sale of surplus assets being used to decrease borrowing. The sales envisaged in the LTP did not occur until the 2019/20 year. In addition, operational expenditure on the District Plan, Growth Response planning and Solid Waste were loan funded.

Operations control benchmark

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

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Explanation on operations control benchmark

The reason for not meeting the benchmark in the 2017/18 financial year was that the budget included contributions from the Te Awahou Nieuwe Stroom partners, however since these contributions were for assets the partners own, this amount should not have been budgeted. In the 2018/19 financial year the benchmark was not met due to a combination of less revenue and more expenditure than budget. The reason for not meeting the benchmark in the 2021/22 financial year is due to not receiving capital grant funding for the Tara-Ika project as a result of it being moved out to future years.

Accounting Policies

Reporting entity

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 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 2022. The financial statements were authorised for issue by Council on 10th May 2023.

Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies which materially affect the measurement of results and financial position set out below have been applied consistently to all periods presented in these financial statements. Council has the plan and the resources to continue to operate into the foreseeable future.

Statement of compliance

The financial statements of Horowhenua District Council have been prepared in accordance with the requirements of the Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R), which 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), other than the remuneration and the severance payment disclosures in Note 25 & 26 and the related party transaction disclosure in Note 24. The remuneration, severance payment, and related party transaction disclosures are rounded to the nearest dollar.

Judgement

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the three waters service delivery reforms using a legislated "all in" approach, Council continues to recognise its three waters assets at 30 June 2022 in accordance the accounting policies set out on pages 208 to 225. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement

New accounting standards and interpretations

Standards issued and adopted

Amendment to PBEIPSAS Statement of Cash Flows

An amendment to PBEIPSAS 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 cashflows and non-cash changes. The amendment is effective for the year ending June 2022 with early application permitted. Council has applied this standard in preparing its June financial statements. Additional disclosures have been added to comply with the standards.

Standards issued and not yet effective and not early adopted

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- **PBE IPSAS 16 Investment Property:** The amendments clarify that fair value measurement of self-constructed investment property could commence before the completion of construction.
- **PBE IPSAS 30 Financial Instruments:** Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value not being determinable.
- **PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets:** The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The Council has not yet assessed in detail the impact of these amendments / these amendments are not expected to have a significant impact.

PBE IPSAS 41 Financial Instruments (transitioning from PBE IFRS 9)

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. Council's initial assessment is there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9.

PBE IPSAS 41 Financial Instruments (transitioning from PBE IPSAS 29)

PBE IPSAS 41 Financial Instruments replaces PBE IPSAS 29 Financial Instruments:

Recognition and Measurement and is effective for the year ending 30 June 2023, with earlier adoption permitted.

The main changes under the standard relevant to Council are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost.
- A new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.
- A new hedge accounting model for hedge accounting relationships, should Council elect to adopt the new model. Council can elect to continue to apply the PBE IPSAS 29 hedge accounting model on transition to PBE IPSAS 41.

Council has not yet quantified the impact on the financial statements for the adoption of PBE IPSAS 41.

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with earlier adoption permitted. Council has determined the main impact of the new standard is that additional information will need to be disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

Summary of significant accounting policies

Basis of consolidation

The consolidated financial statements are prepared by adding together the items as assets, liabilities, equity revenue and expenses on a line-by-line basis. All intra-Group balances, transactions, revenues and expenses are eliminated on consolidation.

Associate

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

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

Equity method of accounting in group financial statements

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

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

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

Subsidiaries

Horowhenua District Council consolidates as 'subsidiaries', in the Group financial statements, all entities where Horowhenua District Council has the power to govern the financial and operating policies so as to obtain benefits from their activities. This power exists where Horowhenua District Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Horowhenua District Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Horowhenua District Council's investment in its subsidiary is carried at cost in the Horowhenua District Council's own 'parent entity' financial statements.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. These are recognised at the amounts due. Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water by meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.

Development and financial contributions

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 relates to traffic and parking infringements and is recognised when tickets are issued. Council recognises revenue at an amount based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding two (2) year period.

Subsidised revenue

Council receives revenue from Waka Kotahi NZTA, which subsidises part of the costs in maintaining the local roading infrastructure, and is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Grants revenue

Revenue from other grants recognised as revenue when y become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Rendering of services revenue

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided, as a percentage of the total services to be provided.

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

Commission revenue

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

Interest and dividends revenue

Revenue from interest is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Revenue from dividends is recognised when the right to receive payment has been established.

Building and resource consent revenue

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

Landfill fees

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

Lease revenue

Lease revenue from operating leases is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset are diminished.

