

Introducing the Finances

Overview

Here we present prospective standard financial statements in compliance with New Zealand Generally Accepted Accounting Practice (NZGAAP) and New Zealand International Public Sector Accounting Standards (NZIPSAS). We also provide supplementary financial information for individual river and drainage schemes.

Funding Impact Statements are included that outline revenue and rating mechanisms and provide detailed rating values for general and targeted rates for the 2016-17 year. Finally, this part of the documentation contains projections of annual administrative charges set under the Resource Management Act 1991 and the Local Government Act 2002.

Consolidated Statement of Prospective Financial Performance to 30 June 2017

We, as required pursuant to PBE FRS 42, have complied with PBE FRS 42 in the preparation of these prospective financial statements. In accordance with PBE FRS 42, we advise that:

Horizons Regional Council (the Council) is a Regional Council as defined in the Local Government Act 2002. The Council's principal activities are outlined within this Long-term Plan.

The financial information contained within the 2016-17 proposed Plan and its associated policies and documents, is prospective financial information in terms of current financial reporting standards, including Financial Reporting Standard (PBE FRS) 42. The purpose for which it has been prepared is to enable the public to participate in the decision-making process relating to services to be provided by the Council to the community, for year ending 30 June 2017, and to provide a broad accountability mechanism of the Council to the community.

In relation to those standards, the financial information for the 2016-17 financial year is considered to be a forecast. (A forecast is based on assumptions that the Council reasonably expects to occur).

Cautionary Note

A cautionary note is required. The actual results for the period covered by this Plan are likely to vary from the information presented, and may vary materially depending upon the circumstances that arise during the period. The prospective information is prepared under Section 93 of the Local Government Act 2002 and may not be suitable for use in any other capacity.

Other Disclosures

The Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. The Annual Plan is prospective and as such contains no actual operating results.

Reconciliation between Prospective Funding Impact Statement for All Groups of Activities and the Prospective Statement of Comprehensive Revenue and Expense

	Actual 2014-15	LTP Year 1 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
Income				
Prospective Statement of Comprehensive Revenue and Expense				
Total Exchange and Non-exchange Revenue	57,762	53,598	55,442	55,610
Summary FIS				
Total Sources of Operating Funding	57,762	53,598	55,442	55,610
Expenditure				
Prospective Statement of Comprehensive Revenue and Expense				
Total Operating Expenditure	49,866	49,202	51,563	51,850
Summary FIS				
Total Applications of Operating Funding	46,815	45,996	48,464	48,675
Depreciation and Amortisation Expense	3,052	3,206	3,099	3,175
Total Expenditure	49,867	49,202	51,563	51,850

All figures are exclusive of GST unless otherwise stated

Prospective Cost of Service Statement for all Groups of Activities to 30 June 2017 (\$000)

	Actual 2014-15	LTP Year 1 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
Government Support and Activity Revenues				
Land and Water Management	6,749	4,833	4,845	5,277
Flood Protection and Control Works	1,803	1,764	1,859	1,728
Biosecurity and Biodiversity Management	499	6	7	6
Regional Leadership and Governance	4,205	3,029	3,165	3,151
Transport	3,917	4,310	4,850	4,722
Corporate Support	-	-	-	-
Investment	2,589	2,450	2,695	2,578
Dividends Received	1,045	1,129	1,319	1,360
Interest Received	990	597	564	512
Rate Penalties	812	750	783	783
Less Internal Revenue	(3,575)	(4,137)	(4,867)	(4,508)
Total Activity Revenue	19,034	14,731	15,220	15,609
Rating Revenues – River and Drainage Schemes	9,923	12,540	12,816	12,932
Rating Revenues – Other	28,805	26,327	27,407	27,067
Rating Revenues	38,728	38,867	40,223	39,999
Total Activity and Rating Revenues	57,762	53,598	55,443	55,608
Expenses (\$000)				
Land and Water Management	14,361	14,239	15,411	15,942
Flood Protection and Control Works	10,835	10,542	10,913	10,934
Biosecurity and Biodiversity Management	7,483	7,309	7,288	7,242
Regional Leadership and Governance	12,216	11,887	12,339	12,215
Transport	5,623	6,369	7,261	7,139
Investment and Other	2,922	2,993	3,217	2,891
Less Internal Expenditure	(3,574)	(4,137)	(4,867)	(4,514)
Total Operating Expenditure	49,866	49,202	51,562	51,849
Operating Surplus (Deficit)	7,896	4,396	3,881	3,759

All figures are exclusive of GST unless otherwise stated

Prospective Statement of Comprehensive Revenue and Expense to 30 June 2017 (\$'000)

	Actual 2014-15	LTP Year 1 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
Revenue				
Exchange Revenues				
Finance Revenues	2,035	1,725	1,883	1,872
	2,035	1,725	1,883	1,872
Non-exchange Revenues				
Development and Financial Contributions	-	-	-	-
Subsidies and Grants	6,014	4,740	5,014	4,932
Other Revenues	10,985	8,266	8,322	8,807
<i>Subtotal Other</i>	16,999	13,006	13,336	13,739
<i>Rates Revenue</i>	38,728	38,867	40,223	39,999
Total Non-exchange Revenue	55,727	51,873	53,559	53,738
Total Exchange and Non-exchange Revenue	57,762	53,598	55,442	55,610
Expenditure				
Personnel Costs	16,484	16,801	17,176	17,233
Depreciation and Amortisation Expense	3,052	3,206	3,099	3,174
Finance Costs	1,256	1,220	1,295	1,200
Other Expenses	29,074	27,976	29,993	30,242
Total Operating Expenditure	49,866	49,202	51,563	51,850
Share of Associates Surplus (Deficit)	-	-	-	-
Gain/Loss on Remapped/Revalued Assets	(2,065)	-	-	-
Surplus (Deficit) Before Tax	5,831	4,397	3,879	3,760
Income Tax Expense	-	-	-	-
Surplus (Deficit) After Tax	5,831	4,397	3,879	3,760
Other Comprehensive Revenue and Expense Attributable to Council	-	-	-	-
Gain (Loss) on Asset Revaluations	28,123	-	-	-
Financial Assets at Fair Value Through Equity	(425)	-	-	-
Total Other Comprehensive Revenue and Expense for the Year Net of Tax	27,698	-	-	-
Total Comprehensive Revenue and Expense	33,529	4,397	3,879	3,760

All figures are exclusive of GST unless otherwise stated

Prospective Summary of Capital Purchases – Other to 30 June 2017 (\$'000)

	Actual 2014-15	LTP Year 1 Plan 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
Nutrient Management Database	6	-	-	-
Nutrient Monitoring/Telemetry Eq	42	70	70	70
Horowhenua Clean-Up Fund	75	42	-	-
Nursery	-	21	10	-
JV Afforestation (Tfr to BS)	-	649	324	326
Capex Nursery	-	-	-	10
Land, Water and Air Management Total	123	782	404	406
Bait Stations	-	100	30	30
Biosecurity and Biodiversity Management Total	-	100	30	30
Historic Survey Data	19	42	41	36
Hydro Site Operation (Datalogger and Comms Upgrade)	-	44	-	-
Aerial Photography	-	139	133	130
CI Development	186	245	229	216
Establishing a Consistent Regional Vertical Datum	17	45	44	-
Ex NIWA Sites	19	45	-	-
Flood Plain Mapping	2	-	-	-
GIS Development	-	107	89	85
Herbertville Flood Warning System	4	-	-	-
Horizons Hazard Information Updates	-	489	199	199
Hydro Site Operation and Installation	239	283	341	340
IRIS Development	259	-	-	-
Ohura Flood Modelling	-	-	31	30
Ohura Gauge Install	7	-	-	-
Promotional Material	4	16	11	12
Replacement Vehicle Radios/Tracking Units	-	88	18	18
Structural Health and Safety	-	-	-	30
Arawhata Stream Monitoring Upgrade	-	-	-	29
Regional Leadership and Governance Total	756	1,542	1,136	1,125
Ticketing System	-	500	-	-
Transport Total	-	500	-	-
IT Hardware Replacement	153	184	145	145
Financial System Ozone	-	100	103	188
IT GIS Upgrade/Replacement	-	-	-	-
Rating Software Review	-	50	-	-
Regional House	170	182	112	112
Service Centre/Depot	17	21	20	20
Survey Equipment	-	-	-	-
Vehicle Purchases	475	498	304	304
Corporate Support Total	815	1,035	683	769
Grand Total	1,694	3,959	2,254	2,330

All figures are exclusive of GST unless otherwise stated

Prospective Statement of Cash Flows to 30 June 2017 (\$'000)

