



# horizons

REGIONAL COUNCIL

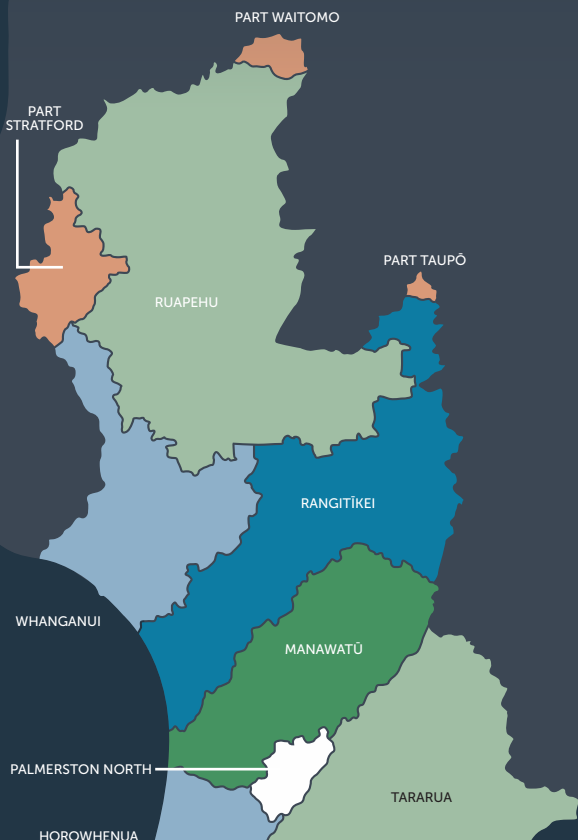


# 2019-20 ANNUAL PLAN

## OUR ROLE

The Horizons Region extends over 22,200 km<sup>2</sup> from Ruapehu in the north and Horowhenua in the south, to Whanganui in the west and Taranui in the east, and has a population of approximately 240,000 residents.

As your Regional Council, our role differs from that of cities and districts. We are responsible for managing the region's land, air and water resources on behalf of the communities we serve. We also contract passenger transport services, play an important role in road safety education, work to reduce the risk and impact of flooding, and lead the planning for and response to natural disasters to help keep people and properties safe.



## WELCOME TO HORIZONS REGIONAL COUNCIL'S CONSULTATION DOCUMENT FOR OUR 2019-20 ANNUAL PLAN



Last year we embarked on a very comprehensive Long-term Plan for 2018-28 that included details on planned work for the next three years. While we are proposing to maintain the planned 4.72 per cent average rate increase for Year 2 (2019-20), we have had some unexpected costs arise - including a \$300,000 increase in insurance expenses.

For the 2019-20 year, the way that we are covering these costs is through a few changes to our programmes of work. In this brochure we have included some detail on these changes and invite your feedback.

It is important to note that while we have been able to manage the insurance costs through the proposed 2019-20 Annual Plan, we recognise that these unexpected increases will impact on Year 3 (2020-21).

All other planned work for Year 2 is predominately business as usual with minimal increase in costs. We have highlighted key work programmes for 2019-20 in the following pages. There you will see a strong focus on freshwater - from implementing the National Policy Statement for Freshwater Management (NPS-FM) and catchment reviews, to proposed changes to our Regional Policy Statement (the One Plan) and increased work programmes to continue to progress water quality improvements which have been accelerated through partnerships and central government funding. This includes over \$10 million secured for the next four years through the Freshwater Improvement Fund and the Hill Country Erosion Fund.

We will also continue to manage Lower Manawatū Flood Protection Scheme debt, progress changes to river management schemes with the Ruapehu district-wide and Ohakune schemes becoming partially operational from 1 July 2019, and propose to make some rating changes to the Haunui, Foxton and Makirikiri schemes.

Managing our pest plants and animals, and enhancing our region's biodiversity remains a priority. While in our transport area we are postponing a bus service trial in Palmerston North, but reviewing the city's services as a whole, and proposing a new service between Palmerston North and Levin.

All of these activities have a direct impact on how you live, work, and play in our region. Horizons' Councillors have set out our preferred plan for Year 2. If you have views on our proposed Annual Plan, let us know in writing by using the submission form on the back of this brochure and send back to us by 25 March 2019. Forms can also be found online, along with supporting documentation, at [haveyoursay.horizons.govt.nz](http://haveyoursay.horizons.govt.nz) as well as at your nearest Horizons' office.

**Bruce Gordon, Chair**

## KEY: HAVE YOUR SAY

HAVE  
YOUR SAY

While Council is not intending to deviate from the decisions we made for Year 2 (2019-20) of the LTP, there are a couple of areas that have had some adjustments we would like your feedback on.

## FOXTON

Our LTP includes, amongst other things, the construction of a relief pipeline for Foxton to improve land drainage and alleviate flooding. The project is funded jointly by Horizons and the Horowhenua District Council (HDC) with detailed investigation and design already underway. We noted in our LTP the need to take another look at how Horizons would fund its share of the cost. Accordingly we're proposing to change the targeted rate classification for Foxton and the rural catchment east of the town that contributes to those issues.