Borrowing costs

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

Income tax

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

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

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

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

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

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

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

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision. The Council's grants awarded have no substantive conditions attached.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, Horowhenua District Council recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Horowhenua District Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Personnel costs

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

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

Defined benefit schemes

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

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Trade and other receivables

Trade and other receivables are initially measured at face value less any provision for impairment.

Derivative financial instruments

Derivative financial instruments are used to manage exposure to interest rate risks arising from Council's financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The resulting gains or losses are recognised in the surplus or deficit as Council does not hedge accounts.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Financial assets

Horowhenua District Council classifies its financial assets into four categories:

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

Financial assets at fair value through other comprehensive revenue and expense

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

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

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

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

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

Non-current assets held for sale

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

Any impairment losses for write-downs of non-current assets held for sale are recognised through surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses (net of depreciation) that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consist of:

Operational assets – These include land, buildings, library collections, plant and equipment and motor vehicles.

Restricted assets – Restricted assets are parks and reserves cemeteries and endowment properties owned by Horowhenua District Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

Infrastructure assets – Infrastructure assets are the fixed utility systems owned by Horowhenua District Council. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping, sewer pump stations and infrastructure land and buildings.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Horowhenua District Council and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included through the surplus or deficit.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Horowhenua District Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Depreciation

Horowhenua District Council's depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful Life	Depreciation Rate
Operational assets		
Land	N/A	N/A
Buildings:		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Plant, equipment and vehicles	4 to 25 years	4% to 25%
Library assets	10 years	10%
Solid waste management:		
Building structure	50 to 100 years	1% to 2%
Building roofing	40 years	2.5%
Roading	50 years	2%
Cell site works and earthworks	33 years	3%
Cell lining, drainage and irrigation	33 years	3%
Cell electricals	10 years	10%
Restricted assets		
Land	N/A	N/A
Buildings:		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Improvements	4-25 years	4% to 25%
Infrastructural assets		
Roading: (average lives and depreciation rates of major components)		
Land	N/A	N/A
Formation	N/A	N/A
Berms	100 years	1%
Surface water channels	50 to 100 years	1% to 2%

	Useful Life	Depreciation Rate
Bridges and culverts	40 to 100 years	1% to 2.5%
Drainage	80 years	1.25%
Sealed pavement	78 years	1.29%
Basecourse	60 years	1.66%
Footpaths – concrete	60 years	1.66%
Footpaths – metal	100 years	1.0%
Footpaths – other	20 to 45 years	2.22% to 5%
Crossings	50 years	2.0%
Streetlights – poles	30 to 50 years	2% to 3.33%
Streetlights – lights	25 years	4.0%
Signage	12 years	8.33%
Surfacing	1 to 25 years	4% to 100%
Stormwater:		
Pump stations	100 years	1%
Manholes	80 years	1.25%
Sumps	60 years	1.67%
Pipes	20 to 100 years	1% to 5%
Pumps	15 years	6.67%
Water:		
Land	N/A	N/A
Buildings:		
Structure	50 to 100 years	1% to 2%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment facilities	8 to 100 years	1% to 12.5%
Pipes	20 to 80 years	1.25% to 5%
Laterals	50 to 90 years	1.11% to 2%
Tobies	60 years	1.67%
Valves	60 years	1.67%
Hydrants	60 years	1.67%
Meters	20 years	5%
	Useful Life	Depreciation Rate
Sewer:		
Land	N/A	N/A
Buildings:		
Structure	25 to 70 years	1.43% to 4%
Roofing	40 years	2.5%
Electricals	40 years	2.5%
Treatment and disposal facilities	10 to 100 years	1% to 10%
Pipes	60 to 80 years	1.25% to 1.67%
Laterals	60 to 100 years	1% to 1.67%
Pump stations	50 to 60 years	1.67% to 2%
Manholes	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. Waters assets are valued every two years and roading assets every year.

The carrying values of revalued assets are assessed annually to ensure that those values are not materially different from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

Horowhenua District Council accounts for revaluations of property, plant and equipment on a 'class of asset' basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value is recognised in the surplus or deficit, it will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Those asset classes that are revalued are valued on a three-yearly valuation cycle on the basis described below. All other asset classes are carried at cost less accumulated depreciation and impairment losses.

Economic & Remaining Lives

The economic life of an asset is the period of time beyond which it is economically worthwhile to replace rather than to continue to repair or maintain. The economic life varies for each asset. These have been calculated in accordance with the NZIAMM guidelines and then further modified if local knowledge and experience suggests this is appropriate.

There are assets within the asset register that have already exceeded their assumed base life. Therefore, to account for these assets it has been assumed that each asset has a minimum remaining useful life of five years for long life assets and two years for short life span assets. Pipe assets have been given a minimum useful life of 10% of their expected useful life.