	Actual 2014-15	LTP Year 1 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
Cash Flows from Operating				
<u>Cash was provided from:</u>				
Receipts from Operating Revenue	38,481	38,782	40,135	39,911
Development and Financial Contributions	-	-	-	-
Finance Revenues	2,035	1,726	1,883	1,872
Subsidies and Grants	6,014	4,740	5,014	4,932
Other Revenues	10,724	8,266	8,322	8,807
Total Operating Receipts	57,656	53,514	55,354	55,522
<u>Cash was applied to:</u>				
Interest Paid	1,256	1,220	1,295	1,200
Suppliers and Employees	45,532	44,629	47,019	47,325
Total Operating Payments	46,788	45,849	48,314	48,525
Net Cash from Operating	10,868	7,665	7,040	6,997
Cash Flow from Investing				
<u>Cash was provided from:</u>				
Sale of Operational Assets	196	-	-	-
Receipts from CCO Loan	-	-	-	1,300
Investment Maturities	9,500	-	-	-
Total Investment Receipts	9,696	-	-	1,300
<u>Cash was applied to:</u>				
Payment of Loan to CCO	2,300	-	-	-
Purchase of Forestry Assets/SLUI Leases	364	-	-	-
Purchase of Intangible Assets	-	500	505	505
Purchase of Infrastructural Assets	7,892	6,904	5,843	6,227
Purchase of Operational Assets	2,271	3,459	1,749	1,825
Investment Deposits	-	-	-	-
Total Investment Payments	12,827	10,863	8,097	8,557
Net Cash from Investing	(3,131)	(10,863)	(8,097)	(7,257)

All figures are exclusive of GST unless otherwise stated

	Actual 2014-15	LTP Year 1 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
Cash Flows from Financing				
<u>Cash was provided from:</u>				
Loans Raised	-	-	-	-
<i>Total Financing Receipts</i>	-	-	-	-
<u>Cash was applied to:</u>				
Additional Loans Repaid				
Loans Repayment of Debt	-	-	-	-
<i>Total Financing Payments</i>	-	-	-	-
Net Cash from Financing	-	-	-	-
Net Cash Flow for the Period	7,737	(3,198)	(1,057)	(260)
Plus Opening Cash and Cash Equivalent	4,931	3,471	273	(993)
Closing Cash and Cash Equivalent	12,668	273	(784)	(1,253)
<u>Made up of:</u>				
Cash and Cash Equivalent	12,668	273	(784)	(1,253)
Closing Cash and Cash Equivalent	12,668	273	(784)	(1,253)

All figures are exclusive of GST unless otherwise stated

Prospective Statement of Financial Position as at 30 June 2017 (\$000)

ASSETS	Actual 2014-15	LTP Year 1 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
Current Assets				
Cash and Cash Equivalents	12,668	273	(783)	(1,253)
Other Financial Assets	1,300	-	-	1,000
Trade and Other Receivables	5,863	3,234	3,299	3,299
Accruals and Other Receivables	1,588	1,138	1,161	1,161
Prepayments and Leases - Current Portion	230	212	216	216
Inventories on Hand	745	538	548	548
Operational Assets Held for Resale	-	-	-	-
Total Current Assets	22,393	5,395	4,441	4,971
Non-current Assets				
Equity Investments	801	3	3	3
Investments in CCOs	25,400	34,400	34,400	32,100
Other Financial Assets	1,000	-	-	-
Forestry Assets	772	1,679	1,679	1,679
SLUI Land Leases	3,536	3,610	3,610	3,610
Operational Assets	51,615	49,048	48,698	48,761
Intangible Assets	3,029	2,333	2,670	2,670
Infrastructural Assets	378,462	383,902	388,913	389,352
Total Non-current Assets	464,775	474,975	479,973	478,175
TOTAL ASSETS	487,168	480,370	484,414	483,146
LIABILITIES				
Current Liabilities				
Accounts Payable	10,311	1,540	1,571	1,571
Accruals and Other Payables	-	3,652	3,725	3,725
Provisions	1,680	3,079	3,141	3,141
Tax Payable	-	-	-	-
Advances	-	-	-	-
Debt – Current Portion	-	-	5,000	5,000
Derivative Financial Instruments (Current)	14	-	-	-
Total Current Liabilities	12,004	8,271	13,437	13,437

All figures are exclusive of GST unless otherwise stated

Non-current Liabilities

Derivative Financial Instruments	588	-	-	-
Debt – Non-current Portion	20,000	20,000	15,000	15,000
<i>Total Non-current Liabilities</i>	20,558	20,000	15,000	15,000

TOTAL LIABILITIES

	32,592	28,271	28,437	28,437
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NET ASSETS

	454,576	452,099	455,977	454,709
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REPRESENTED BY:**EQUITY**

Asset Revaluation Reserves	99,499	93,828	93,828	93,828
Restricted Reserves (see Note 1)	7,122	8,656	9,355	7,691
Infrastructure Insurance Reserve	1,360	1,780	2,300	2,300
Financial Derivatives Reserves	(602)	-	-	-
Retained Earnings (see Note 1)	347,197	347,835	350,496	350,890
Total Equity	454,576	452,099	455,979	454,709

All figures are exclusive of GST unless otherwise stated

Prospective Statement of Changes in Net Assets/Equity as at 30 June 2017 (\$'000)

	Actual 2014-15	LTP Year 1 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
Balance 1 July	421,048	447,702	452,099	450,950
Total Comprehensive Revenue and Expense	33,529	4,397	3,879	3,760
Balance at 30 June	454,576	452,099	455,978	454,710
Detailed Changes				
Asset Revaluation Reserves				
Balance at 1 July	71,378	93,828	93,828	93,828
Increase in Revaluation Reserves	28,121	-	-	-
Balance at 30 June	99,499	93,828	93,828	93,828
Restricted Reserves				
Balance at 1 July	6,736	7,707	8,655	7,121
Plus Transfer from Retained Earnings:				
River and Drainage Schemes Emergency Reserve	386	631	632	504
River and Drainage Schemes Capex Renewal Reserve	-	317	66	65
Balance at 30 June	7,122	8,655	9,353	7,690
Infrastructure Insurance Reserves				
Balance at 1 July	940	1,360	1,780	1,780
Plus Transfer from Retained Earnings	420	420	520	520
Balance at 30 June	1,360	1,780	2,300	2,300
Financial Derivatives Reserves				
Balance at 1 July	(177)	-	-	-
Plus Transfer from Retained Earnings	(425)	-	-	-
Balance at 30 June	(602)	-	-	-
Retained Earnings				
Balance at 1 July	342,171	344,807	347,836	348,221
Net Surplus (Deficit) after Tax for the Year	5,831	4,397	3,879	3,760
Less Transfer to Restricted Reserves	(386)	(948)	(699)	(569)
Less Transfer to Infrastructure Insurance Reserve:	(420)	(420)	(520)	(520)
Balance at 30 June	347,197	347,836	350,496	350,892
Total Equity at 30 June	454,576	452,099	455,977	454,710

All figures are exclusive of GST unless otherwise stated

Supplementary Information

River and Drainage Scheme Statement of Cost of Services (Revenue) 2016-17

Scheme	Total Costs of Services	Revenue											Total Reserve
		Scheme Rates (Incl. Interim Rates)	General Rate (Excl. Scheme Review)	General Rate - Review /Classif.	Other Revenue	Insurance / Govt Grant	Transfer From/To Other Schemes	Transfer From Renewal Reserve	Renewal Reserve Interest Revenue	Renewal Reserve Not Funded	Transfer From Emergency Reserve	Emergency Reserve Interest Revenue	
RIVER SCHEMES													
Ashhurst Stream	61,264	48,005	10,956							2,000		663	61,624
Akitio	8,799	9,289	1,601									796	11,685
East Manawatu	54,430	42,282	10,707									894	53,883
Ihuraia	6,723	4,595	1,345										5,940
Lower Kitea	142,412	111,242	25,125									6,788	143,155
LMS Special Projects	1,261,435	933,226	252,254	50,000		61,000						164	1,296,644
Lower Manawatu Scheme	10,191,309	3,062,978	1,068,074	17,700	956,000			31,370		320,180	460,000	142,399	6,058,701
Kahuterawa	15,678	10,404	3,136										13,540
Lower Whanganui	575,091	375,878	92,401	72,714						13,000		8,523	562,516
Makirikiri	45,652	16,753	2,621	15,804					81		1,350	898	37,507
Mangatainoka	729,327	541,953	124,415		2,827							45,716	714,910
Matarawa	91,421	54,273	13,372							6,750		-108	74,287
Ohau-Manakau	391,557	288,220	69,214		10,000				1,687			11,767	380,888
Pakihia	4,361	3,702	473						17			150	4,342
Pohangina-Oroua	567,640	349,617	104,707		90,000							19,105	563,429
Taringamotu	74,318	50,717	14,726		8,000							688	74,131
Porewa	81,984	46,552	13,434		1,900				172	1,032	3,250	2,656	68,997
Rangitikei	1,317,510	657,568	186,763		160,000					9,000	57,000	39,302	1,109,633
South East Ruahines	555,962	403,149	81,276						542			34,010	518,977
Tawataia-Mangaone	11,435	8,073	1,916						72			464	10,525
Turakina	39,388	33,916	7,853									123	41,892
Tutaenui	86,826	66,807	16,098							2,500		1,413	86,818
Upper Manawatu	338,986	257,686	54,755									23,615	336,056
Upper Whanganui	217,167	153,510	37,754		14,500					2,300		15,623	223,687
Whangaehu-Mangawhero	116,387	94,708	22,374									1,516	118,598
DRAINAGE SCHEMES													
Forest Rd Drainage	12,281	7,484	2,172						29			47	9,731
Foxton East Drainage	38,155	20,164	5,043	1,350					29			87	26,673
Haunui Drainage	9,946	6,985	1,989										8,974
Himatangi Drainage	20,665	13,935	3,792								1,000	851	19,598
Hokio Drainage	181,040	55,623	14,800						24			867	71,313
Koputaroa Drainage	712,782	255,014	72,293					48,718	3,344	10,890	20,000	7,471	417,730
Makerua Drainage	903,295	437,325	111,131					49,833	5,047	23,434		8,135	634,905
Manawatu Drainage	872,291	592,677	149,402					26,320	2,405	30,237	25,000	6,804	832,844
Moutoa Drainage	552,797	291,979	78,024				5,261	34,005	2,022	16,677	8,500	7,945	444,413
Te Kawai Drainage	310,844	177,806	47,036					32,320	2,867		10,000	4,376	274,406
Whirokino Drainage	32,658	19,754	5,143						41	1,607		921	27,466
Total	20,633,816	9,503,849	2,708,172	157,568	1,243,227	61,000	5,261	222,565	18,400	439,607	586,100	394,666	15,340,416