That proposal has some substantial rate impacts, however these are confined to Foxton residents and those landowners east of the town. For landowners east of Foxton this will equate to a \$37.28 per hectare contributor rate; those in town will be rated \$40.63 per \$100,000 of capital value. We will be consulting directly with those affected by these proposed changes.

HAVE  
YOUR SAY

## MAKIRIKIRI AND HAUNUI SCHEMES

We are also proposing to make changes to our Makirikiri and Haunui schemes near Turakina. These changes will see the Makirikiri scheme extended to include three properties which receive greater benefits. These properties will be rated via a Separately Used Inhabited Parcel (SUIP).

The Haunui scheme change will be rated at \$84.68 per \$100,000 of land value. This differs to Year 2 of the LTP where we had signalled rating on capital value.

These impacts are confined to a relatively small group of ratepayers who we will be consulting with directly and inviting them to make submissions.

HAVE  
YOUR SAY



## YOUR COUNCILLORS



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## LOWER MANAWATŪ FLOOD PROTECTION SCHEME DEBT

Since the 2004 floods, the Lower Manawātū Flood Protection Scheme (LMS) has been delivering on significant improvements to flood protection standards (mainly raising/rebuilding existing stopbanks and constructing new ones). A large proportion of the expenditure to carry out this work has been loan funded and with that programme of work nearing completion, debt is also near its peak at around \$35 million - repaid over the next 18 years. That debt repayment is consuming a large part of the LMS operating budget.

Continuing our inspection and maintenance work is vital to ensuring that the LMS does its job when a flood threatens. As a reflection of the strong local economy and civil engineering sector, construction costs are also rising. Regional councils across the country are also mindful of the lessons learnt with the flooding of Edgecumbe in 2017 and that's driving a range of initiatives within Horizons.

Climate change adds to the challenge we face in keeping people safe and minimising property damage from floods.

In addition to rising insurance costs, these factors are contributing to increased pressure on the LMS operating budget and as a consequence we need to increase rates in the short term, affecting a large number of ratepayers.

We will continue to target costs where appropriate and reasonable to do so. For example, Year 2 targeted rates for the upgrade to the Reid Line Floodway is \$12.23 per \$100,000 of capital value for Feilding ratepayers and Horizons' portion of the costs associated with protecting Ashhurst Domain is \$10.31 per \$100,000 of capital value as a targeted rate to Ashhurst ratepayers.

## LAND MANAGEMENT

Central government recently announced approximately \$6.5 million of funding towards our Sustainable Land Use Initiative (SLUI) through the Hill Country Erosion Fund. This new funding will not have a rate impact, however does provide

for changes in the work programme including with a wider range of landowners not just those with a SLUI Farm Plan. Any landowner interested in learning more about this programme are invited to contact Horizons land management team.

## FRESHWATER MANAGEMENT

Freshwater remains a top priority for Council and in Year 2 of the LTP the focus is on implementing the National Policy Statement – Freshwater Management (NPS-FM) through catchment reviews and ensuring our policies and rules contained in the One Plan align with national-level regulations. This work includes a proposed One Plan change, defining the rules around nutrient management, and consulting with our communities to identify outcomes and determine effective interventions to continue to progress water quality improvement.

Over the last year, Council has been successful in securing funding from central government's Freshwater Improvement Fund (FIF) for projects in the Manawātū and Whangāehu catchments, as well as for Lake Waipu. This central government funding totals \$4.39 million across the three projects for water quality improvement works over five years. Thanks to co-funders including district councils, Ngāti Rangī, landowners and Horizons Regional Council, the total funding for these projects will be \$10.7 million. While this additional funding makes no impact on planned rates for Year 2, it does mean

that we will be able to deliver more on the ground work, such as fencing, planting, fish pass fixes and community projects. It will also assist with removing two wastewater discharges from water to land based treatment.

Council is proposing to reinstate the Lake Horowhenua restoration rate of \$160,000 targeted rates. This budget has been earmarked to do lake harvesting in spring, however should we still be waiting on court permissions the money will be used for other restoration initiatives. There has also been an increase in depreciation for this project from Year 2 of the LTP, reflected in the capex spend on the boat ramp and access way.

The Horowhenua Lake Trust also received FIF funding, which includes the assessment and flushing of the stormwater system, establishment of a silt interceptor, shallow groundwater monitoring and implementation of two cultural monitoring programme activities. These will all complement the Lake Horowhenua Accord's key interventions aimed at addressing toxic algal blooms, sedimentation, and reducing the amount of nutrients entering the lake, as well as improving habitat for native fish populations.