There have been no changes in useful lives for reticulation and non-reticulation assets. Useful lives for the treatment plant asset dataset are however revised and in line with the assets identified during the data set update process.

Resource consents are included and valued using the term of the consent. Where a consent has expired, we have assumed it has been rolled over.

WS Treatment Plant	<p>Due to the improved water treatment plant dataset, there is an overall increase in ORC from 2020 of \$940k. ODRC has decreased by \$1.5m and AD increased by \$500k.</p> <p>With many of the assets with unknown installation date, the majority of the treatment plant assets have assumed to be halfway through their lives. In 2022 additional condition assessment data has been used to more accurate gauge the remaining useful life and this has impacted on ODRC in this valuation.</p>
WW Treatment Plant	<p>Again, the improved wastewater treatment plant dataset has meant significant changes in the ORC for wastewater treatment plant. ORC and AD have increased by approximately 52% and ODRC reduced by -8%, indicating a major shift in the assets and their lives.</p> <p>With many of the assets with unknown installation date, the majority of the treatment plant assets have assumed to be halfway through their lives. In 2022 additional condition assessment data has been used to more accurate gauge the remaining useful life and this has impacted on ODRC in this valuation.</p>

Intangible assets

Software acquisition and development

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs that are directly associated with the development of software for internal use by Horowhenua District Council are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred. Costs associated with development and maintenance of Council's website are recognised as an expense when incurred.

Easements

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised but are instead tested for impairment annually.

Carbon credits

Purchased carbon credits are recognised at cost on acquisition and revalued to the market value annually. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

Amortisation

Horowhenua District Council's carrying value of an intangible asset with a finite life is amortised on a 'straight-line' basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised through the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Computer software: 10 years, 10%.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Kete Software – 4 years, 60%

Koha Software – 8 years, 30%

Other Software – 60% diminishing value

Forestry assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised through surplus or deficit.

The costs to maintain the forestry assets are included through surplus or deficit.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs.

After initial recognition, Horowhenua District Council measures all investment property at fair value as determined annually by an independent valuer.

Gains or losses arising from a change in the fair value of investment property are recognised through surplus or deficit.

Impairment of property, plant, and equipment and intangible assets

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is the depreciated replacement cost.

Value in use for cash-generating assets

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

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

Employee benefits

Short-term benefits

Employee benefits that Horowhenua District Council expects to be settled within 12 months after the end of period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

Horowhenua District Council recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

Long-term benefits

Entitlements that are payable beyond 12 months after the end of period in which the employee renders the related service, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

1. The likely future entitlements accruing to staff (based on years of service), years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
2. The present value of the estimated future cash flows.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense through surplus or deficit when incurred.

Defined benefit schemes

Horowhenua District Council does not belong to any Defined Benefit Scheme.

Creditors and other payables

Short-term creditors and other payables are recorded at their face value.

Provisions

Horowhenua District Council recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

Financial guarantee contracts

A financial guarantee contract is a contract that requires Horowhenua District Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that Horowhenua District Council will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

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

Borrowings

Borrowings are initially recognised at their fair value plus transaction costs. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings due to be settled within 12 months of balance date are treated as current liabilities. All other borrowing is classified as term liabilities.

Equity

Equity is the community's interest in Horowhenua District Council and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

1. retained earnings;
2. asset revaluation reserves; and
3. other reserves.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Horowhenua District Council. The details of the reserve funds are on pages 199 to 202.

Restricted reserves are those subject to specific conditions accepted as binding by Horowhenua District Council and which may not be revised by Horowhenua District Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Asset revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Goods and services tax

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures are those approved by Council in year 1 of its 2021/41 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:

Land (operational, restricted and infrastructural)

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.

Restrictions on the Council's ability to sell land would not normally impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (operational and restricted)

Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2022 valuation include:

- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of modern equivalent assets and property institute of New Zealand cost information.
- There are no significant asbestos issues associated with the buildings.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset

Non-specialised building (for example, residential and office buildings) are valued at fair value using market-based evidence. Significant assumptions in the 30 June 2022 valuation include market rents and capitalisation rates.

- Market rents range from \$50 to \$250 per square metre
- Capitalisation rates are market-based rates of return and range from 6.5% to 11%

Landfill aftercare provision

Note 16 discloses an independent engineer's analysis of the exposure of Horowhenua District Council in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural assets

There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

1. The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by Council performing a combination of physical inspections and condition modelling assessments of underground assets.
2. Estimating any obsolescence or surplus capacity of an asset.
3. Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then Horowhenua District Council could be over or underestimating the annual depreciation charge recognised as an expense through surplus or deficit. To minimise this risk Horowhenua District Council's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been

adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of Horowhenua District Council's asset management planning activities, which gives Horowhenua District Council further assurance over its useful life estimates.