All figures are exclusive of GST unless otherwise stated

River and Drainage Scheme Statement of Cost of Services (Revenue) 2016-17 continued

Scheme	Loan Advance	Depreciation Not Funded	Opening Balance	Closing Balance
RIVER SCHEMES				
Ashhurst Stream		1,820	2,216	4,396
Akitio			5,663	8,550
East Manawatu			-773	-1,320
Ihuraia			2,043	1,260
Lower Kiwitea			1,257	2,000
LMS Special Projects			4,165	39,374
Lower Manawatu Scheme	3,700,000	389,289	47,319	4,000
Kahuterawa			6,469	4,331
Lower Whanganui		15,850	4,650	7,925
Makirikiri		7,966	679	500
Mangatainoka			26,417	12,000
Matarawa		12,920	10,214	6,000
Ohau-Manakau		9,470	15,088	13,889
Pakihi			59	40
Pohangina-Oroua			18,363	14,152
Taringamotu			2,187	2,000
Porewa		7,984	5,854	850
Rangitikei	200,000	8,745	4,132	5,000
South East Ruahines		15,688	24,897	3,600
Tawataia-Mangaone		79	1,581	750
Turakina			3,496	6,000
Tutaenui		424	6,284	6,700
Upper Manawatu			5,430	2,500
Upper Whanganui		2,474	25,506	34,500
Whangaehu-Mangawhero			15,789	18,000
DRAINAGE SCHEMES				
Forest Rd Drainage		697	5,802	3,950
Foxton East Drainage	10,000	971	503	-8
Haunui Drainage			4,322	3,350
Himatangi Drainage		492	1,172	597
Hokio Drainage	105,000	737	6,566	2,577
Koputaroa Drainage	235,000	63,552	1,040	4,540
Makerua Drainage	135,000	116,507	42,402	25,518
Manawatu Drainage		41,094	11,473	13,120
Moutoa Drainage		94,777	41,849	28,241
Te Kawanui Drainage		37,992	56	1,610
Whirokino Drainage		3,105	8,835	6,748
	4,385,000	832,633	363,005	287,240

All figures are exclusive of GST unless otherwise stated

River and Drainage Scheme Statement of Cost of Services (Expenditure) 2016-17

Scheme	Work Costs						
	Opex Works			Capex Works			Total Work Costs
	Operating Works Expenditure	Repairs and Maintenance	Total Operating and Repairs and Maintenance Costs	Capex Renewals	Capex	Total Capex Costs	
RIVER SCHEMES							
Ashhurst Stream	3,000	5,260	8,260				8,260
Akitio River		1,000	1,000				1,000
Eastern Manawatu		26,000	26,000				26,000
Ihuraua Stream		2,000	2,000				2,000
Lower Kiwitea Stream	25,000	50,000	75,000				75,000
Lower Manawatu Scheme Special Projects							0
Lower Manawatu River	600,000	448,394	1,048,394	39,212	4,880,866	4,920,078	5,968,472
Kahuterawa		10,700	10,700				10,700
Lower Whanganui River	73,200	91,808	165,008				165,008
Makirikiri Flood Control	2,160	3,360	5,520				5,520
Mangatainoka River	2,000	312,500	314,500		112,520	112,520	427,020
Matarawa Flood Control	15,200	12,104	27,304				27,304
Ohau-Manakau	36,000	145,000	181,000				181,000
Pakihi							0
Pohangina–Oroua River Control	70,000	111,204	181,204		150,000	150,000	331,204
Taringamotu		57,000	57,000				57,000
Porewa Valley Flood Control	9,600	11,730	21,330				21,330
Rangitikei River Control	150,000	283,634	433,634		203,553	203,553	637,187
South East Ruahines	2,000	170,000	172,000		52,680	52,680	224,680
Tawataia-Mangaone	165	4,000	4,165				4,165
Turakina		25,300	25,300				25,300
Tutaenui Flood Control	12,000	19,130	31,130				31,130
Upper Manawatu-Lower Mangahao	2,000	93,000	95,000		63,145	63,145	158,145
Upper Whanganui River	79,600	19,900	99,500				99,500
Whangaehu-Mangawhero		20,400	20,400				20,400
DRAINAGE SCHEMES							
Forest Rd Drainage	2,200	4,014	6,214				6,214
Foxton East Drainage	1,600	11,870	13,470				13,470
Haunui Drainage	2,000	4,784	6,784				6,784
Himatangi Drainage		14,985	14,985				14,985
Hokio Drainage	1,500	38,500	40,000		105,000	105,000	145,000
Koputaroa Drainage	48,500	110,440	158,940	60,897	234,870	295,767	454,707
Makerua Drainage	108,000	180,700	288,700	62,291	134,920	197,211	485,911
Manawatu Drainage	210,000	254,598	464,598	32,900	9,216	42,116	506,714
Moutoa Drainage	71,000	112,173	183,173	42,506		42,506	225,679
Te Kawanui Drainage	15,000	124,850	139,850	40,400	2,000	42,400	182,250
Whirokino Drainage	1,900	13,100	15,000				15,000
	1,543,625	2,793,438	4,337,063	278,206	5,948,770	6,226,976	10,564,039

All figures are exclusive of GST unless otherwise stated

River and Drainage Scheme Statement of Cost of Services (Expenditure) 2016-17 continued.

Scheme	Management Costs										
	Engineer Mgmt	AMP	Admin	Valuation	Asset Insur. etc.	Hydrology	Scheme Review /Classif.	Survey /Design	Lease Mgmt	Legal/ Misc.	Total Mgmt Costs
RIVER SCHEMES											
Ashhurst Stream	1,452	420	1,118		418						3,408
Akitio River	4,752	250	143							250	5,395
Eastern Manawatu	21,360	250	2,816							250	24,676
Ihuraua Stream	4,440	250	33								4,723
Lower Kiwitea Stream	22,080	1,690	492								24,262
Lower Manawatu Scheme Special Projects											0
Lower Manawatu River	473,818	143,733	57,317		164,912	173,165	17,700	125,395	15,000	12,000	1,183,040
Kahuterawa	4,728	250									4,978
Lower Whanganui River	48,140	4,816	19,483		5,372	1,827	22,714	1,719			104,071
Makirikiri Flood Control	5,433	1,009	90		1,051		15,804				23,387
Mangatainoka River	144,895	11,353	1,927		15,439	8,903		10,538		2,000	195,055
Matarawa Flood Control	14,565	1,856	356		1,291	1,805				2,300	22,173
Ohau-Manakau	70,403	6,721	1,048		10,785	9,130		4,521			102,608
Pakihi	1,182	454	3		375					350	2,364
Pohangina–Oroua River Control	116,292	5,030	900			2,988		4,521			129,731
Taringamotu	16,380	250									16,630
Porewa Valley Flood Control	14,880	4,662	289		4,145					20,700	44,676
Rangitikei River Control	164,343	37,583	5,570		34,450	12,422		11,001	2,500		267,869
South East Ruahines	146,566	14,255	4,223			4,979		9,678		2,000	181,701
Tawataia-Mangaone	4,980	276	23		136						5,415
Turakina	12,960	250				755					13,965
Tutaenui Flood Control	20,166	1,072	2,161		942	8,925				4,900	38,166
Upper Manawatu-Lower Mangahao	70,011	6,342	4,966			2,863		6,240		1,000	91,422
Upper Whanganui River	38,334	2,843	4,109		3,532			4,521			53,339
Whangaehu-Mangawhero	21,633	250	2,002			2,159					26,044
DRAINAGE SCHEMES											
Forest Rd Drainage	4,323	308	13								4,644
Foxton East Drainage	5,475	59	667		31		1,350	12,900			20,482
Haunui Drainage	2,955	193	14								3,162
Himatangi Drainage	3,525	210	238								3,973
Hokio Drainage	10,575	263	100								10,938
Koputaroa Drainage	50,345	4,861	1,198		4,575			1,290			62,269
Makerua Drainage	93,072	6,120	416		4,560			1,290			105,458
Manawatu Drainage	86,624	19,069	1,885		9,706			13,932			131,216
Moutoa Drainage	60,072	4,188	190		1,962						66,412
Te Kawai Drainage	43,325	4,801	1,115		3,690						52,931
Whirokino Drainage	3,075	383	95		282						3,835
	1,807,157	286,320	115,000	-	267,654	229,921	57,568	207,546	17,500	45,750	3,034,416

All figures are exclusive of GST unless otherwise stated

River and Drainage Scheme Statement of Cost of Services (Expenditure) 2016-17 continued.