## TRANSPORT

Overall, Council's transport budget and outputs remain largely unchanged from those signalled in the 2018-28 LTP for Year 2. We remain focused on delivering the key objectives in the recently amended Regional Land Transport Plan – particularly optimising our road, rail and public transport network; maximising our strategic advantage through efficient and well serviced hub and freight opportunities; safer systems; a reliable multi-modal system that emphasises walking and cycling; resilient inter regional routes; and recognition of carbon emissions and environmental effects.

Horizons will remain closely involved with all key transport initiatives across the region – particularly those related to Accessing Central NZ – such as Te Ahu a Tūranga: Manawātū Tararua Highway (Gorge Replacement Project), Otaki to North of Levin State Highway 1, and Palmerston North Integrated Transport Improvements (Freight Ring Road Development).

The Capital Connection will continue to be supported (dependant on Government funding assistance of approximately 75 per cent). Work will continue in

partnership with Greater Wellington and the New Zealand Transport Agency on a longer term enhanced passenger rail connection between Palmerston North and Wellington.

For Year 2, there are several minor changes occurring within Council's passenger transport programme. These are focused on ensuring better value for money with our current services and include not commencing a proposed trial in Palmerston North (splitting the Highbury/Takaro route into two smaller ones) and instead optimising our current services through implementing a new Electronic Ticketing System (and using the system's data to better inform future route trials/ changes); reviewing the Palmerston North and Feilding services to ensure they are fit for purpose; and enhancing the existing Levin to Palmerston North service with an additional off peak service on Monday and Wednesdays.

These passenger transport services changes have resulted in slight movements to targeted rates from what was originally planned in Year 2 of the LTP.

## RUAPEHU DISTRICT-WIDE AND OHAKUNE SCHEMES

As approved in the LTP, Year 2 sees a partial (50 per cent) commencement of a district wide approach to river management in the Ruapehu District. This represents part of a longer-term strategy to make our river management activities more efficient and enable Council to take a wider focus on river management issues and not be constrained to particular parts of a catchment. The new scheme shares the costs evenly right across the district using a capital-value based rating system, with a rating impact of \$1.48 per \$100,000 capital value. In Year 3 the scheme will be rated at 100 per cent.

We also have planned a new Ohakune flood protection scheme, addressing both the flood hazard affecting the town and the concerns residents have around maintenance of the rivers and streams that pass through the town. This scheme will also commence in a staged process – 50 per cent for Year 2 and at 100 per cent for Year 3 (2020-21). For Ohakune township ratepayers this means a new 80 per cent targeted rate of \$5.73 per \$100,000 of capital value.

## BIODIVERSITY AND BIOSECURITY

As planned, in Year 2 of the LTP, Horizons' pest management team will increase its possum control work in the areas OSPRI have retreated from. The budget increase for this work is \$50,000 with additional capital being put into bait stations. A further \$70,000 has been assigned to Old Man's Beard control work, to focus on the management of the pest plant's spread

and to complement the planned release of a new biological control agent, the Old Man's Beard gall mite, in 2019.

Capex of \$87,000 has been set aside for upgrades to Totara Reserve facilities in Year 2, including flood protection, and biodiversity and biosecurity work programmes, as well as improvements to the campground facilities.

## UNDERSTANDING THE LTP AND ANNUAL PLAN PROCESS

Horizons' 2018-28 Long-term Plan (LTP) sets out how we plan on managing the region's natural resources for the next 10 years. This includes identifying the activities we need to deliver and proposing what rate contribution is required to cover the estimated costs each year. Once a LTP is set, we touch base with it every year to see if we are on the right track with what we proposed via an

Annual Plan process. Essentially, in 2018 our LTP provided the 'big picture' for the period 2018-28, and this year's Annual Plan (Year 2 of the LTP) is the detail for 2019-20. We aren't intending to significantly deviate from the decisions we made for Year 2 (2019-20) of this plan, which can be found online at [www.horizons.govt.nz/publications-feedback/long-term-plan-2018-28](http://www.horizons.govt.nz/publications-feedback/long-term-plan-2018-28).

### LTP 2018-28 RATES YEAR BY YEAR

2018-19	YOU ARE HERE 2019-20	2020-21
YEAR 1	YEAR 2	YEAR 3
PLANNED 7.44%	PLANNED 4.72%	PLANNED 2.94%*
ACTUAL 7.04%	ACTUAL 4.72%	

\*We recognise that unexpected costs such as insurance increases will impact on Year 3 (2020-21).

## UNDERSTANDING RATE INCREASES

After consulting with our communities, an average rate increase of 4.72 per cent will be adopted for 2019-20. It is important to note that your individual rate demand may differ from this percentage. Rates vary from district to district due to factors such as rating revaluation and changes in property values, as well as specific rating inputs such as river schemes and urban

passenger transport rates for certain areas. This means your rates bill is likely to differ to that of your neighbour's and to that of your neighbouring districts. If you wish to get an idea of what the rates may look like for your area, please check out the rates section on our website.



[horizons.govt.nz](http://horizons.govt.nz)

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