Estimating the replacement cost of the asset. The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location.

Refer to Note 11 for the carrying value of these assets.

Employees benefit liabilities

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

Appendices

Mayor and Councillors

For the financial year ending 30 June 2022:

Mayor	Bernie Wanden
Deputy Mayor	Jo Mason
Councillors	Ross Brannigan
	Sam Jennings
	Piri-Hira Tukapua
	David Allan
	Robert Ketu
	Christine Mitchell
	Todd Isaacs
	Victoria Kaye-Simmons
	Wayne Bishop

Management Structure and Personnel

Lists the senior staff and their responsibilities for the financial year ending 30 June 2022:

HDC Senior Leadership Team Structure As at 30 June 2022



Horowhenua District Council Strategic Management Team – As at June 2022					
Business Group	Community Experience Group	Infrastructure Operations Group	Infrastructure Development Group	Customer & Strategy Group	People and Culture Group
<ul style="list-style-type: none"> Finance Democracy and Elections Business Performance (Risk, Procurement, Contract Management, Health and Safety) Communications, Marketing and Engagement 	<ul style="list-style-type: none"> Community Facilities (Libraries, Aquatic Centre's, Community Centre's) Community Development Cultural Outcomes 	<ul style="list-style-type: none"> Waste & Water Services Environmental and Solid Waste Land Transport/Roading Alliance Asset Management Parks, Property and Recreation 	<ul style="list-style-type: none"> Development Engineering Delivery of Capital Programme 	<ul style="list-style-type: none"> Strategic Planning, District Planning and Spatial Planning External Strategy, Policy and Bylaws Customer Experience Compliance (Animal, Liquor, Parking, Environmental Health) Resource and Building Consenting 	<ul style="list-style-type: none"> Emergency Management Human Resources Information Services

Glossary

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

ADVOCATE

Council acts as an advocate when it represents the views and interests of the community to a range of organisations including Government Agencies and the Regional Council.

ASSET

An asset is an item of value owned by Council on behalf of the people of Horowhenua. Examples are bank accounts, amounts owing by debtors, parks, roads, land, buildings, vehicles, computers and the water, wastewater and stormwater networks.

ASSET MANAGEMENT PLAN (AMP)

This is a long-term plan for managing an asset to ensure that capacity to provide a service is kept up, and that costs over the life of the asset are kept to a minimum. Council has such plans for all of its major assets including roading, water supply, wastewater disposal, parks and solid waste assets. The plans cover things like service standards, maintenance regimes and future developments.

CAPITAL EXPENDITURE

Money spent with effect on the long term rather than the short term. Examples are to buy or build a new asset, or to improve the potential of an existing asset. Capital expenditure is generally expected to lead to a higher level of service to the community.

COMMUNITY OUTCOMES

Statements of the community's vision and goals for the future of the district. It is intended that these outcomes inform and coordinate the activities and planning of all sectors of the community (including Council).

COUNCIL CONTROLLED ORGANISATION (CCO)

An organisation that manages facilities and/or provides services on behalf of the Horowhenua community, in which Council directly or indirectly controls more than 50% of either the votes or the appointments of directors or trustees.

DEBT

The amount owed for borrowed funds.

DEPRECIATION

The allocation of the cost of an asset over its estimated useful life.

DISTRICT PLAN

The plan prepared by Council under the Resource Management Act that manages, through rules, potential adverse impacts of subdivisions and land use on the environment.

FINANCIAL YEAR

Council's financial year starts on 01 July and ends on 30 June of the following year.

PROJECTED FINANCIAL STATEMENT

The 10-year plan for Council's revenue and expenditure, cash flows and borrowing.

FUNDING IMPACT STATEMENT

An explanation of how Council's funding requirements are planned to be met through various mechanisms including rates.

GOVERNANCE

The way in which Council engages with the community, how it makes decisions and the ways in which citizens can influence these processes.

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 Council, and provides a long-term focus for the decisions and activities of Council.

OPERATING COSTS

The costs of running Council in the short term. Examples are the costs of maintaining assets, employing staff and the interest costs of loans.

PERFORMANCE TARGET

A measure that shows how well Council is doing in achieving the goals that it set for itself.

RATES

Property taxes collected by Council, which help fund the services that Council provides to the community.

RENEWAL EXPENDITURE

The cost of replacing components of existing assets to restore them to their original condition. Examples are the replacement of old water mains and the resealing of roads.

REVENUE

The amount earned from operations: Examples are rates, dog registration fees, building permit fees, subsidies, rental revenue and interest on investments.

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.



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