Scheme	Depreciation	Renewal Reserve		Emergency Reserve		Loan Repayment		Total Costs of Services
		Interest	Contribution	Interest	Contribution	Interest	Principal	
RIVER SCHEMES								
Ashhurst Stream	1,820		2,000	663	2,000	16,063	27,050	61,264
Akitio River				796		474	1,134	8,799
Eastern Manawatu				894		1,439	1,421	54,430
Ihura Stream								6,723
Lower Kīwitea Stream				6,788	10,000	10,758	15,603	142,412
Lower Manawatu Scheme Special Projects				164		545,270	716,001	1,261,435
Lower Manawatu River	389,289		351,550	142,399	250,000	1,184,549	722,010	10,191,309
Kahuterawa								15,678
Lower Whanganui River	15,850		13,000	8,523	53,000	120,262	95,377	575,091
Makirikiri Flood Control	7,966	81	6,800	898	1,000			45,652
Mangatainoka River				45,716	61,537			729,327
Matarawa Flood Control	12,920		6,750	-108	5,000	984	16,398	91,421
Ohau-Manakau	9,470	1,687	7,564	11,767	15,000	33,177	29,284	391,557
Pakihi		17	300	150	1,530			4,361
Pohangina–Oroua River Control				19,105	25,000	3,543	59,057	567,640
Taringamotu				688				74,318
Porewa Valley Flood Control	7,984	172	4,000	2,656		128	1,038	81,984
Rangitikei River Control	8,745		9,000	39,302	126,648	102,251	126,508	1,317,510
South East Ruahines	15,688	542	9,342	34,010	90,000			555,962
Tawataia-Mangaone	79	72	1,240	464				11,435
Turakina				123				39,388
Tutaenui Flood Control	424		2,500	1,413	2,000	634	10,560	86,826
Upper Manawatu-Lower Mangahao				23,615	41,598	10,690	13,516	338,986
Upper Whanganui River	2,474		2,300	15,623	8,000	35,932		217,167
Whangaehu-Mangawhero				1,516	3,000	30,961	34,466	116,387
DRAINAGE SCHEMES								
Forest Rd Drainage	697	29	500	47	150			12,281
Foxton East Drainage	971	29	504	87		1,069	1,543	38,155
Haunui Drainage								9,946
Himatangi Drainage	492	20	344	851				20,665
Hokio Drainage	737	24	413	867		11,628	11,433	181,040
Koputaroa Drainage	63,552	3,344	41,951	7,471		33,104	46,383	712,782
Makerua Drainage	116,507	5,047	82,950	8,135		33,025	66,263	903,295
Manawatu Drainage	41,094	2,405	74,979	6,804		63,834	45,246	872,291
Moutoa Drainage	94,777	2,022	57,932	7,945		38,690	59,341	552,797
Te Kāwau Drainage	37,992	2,867	30,427	4,376				310,844
Whirokino Drainage	3,105	41	2,878	921		3,038	3,840	32,658
	832,633	18,400	709,224	394,666	695,463	2,281,503	2,103,472	20,633,816

All figures are exclusive of GST unless otherwise stated

Statement of Accounting Policies to 30 June 2017

Reporting Entity

Horizons Regional Council (HRC) is the trading name of the Manawatu-Wanganui Regional Council, a Local Authority governed by the Local Government Act 2002.

The HRC Group consists of Horizons Regional Council (the “parent entity”); its subsidiaries, MWRC Holdings Limited (MWRCH), Regional Software Holdings Limited (RSHL) and MW LASS (an Exempt Council Controlled Organisation). MWRCH’s 23.08 per cent equity share of its associate is equity accounted. Horizons have a 15.5 per cent equity share of RSHL. This is treated as an investment in our balance sheet. MW LASS Limited has been set up as a shared service across six TAs and HRC of which HRC has 14.29 per cent (1/7) of the shares.

The prospective financial statements presented are those of the “parent entity”, HRC, only, and are for the period ending 30 June 2017. These statements have been prepared at the “parent entity” level only, as Group financials are not considered appropriate, because the Group information is not readily available. Also, Group financials have no impact on the Funding Impact Statement (FIS).

The prospective financial statements of the “parent entity” HRC comprise the following groups of activities of HRC: Land and Water Management; Flood Protection and Control Works, Biosecurity and Biodiversity, Regional Leadership and Governance, Transport, Investment, and Corporate Support. As these activities are carried out for environmental and community benefit and not for financial return, HRC has designated itself as a Public Benefit Entity (PBE) for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (IPSAS).

The prospective financial statements presented are those of HRC, and are for the period ended 30 June 2017. Council propose to adopt the 2016-17 Annual Plan on 31 May 2016.

Basis of Preparation

The prospective financial statements of HRC have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZGAAP).

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity. The Council adopted the PBE standards for the first time in 2015.

As HRC meets the definition of a Public Benefit Entity, it applies specific recognition and measurement requirements that apply to Public Benefit Entities.

The prospective financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, and certain infrastructural assets. The prospective financial statements have been prepared in New Zealand dollars and all values (other than the River and Drainage Scheme Summary) are rounded to the nearest thousand dollars (\$000). The functional currency of Horizons is New Zealand dollars.

Basis of Preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period.

Basis of Consolidation

The Group accounts add together like items of assets, liabilities, equity, revenue and expenditure, on a line-by-line basis. All significant intragroup balances and revenue and expense transactions are eliminated on consolidation.

Associates

An associate is an entity over which HRC has significant influence and that is neither a subsidiary nor an interest in a joint venture.

HRC's associate investment is accounted for in the Group financial statements using the equity method. The investment is initially recognised at cost in the parent equity financial statements, and the carrying amount in the Group financial statements is increased or decreased to recognise the Group's share of the surplus or deficit of the associate after the date of acquisition. Distributions received from an associate reduce the carrying amount of the investment in the Group financial statements.

If the share of deficits of an associate equals or exceeds its interest in the associate, the Group discontinues recognising its share of future 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 HRC has incurred legal or constructive obligations or made payments on behalf of the associate. If the associate 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.

Where the Group transacts with an associate, surplus or deficits are eliminated to the extent of the Group's interest in the associate.

Dilution gains or losses arising from investments in associates are recognised in the surplus or deficit.

The investment in the associate is carried at cost in the Council's parent entity financial statements.

Subsidiary

A subsidiary is an entity over which HRC has the capacity to control their financing and operating policies so as to obtain benefits from the activities of that entity.

The power exists where HRC controls the majority voting power on the governing body, or where such policies were irreversibly predetermined by HRC, or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary. Power also exists where the funding received by the entity from HRC is greater than funding from other sources.

The cost of a business combination is measured as the aggregate of:

- The consideration transferred, which is generally measured at acquisition date fair value;
- The amount of any non-controlling interest measured at either fair value or the non-controlling interest in the fair value of the net identifiable assets of the acquiree; and
- The acquisition date fair value of the previously held equity interest in the acquiree, if any.

Any excess of the cost of the business combination over HRC's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities, is recognised as goodwill. If HRC's interest in this net fair value exceeds the cost of the business combination, the difference will be recognised immediately in the surplus or deficit.

Investments in subsidiaries are carried at cost in HRC's parent entity financial statements.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these prospective financial statements.

New Standards, Amendments and Interpretations Adopted

As a result of the External Reporting Board (XRB) issuing a new set of reporting standards for Public Benefit Entities (PBE's), the Prospective Financial Statements have been prepared based on these new standards.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue may be derived from either exchange or non-exchange transactions.

Exchange Transactions

Exchange transactions are transactions where the Council receives assets (primarily cash) or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to another entity in exchange.

Non-exchange Transactions

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, the Council either receives value from or gives value to another entity without directly giving or receiving approximately equal value in exchange.

An inflow of resources from a non-exchange transaction recognised as an asset, is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As Council satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Specific accounting policies for major categories of revenue are outlined below.

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates (excluding water by meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Revenue from Government

Government grants and subsidies are recognised upon entitlement, which is when the conditions pertaining to eligible expenditure have been fulfilled. Non-expenditure related grants are recognised within the relevant financial year when received or apportioned.

Other Grants Received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

Vested Physical Assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the 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.

For long-lived assets that must be used for a specific use (e.g. land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects it will need to return or pass the asset to another party.

Other Revenue

Other forms of revenue (excluding investment revenue), including fees, charges and other revenues are recognised on an accrual basis.

Dividends received are recognised when the right to the payment is established.

Interest revenue is recognised using the effective interest method. Interest revenue on an impaired financial asset is recognised using the original effective interest rate.

Expenditure

Expenditure is recognised on an accrual basis when the service was provided, or the goods received.

Grant Expenditure

Non-discretionary grants are those that are awarded if the grant application meets the specified criteria, and are recognised as expenditure when an application that meets the criteria has been received.

Discretionary grants are those where HRC has no award obligation on receipt of the grant application, and are only recognised as expenditure when a successful applicant was notified of the HRC's decision.

Leases

Operating Leases

An operating lease is a lease that does not transfer automatically all the risks and rewards incidental to ownership of an asset.

Where HRC is the lessee, lease payments under an operating lease are recognised as an expense on a straight line basis over the lease term. SLUI land leases paid in advance will be amortised over the life of the contracts.

Where HRC is the lessor, lease receipts under an operating lease are recognised as revenue on a straight line basis over the lease term.

Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Cash and Cash Equivalents include cash on hand, on demand or call deposits, other short-term deposits 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 are initially stated at their face value, less any provision for impairment.

Inventories of HRC are deemed to be held for distribution, being material or supplies to be consumed in the rendering of services, and are not supplied on a commercial basis. They are measured at cost, adjusted when applicable, for any loss of service potential. Inventory acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Financial Derivatives

Derivative financial instruments are used to manage exposure to interest rate risks arising from HRC's financing activities. In accordance with its treasury policy, HRC does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date the derivative contract is entered into, and are subsequently remeasured at their fair value on each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged. For Cash Flow Hedges, the portion of the gain or loss on a hedging instrument that is determined to be an effective hedge is recognised in other comprehensive revenue and expense.

The full fair value of a hedge accounted derivative is classified as non-current if the remaining maturity of the hedged item is more than 12 months, and as current if the remaining maturity of the hedged item is less than 12 months.

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 HRC commits to purchase or sell the asset. Financial assets are derecognised when the rights to received cash flows from the financial assets have expired or have been transferred, and HRC has transferred substantially all the risks and rewards of ownership.

HRC classifies its financial assets into the following four categories, the classification of which depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition.

Financial Assets at Fair Value Through Surplus or Deficit

These 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. Derivatives are also categorised as held for trading unless they are designated into hedge accounting relationship for which hedge accounting is applied.

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 value with gains or losses on remeasurement recognised in the surplus or deficit.

Loans and Receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. They are included in current assets, except for maturities greater than 12 months after balance date, which are included in non-current assets. HRC's loans and receivables comprise cash and cash equivalents, debtors and other receivables, term deposits and (when applicable) related party loans.

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

Held to Maturity Investments

These are non-derivative financial assets with fixed or determinable payments and fixed maturities that HRC has the positive intention and ability to hold to maturity. These 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 or losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Fair Value Through Other Comprehensive Revenue and Expense

These are those designated into the category at initial recognition or are not classified in any other categories above. These are included in non-current assets unless management intends to dispose of the share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date. The Council and the Group includes in this category investments that it intends to hold long term but which may be realised before maturity, and shareholdings that it holds for strategic purposes. These investments are measured at their fair value, with gains and losses recognised 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 reclassified from equity to the surplus or deficit.

Foreign Currency Transactions (FCTs)

FCTs (including those for which foreign exchange contracts are held) are translated into the functional currency using the spot exchange rate prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Impairment of Financial Assets

At each balance date, HRC assesses whether or not 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 of a loan or receivable is established when there is objective evidence that HRC 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 were 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 Comprehensive Revenue and Expense

For equity investments classified as fair value through equity, 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 in the surplus or deficit.

Property, Plant and Equipment

Those operational assets that are revalued are classed according to the district in which they are located, and are valued each three years according to the revaluation cycle of that district. Infrastructural assets are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years. All other asset classes are carried at depreciated historical cost. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different from fair value.

- i. All operational land and buildings will be valued at fair value by an independent, registered valuer, with additions at cost, less accumulated depreciation on buildings. HRC undertakes revaluations as each Local Authority District is revalued, according to their respective three-yearly cycle. Reviews for other assets outside this cycle will be done with sufficient regularity to ensure that their carrying amount does not differ materially from fair values. If there is a material difference, then the off-cycle asset classes are revalued.
- ii. Infrastructural assets are revalued three yearly at depreciated replacement cost, by HRC engineering staff that are directly associated with the administration of these schemes. The valuation methodology is reviewed by suitably qualified, independent consultants, to confirm that the methodology is consistent with PB IPSAS 17.
- iii. Plant and vehicles are valued at cost less accumulated depreciation, and impairment.
- iv. Furniture and fittings are valued at cost less accumulated depreciation, and impairment.
- v. Office equipment, scientific equipment and computer equipment are valued at cost less accumulated depreciation, and impairment.
- vi. Capital Work in Progress includes:
 - (a) Assets in process of construction; and
 - (b) Purchases and disposals awaiting finalisation (eg. subdivision titles) and thus not yet processed through the fixed asset register.

Capital work in progress is stated at cost, less any impairment value, and is not depreciated.

Included within the land infrastructural assets managed by Horizons are significant land holdings that are legally held in the name of the Crown. This technical legal ownership by the Crown results from the fact that, prior to 1987, various government departments, eg. the Ministry of Works, were responsible for acquiring land required for the various river control schemes. Since 1987, however, all land acquisitions were undertaken by HRC and so legal ownership was vested in HRC. While the Crown is the legal owner of portions of HRC's river control scheme land holdings, it is considered that HRC, or at least HRC's

ratepayers, enjoy all of the risks and benefits associated with ownership of these land holdings, and so “in substance” HRC has ownership. However, it is noted that should HRC ever decide to sell a significant portion of these land holdings, then part of the proceeds may have to be returned to the Crown.

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 HRC, and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, such items are 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.

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 reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

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 the 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.

Infrastructural Assets

Infrastructural assets are assets that deliver benefits direct to the community rather than being used directly by HRC. The major infrastructural assets owned by HRC are associated with the Region’s major flood protection and land drainage schemes. It is generally considered that the majority of infrastructural assets owned by HRC would not be readily saleable.

Depreciation

Operational assets as listed below are depreciated on the straight-line basis at rates that will write off the cost (or valuation) less their estimated residual values, over their useful lives, as follows:

Buildings	50 years
Heavy plant and machinery	10 years
Other plant and machinery	10 years
Motor vehicles	4-8 years
Furniture and fittings	10 years
Office equipment	5-6 years
Scientific equipment	5-12 years
Computer equipment	3-10 years
Communications equipment	3-15 years
Equipment and electronics	5-12 years

Infrastructural assets are depreciated on the straight-line basis at rates that will write off the carrying amount of the assets, less their estimated residual values, over their estimated useful lives, as follows:

Concrete block walls	100 years
Major floodgate structures	70-100 years
Floodgate culverts (over 1.2 m)	70 years
Flow diversion structures	70-100 years
Pump station structures	70 years
Drop structures	50-70 years
Amenity enhancements	50 years
Concrete/timber flood walls	50 years
Grade controls	50 years
Portable flood barriers	50 years
Pump station floodgates/pumps	50 years
Timber retaining walls	50 years
Weirs	50 years
Pump station electrical/mechanical	25 years
Gabions	20 years
Permeable mesh units	20 years
Rangitikei stopbanks	20 years

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

Several types of infrastructural assets are deemed to have an indefinite life as follows: tied tree works, protection planting, bed armouring, rockwork, concrete rip rap, stop gates, drainage channels, culverts, dams, groynes, forestry, spillways and stopbanks. These assets are not depreciated.

Accounting for Revaluations

HRC accounts for revaluations of property on a class of asset basis. The results of revaluing are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserves, this balance is expensed in surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease in value so treated, will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in the prospective Statement of Revenue and Expense.

Intangible Assets

Computer Software

Costs associated with the acquisition and bringing to use of computer software, which is not an inherent or integral part of the associated computer hardware, are treated as intangible assets. Costs that are directly associated with the development of software for the internal use by HRC are also recognised as an intangible asset. These direct costs include both direct employee and other related costs, as well as an appropriate portion of relevant overheads.

The carrying value of an intangible asset with a finite life is amortised on a straight line basis over its expected useful life during which future economic benefits or service potential associated with the item will flow to HRC. For Digital Terrain Flood Modelling software, this is estimated as being from 10 to 12 years, and for other computer software, both acquired and developed, from 4 to 9 years.

Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the surplus and deficit.

Where software in this category is replaced, upgraded or determined by HRC to be of no further operational benefit, a change in value will be recognised through the comprehensive revenue and expense. This change in value will be the difference between the carrying value of the original item and its fair value.

Costs associated with maintaining computer software are treated as an expense when incurred, and are recognised as such in the:

- Staff training costs we recognised in the surplus or deficit when incurred.
- Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

Carbon Credits

These are dealt with under **Forestry Assets**.

Impairment of Property, Plant, Equipment and Intangibles

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, and goodwill, are not subject to amortisation and are tested annually for impairment.

Property, plant, and equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstance 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. The total impairment loss is recognised in the surplus or deficit. 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 determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

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 and cash-generating units is the present value of expected future cash flows.

Forestry Assets

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber process, felling costs and silvicultural costs, and takes into account consideration of environmental, operational and market restrictions.

Where standing forestry assets have not been developed to the stage at which a revaluation is appropriate, these assets shall be carried at cost in the statement of financial position.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated costs to sell, and from a change in fair value less estimated costs to sell, are recognised in the surplus or deficit.

The costs to maintain forestry assets are recognised in the surplus or deficit when incurred.

Carbon Credits

Purchased carbon credits are recognised at cost on acquisition. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Free carbon units 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.

Employee Entitlements

Short-term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured 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, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where the Council or Group has a contractual obligation or where there is a past practice that has created a constructive obligation.

Long-term Employee Entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- 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 entitlement information; and
- The present value of the estimated future cash flows.

Superannuation Schemes

Defined Contribution Schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the surplus or deficit as incurred.

Other Provisions

HRC 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, and it is probable that expenditures will be required to

settle this obligation, and a reliable estimate of the amount can be determined. 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 and is included in 'finance costs'.

Creditors and Other Payables

Creditors and other payables are initially measured at face value.

Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless HRC has an unconditional right to defer settlement of the liability for at least 12 months after balance date, or if expected to be settled within 12 months.

Borrowing Costs

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

Equity

Equity is the community's interest in HRC, and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into a number of reserves.

The components of equity are:

- Asset revaluation reserves;
- Restricted reserves;
- Insurance infrastructure reserve, and
- Retained earnings.

Asset Revaluation Reserves

These reserves relate to the revaluation of property, plant and equipment to fair value. This reserve comprises the cumulative net change in the fair value through other comprehensive revenue and expense.

Restricted Reserves

These reserves are a component of equity generally representing a particular use to which various parts of equity were assigned. Use of these reserves may be legally restricted or created by legislation or HRC.

Restricted reserves are those subject to specific conditions as binding by HRC, and which may not be revised by HRC without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Also included in restricted reserves are reserves restricted by Council decision. The Council may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of the Council.

Insurance Infrastructure Reserve

Following the earthquake events in Christchurch and Japan, our ability to insure our infrastructure assets has reduced considerably, as we have been unable to reinsure with one of our commercial providers.

Accordingly, we have increased the level of rating to build river scheme reserves, as well as introducing a new common rate to build reserves to provide for a level of self-insurance against our assets that now have limited or no insurance cover.

Goods and Services Tax (GST)

These financial statements are presented net of GST, except for receivables and payables which are inclusive of GST. Where GST paid is not recoverable, due to it relating to exempt items, the GST inclusive amount is recognised as part of the related asset or expense including the GST relating to investing and financing activities.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or recovered from, the Inland Revenue Department is recognised as an item in operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

HRC has derived the cost of service for each of its project groups using the cost allocation system outlined below:

- Direct costs are those costs identified as being directly attributable to a project group, and are charged directly to that project group.
- Indirect costs are those costs that cannot be identified, in an economically feasible manner, as contributing directly to a project group. Instead, these are charged to project groups using appropriate cost drivers including actual usage, staff numbers, floor area, telephone and computer units.

Income Tax

Income tax expense may comprise both current and deferred tax, and is calculated using tax rates that were enacted or substantively enacted by balance date.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of 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 financial statements, 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 HRC expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all 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 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.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future.

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 transactions recognised in other comprehensive revenue and expense, or directly in equity.

Currently, taxable revenue of HRC relates to revenue derived from dividends, CentrePort Limited and MWRC Holdings Limited, and the tax liability on these is usually met by imputation credits. All other revenue of HRC is currently exempt from income tax.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, HRC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions 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:

Infrastructural Assets

There are a number of assumptions and estimates used when performing Depreciated Replacement Cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset; eg. HRC could be carrying an asset at an amount that does not reflect its actual condition. This risk is minimised by HRC adhering to maintenance requirements

included in asset management plans currently in force, to ensure design standards are adequately maintained;

- Estimating any obsolescence or surplus capacity of an asset; and
- Estimates are made when determining the remaining useful lives over which the assets will be depreciated. These estimates can be impacted by local conditions; for example weather patterns and population and/or traffic growth. To minimise this risk, HRC's infrastructural assets' useful lives were determined in conjunction with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering (NAMS) Group.

Senior engineering staff working in the river and drainage area initially revise infrastructural asset valuations, and their methodology is then subject to peer review, and also reviewed by experienced independent valuers.

Critical Judgement in Applying Accounting Policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of Property

HRC owns properties that are currently rented as residential accommodation. The receipt of market-based rental from these is incidental to holding them, as the properties are held for service delivery objectives as part of HRC's overall service delivery and activity programmes. The properties are accounted for as property, plant and equipment.

Capital Management

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

The Local Government Act 2002 (the Act) requires HRC 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. Largely as a by-product of this prudential management, ratepayers' funds are managed accordingly.

In order to achieve intergenerational equity, a principle promoted in the Act, HRC utilises asset management plans for its major assets and groups 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 Long-term Plan identifies the long-term expenditure needs in relation to these asset management plans, and sets out the sources and level of funding necessary to achieve these.

As part of this approach to intergenerational equity, HRC has created reserves identifying different areas of benefit. These are used where there is a discrete set of ratepayers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied solely to the specific reserves concerned.

River and Drainage Scheme Emergency Reserves Summary

Overview

Under our River and Drainage Scheme Activity, 29 of our schemes set aside funds in scheme-specific emergency reserve accounts. The purpose of these funds, as set out in our Infrastructural Asset Management Plans, is to:

- Meet costs of urgent and un-programmed works, usually associated with flood damage;
- Enable a rapid start on damage repairs, avoiding time delays associated with other funding mechanisms; and
- Fund the deductible in respect of an insurance claim.

The total estimated opening balance of these funds at 1 July 2016 is \$6.805 million. Deposits in total of \$1.090 million and withdrawals in total of \$0.586 million are estimated to occur during the period 1 July 2016 and 30 June 2017. The total estimated closing balance of these reserves is \$7.309 million.

The table below shows the estimated opening balance for the respective reserves accounts, the amounts expected to be deposited into those accounts (including interest) over the term of the Plan, the amounts expected to be withdrawn from the accounts over that term, and the estimated closing balances at the end of the Plan.

Included in the table is a provision for contestable funding of amenity enhancements in conjunction with scheme works, as discussed on page 82 of this Plan. While it is expected that there will be applications for that funding during the term of the Plan, withdrawals are not shown.

Reserve Name	Estimated Opening Emergency Reserve Balance 1 July 2016	Estimated Deposits 1 July 2016 to 30 June 2017	Estimated Withdrawals 1 July 2016 to 30 June 2017	Estimated Closing Balance 30 June 2017
Akitio River	13,716	796	-	14,512
Ashhurst Stream	11,433	2,663	-	14,096
Eastern Manawatu	15,405	894	-	16,299
Forest Road Drainage	804	197	-	1,001
Foxton East Drainage	1,506	87	-	1,593
Haunui Drainage	-	-	-	-
Himatangi Drainage	14,675	851	1,000	14,526
Hokio Drainage	14,943	867	-	15,810
Ihuraua Stream	-	-	-	-
Kahuterawa	-	-	-	-
Koputaroa Drainage	128,807	7,471	20,000	116,278
Lower Kiwitea Stream	117,040	16,788	-	133,829
Lower Manawatu River	2,455,150	392,399	460,000	2,387,548
Lower Manawatu Special Projects	2,819	164	-	2,983
Lower Whanganui River	146,950	61,523	-	208,473

All figures are exclusive of GST unless otherwise stated

Makerua Drainage	140,255	8,135	-	148,390
Makirikiri Flood Control	15,479	1,898	1,350	16,027
Manawatu Drainage	117,305	6,804	25,000	99,108
Mangatainoka River	788,198	107,253	-	895,451
Matarawa Flood Control	(1,854)	4,892	-	3,038
Moutoa Drainage	136,979	7,945	8,500	136,424
Ohau-Manakau	202,887	26,767	-	229,655
Pakihi	2,579	1,680	-	4,258
Pohangina-Oroua River Control	329,404	44,105	-	373,509
Porewa Valley Flood Control	45,793	2,656	3,250	45,199
Rangitikei River Control	677,616	165,950	57,000	786,566
South East Ruahines	586,373	124,010	-	710,383
Taringamotu	11,862	688	-	12,550
Tawataia-Mangaone	8,004	464	-	8,469
Te Kawau Drainage	75,452	4,376	10,000	69,828
Turakina	2,116	123	-	2,239
Tutaenui Flood Control	24,357	3,413	-	27,770
Upper Manawatu-Lower Mangahao	407,156	65,213	-	472,369
Upper Whanganui River	269,359	23,623	-	292,982
Whangaehu-Mangawhero	26,138	4,516	-	30,654
Whirokino Drainage	15,880	921	-	16,801
Makerua Drainage	140,255	8,135	-	148,390
Total Scheme Reserve	6,804,586	1,090,132	586,100	7,308,618

All figures are exclusive of GST unless otherwise stated

River and Drainage Scheme Capex Renewal Reserves Summary

Overview

In accordance with our new 30-Year Infrastructure Strategy, we will as from 1 July 2016 set aside funds in scheme-specific renewal reserve accounts. The purpose of these funds is to enable the renewal of infrastructure assets at the end of their useful lives, as assessed in accordance with Council's Asset Management Policy.

The table below shows the actual opening balance for the reserves (\$0.317 million); the amounts that should normally be deposited into the respective accounts over the term of the Annual Plan (\$0.723 million); the amounts that in accordance with Council's contribution deferral policy, will not be funded (\$0.440 million); the estimated withdrawals from the accounts for the purpose of funding renewals (\$0.223 million); and the estimated closing balances, including interest at the end of the Annual Plan term (\$0.383 million).

Reserve Name	Estimated Opening Capex Renewal Reserve Balance 1 July 2016	Estimated Capex Renewal Contribution (Incl Interest) 1 July 2016 to 30 June 2017	Estimated Capex Renewal Contribution Not Funded 1 July 2016 to 30 June 2017	Estimated Transfers to Schemes from Renewal Reserve 1 July 2016 to 30 June 2017	Estimated Closing Renewal Reserve Balance 30 June 2017
Akitio River	-	-	-	-	-
Ashhurst Stream	-	2,000	2,000	-	-
Eastern Manawatu	-	-	-	-	-
Forest Road Drainage	500	529	-	-	1,029
Foxton East Drainage	504	533	-	-	1,037
Haunui Drainage	-	-	-	-	-
Himatangi Drainage	344	364	-	-	708
Hokio Drainage	413	437	-	-	850
Ihuraua Stream	-	-	-	-	-
Kahuterawa	-	-	-	-	-
Koputaroa Drainage	57,663	45,295	10,890	48,718	43,351
Lower Kiwitea Stream	-	-	-	-	-
Lower Manawatu River	-	351,550	320,180	31,370	-
Lower Manawatu Special Project	-	-	-	-	-
Lower Whanganui River	-	13,000	13,000	-	-
Makerua Drainage	87,011	87,997	23,434	49,833	101,741
Makirikiri Flood Control	1,402	6,881	-	-	8,283
Manawatu Drainage	41,462	77,384	30,237	26,320	62,289
Mangatainoka River	-	-	-	-	-
Matarawa Flood Control	-	6,750	6,750	-	-
Moutoa Drainage	34,855	59,954	16,677	34,005	44,127
Ohau-Manakau	29,084	9,251	-	-	38,335
Pakihi	300	317	-	-	617
Pohangina-Oroua River Control	-	-	-	-	-

All figures are exclusive of GST unless otherwise stated

Porewa Valley Flood Control	2,972	4,172	1,032	-	6,112
Rangitikei River Control	-	9,000	9,000	-	-
South East Ruahines	9,342	9,884	-	-	19,226
Taringamotu	-	-	-	-	-
Tawataia-Mangaone	1,240	1,312	-	-	2,552
Te Kawau Drainage	49,439	33,294	-	32,320	50,413
Turakina	-	-	-	-	-
Tutaenui Flood Control	-	2,500	2,500	-	-
Upper Manawatu-Lower Mangahao Rivers	-	-	-	-	-
Upper Whanganui River	-	2,300	2,300	-	-
Whangaehu-Mangawhero	-	-	-	-	-
Whirokino Drainage	711	2,919	1,607	-	2,023
Amenity Enhancements Contestable	-	-	-	-	-
Total Scheme Reserve	317,242	727,623	439,607	222,565	382,693

All figures are exclusive of GST unless otherwise stated

Prospective Funding Impact Statement for all Groups of Activities (\$000)

	Actual 2014-15	LTP Year 1 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	24,703	25,557	26,432	26,309
Targeted rates	14,025	13,310	13,790	13,690
Subsidies and grants for operating purposes	6,014	4,740	5,014	4,932
Fees and charges	10,987	8,266	8,322	8,807
Interest and dividends from investments	2,034	1,726	1,883	1,872
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
Total sources of operating funding (A)	57,763	53,599	55,441	55,610
Applications of Operating Funding				
Payments to staff and suppliers	45,559	44,777	47,169	47,475
Finance costs	1,256	1,220	1,295	1,200
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	46,815	45,997	48,464	48,675
Surplus (Deficit) of Operating Funding (A-B)	10,948	7,602	6,977	6,935
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	-	-	-	-
Applications of Capital Funding				
Capital expenditure:				
· to meet additional demand	-	-	-	-
· to improve the level of service	7,892	6,670	5,561	5,949
· to replace existing assets	2,075	4,193	2,536	2,608
Increase (decrease) in reserves	981	(3,260)	(1,118)	(1,623)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	10,948	7,603	6,979	6,934
Surplus (Deficit) of Capital Funding (C-D)	(10,948)	(7,603)	(6,979)	(6,934)

All figures are exclusive of GST unless otherwise stated

Annual Funding Impact Statement for the Year Ending 30 June 2017

Notes:

1. All rates in this Funding Impact Statement are inclusive of GST.
2. The final date for payment for all rates is 30 September 2016. When all rates for the financial year are paid on or before this date, a discount will apply as specified in the Prompt Payment Policy. Except where prior arrangements are made, penalties for late payment will be applied at the maximum rates allowable, being 10 per cent on 28 October 2016 and 10 per cent on all accumulated rate arrears on 8 July 2016 and 20 January 2017.
3. Definition of Separately Used or Inhabited Dwelling Part of a Rating Unit. Under Schedule 10, Part 1, Section 10 1 d (iii) (B) of the Local Government Act we are now required to state our definition of a Separately Used or Inhabited Dwelling Part of a Rating Unit:

“A separately used or inhabited part of a rating unit is only recognised as such if there is an unique valuation identifier for that part of the rating unit.”

Equalised Capital Value

The Region is made up of seven districts. A portion of your rates bill (General Rate) is derived from the value of your property. Each district is valued at different times. It is important to take into account timing differences, so that ratepayers in districts that have been revalued more recently don't unfairly pay more than districts valued two or three years ago. To adjust for revaluation timing differences, we annually revalue all districts to work out an individual district's share of the General Rate. Once the total General Rate for a district is known, the amount is then allocated over the capital values of the individual properties at the time of the last revaluation.

General Rate Differentiation Across Constituent Districts

ECV \$ At 01/09/12	General Rate Yield (Incl UAGC) 2014-15	District/City	ECV \$ At 01/05/15	General Rate Yield 2016-17	UAGC Yield 2016-17	Total Yield 2016-17
5,422,118,710	803,113	Horowhenua DC	5,740,151,169	56,508	670,956	727,464
6,610,281,625	681,145	Manawatu DC	7,028,137,701	69,049	501,505	570,554
12,629,826,100	1,542,935	Palmerston North CC	13,432,171,256	131,594	1,221,025	1,352,619
3,393,766,613	398,140	Rangitikei DC	3,595,547,768	35,447	300,555	336,002
3,612,123,235	417,466	Ruapehu DC	3,644,118,094	35,987	320,647	356,634
4,506,388,538	483,617	Tararua DC	4,905,273,560	48,412	362,666	411,079
5,751,759,498	931,812	Wanganui DC	6,000,270,414	59,076	776,998	836,073
66,538,885	8,930	Part Stratford DC	68,280,054	673	7,145	7,818
1,857,000	124	Part Taupo DC	1,787,321	18	77	95
66,764,750	2,562	Part Waitomo DC	65,235,648	645	768	1,413
42,061,424,954	5,269,844		44,480,972,985	437,408	4,162,344	4,599,752

All figures are exclusive of GST unless otherwise stated

Uniform Annual General Charge (UAGC)

District/City	Class	Number of Rating Units	UAGC Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Horowhenua DC	UAGC	17,657	38.00000	670,956
Manawatu DC	UAGC	13,198	38.00000	501,505
Palmerston North CC	UAGC	32,132	38.00000	1,221,025
Rangitikei DC	UAGC	7,909	38.00000	300,555
Ruapehu DC	UAGC	8,438	38.00000	320,647
Tararua DC	UAGC	9,544	38.00000	362,666
Wanganui DC	UAGC	20,447	38.00000	776,998
Part Stratford DC	UAGC	188	38.00000	7,145
Part Taupo DC	UAGC	2	38.00000	77
Part Waitomo DC	UAGC	20	38.00000	768
Total UAGC				4,162,344

General Rate – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01N	0.0000099	56,508
Manawatu DC	02N	0.0000099	69,049
Palmerston North CC	03N	0.0000099	131,594
Rangitikei DC	04N	0.0000099	35,447
Ruapehu DC	05N	0.0000100	35,987
Tararua DC	06N	0.0000100	48,412
Wanganui DC	07N	0.0000099	59,076
Part Stratford DC	08N	0.0000099	673
Part Taupo DC	09N	0.0000100	18
Part Waitomo DC	10N	0.0000100	645
Total General Rate - EQCV			437,408

All figures are exclusive of GST unless otherwise stated

Biosecurity Rate – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01N	0.0000751	427,310
Manawatu DC	02N	0.0000750	522,824
Palmerston North CC	03N	0.0000747	997,549
Rangitikei DC	04N	0.0000751	267,755
Ruapehu DC	05N	0.0000752	271,593
Tararua DC	06N	0.0000752	365,542
Wanganui DC	07N	0.0000750	446,576
Part Stratford DC	08N	0.0000751	5,084
Part Taupo DC	09N	0.0000754	133
Part Waitomo DC	10N	0.0000753	4,865
Total Biosecurity Rate - EQCV			3,309,231

Emergency Management Rate – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01N	0.0000382	217,637
Manawatu DC	02N	0.0000382	266,284
Palmerston North CC	03N	0.0000380	508,070
Rangitikei DC	04N	0.0000383	136,373
Ruapehu DC	05N	0.0000383	138,327
Tararua DC	06N	0.0000383	186,177
Wanganui DC	07N	0.0000382	227,449
Part Stratford DC	08N	0.0000383	2,589
Part Taupo DC	09N	0.0000384	68
Part Waitomo DC	10N	0.0000384	2,478
Total Emergency Management Rate - EQCV			1,685,453

All figures are exclusive of GST unless otherwise stated

Information Rate – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01N	0.0000325	185,316
Manawatu DC	02N	0.0000325	226,739
Palmerston North CC	03N	0.0000324	432,618
Rangitikei DC	04N	0.0000326	116,120
Ruapehu DC	05N	0.0000326	117,785
Tararua DC	06N	0.0000326	158,528
Wanganui DC	07N	0.0000325	193,671
Part Stratford DC	08N	0.0000326	2,205
Part Taupo DC	09N	0.0000327	58
Part Waitomo DC	10N	0.0000327	2,110
Total Information Rate - EQCV			1,435,149

Resource and Consent Monitoring Rate – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01N	0.0000423	241,008
Manawatu DC	02N	0.0000423	294,880
Palmerston North CC	03N	0.0000421	562,631
Rangitikei DC	04N	0.0000424	151,018
Ruapehu DC	05N	0.0000424	153,182
Tararua DC	06N	0.0000424	206,170
Wanganui DC	07N	0.0000423	251,875
Part Stratford DC	08N	0.0000424	2,867
Part Taupo DC	09N	0.0000425	75
Part Waitomo DC	10N	0.0000425	2,744
Total Resource and Consent Monitoring Rate - EQCV			1,866,451

All figures are exclusive of GST unless otherwise stated

River and Drainage Rate – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01N	0.0000892	507,845
Manawatu DC	02N	0.0000891	621,361
Palmerston North CC	03N	0.0000888	1,185,558
Rangitikei DC	04N	0.0000893	318,219
Ruapehu DC	05N	0.0000894	322,780
Tararua DC	06N	0.0000894	434,436
Wanganui DC	07N	0.0000891	530,742
Part Stratford DC	08N	0.0000893	6,042
Part Taupo DC	09N	0.0000897	158
Part Waitomo DC	10N	0.0000895	5,782
Total River and Drainage Rate - EQCV			3,932,925

Strategic Management Rate – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01N	0.0000380	216,413
Manawatu DC	02N	0.0000380	264,787
Palmerston North CC	03N	0.0000378	505,214
Rangitikei DC	04N	0.0000381	135,606
Ruapehu DC	05N	0.0000381	137,550
Tararua DC	06N	0.0000381	185,130
Wanganui DC	07N	0.0000380	226,171
Part Stratford DC	08N	0.0000381	2,575
Part Taupo DC	09N	0.0000382	68
Part Waitomo DC	10N	0.0000381	2,464
Total Strategic Management Rate - EQCV			1,675,976

All figures are exclusive of GST unless otherwise stated

Water Quality and Quantity Rate – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01N	0.0001063	604,943
Manawatu DC	02N	0.0001062	740,163
Palmerston North CC	03N	0.0001057	1,412,231
Rangitikei DC	04N	0.0001064	379,062
Ruapehu DC	05N	0.0001065	384,494
Tararua DC	06N	0.0001065	517,498
Wanganui DC	07N	0.0001062	632,218
Part Stratford DC	08N	0.0001064	7,197
Part Taupo DC	09N	0.0001068	189
Part Waitomo DC	10N	0.0001066	6,888
Total Water Quality and Quantity – EQCV			4,684,882

Regional Transport Planning and Road Safety – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01T	0.0000058	32,772
Manawatu DC	02T	0.0000058	40,098
Palmerston North CC	03T	0.0000057	76,506
Rangitikei DC	04T	0.0000058	20,535
Ruapehu DC	05T	0.0000058	20,830
Tararua DC	06T	0.0000058	28,035
Wanganui DC	07T	0.0000058	34,250
Part Stratford DC	08T	0.0000058	390
Part Taupo DC	09T	0.0000058	10
Part Waitomo DC	10T	0.0000058	373
Total Regional Transport Planning and Road Safety - EQCV			253,799

All figures are exclusive of GST unless otherwise stated

Targeted Rate: Transport Passenger Services (Including Total Mobility)

District/City	Class	All Urban Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01U	0.0000655	160,249
Manawatu DC	02U	0.0000861	164,227
Palmerston North CC	03U	0.0000994	1,121,345
Rangitikei DC	04U	0.0000416	34,541
Ruapehu DC	05U	0.0000097	8,256
Tararua DC	06U	0.0000257	18,011
Wanganui DC	07U	0.0001106	449,874
Total Targeted Rate: Transport Passenger Services (Including Total Mobility)			1,956,503

Targeted Rate: Infrastructure Insurance Reserve Rate

Property Type	Class	Proposed Uniform Annual Charge Dollars per \$UIP 2016-17	Revenue Sought 2016-17
Up to and including \$250,000 Capital Value	IIR1	1.9252759	128,148
Greater than \$250,000 and up to and including \$500,000 Capital Value	IIR2	3.8582939	118,176
Greater than \$500,000 and up to and including \$1,000,000 Capital Value	IIR3	5.7722174	54,051
Greater than \$1,000,000 Capital Value	IIR4	24.9550227	158,564
Total Targeted Rate: Infrastructure Insurance Reserve			458,939

All figures are exclusive of GST unless otherwise stated

Targeted Rate: Sustainable Land Use Initiative

District/City	Class	Number of Rating Units	Uniform Annual Charge Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Horowhenua DC	SLUI	17,657	39.9800000	705,916
Manawatu DC	SLUI	13,198	39.9800000	527,636
Palmerston North CC	SLUI	32,132	39.9800000	1,284,647
Rangitikei DC	SLUI	7,909	39.9800000	316,216
Ruapehu DC	SLUI	8,438	39.9800000	337,355
Tararua DC	SLUI	9,544	39.9800000	381,563
Wanganui DC	SLUI	20,447	39.9800000	817,484
Part Stratford DC	SLUI	188	39.9800000	7,517
Part Taupo DC	SLUI	2	39.9800000	81
Part Waitomo DC	SLUI	20	39.9800000	808
Total Targeted Rate: Sustainable Land Use Initiative				4,379,224

Targeted Rate: Environmental Initiatives

District/City	Class	Number of Rating Units	Uniform Annual Charge Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Horowhenua DC	EI	17,657	18.3700000	324,354
Manawatu DC	SUIP	13,198	18.3700000	242,438
Palmerston North CC	SUIP	32,132	18.3700000	590,269
Rangitikei DC	SUIP	7,909	18.3700000	145,295
Ruapehu DC	SUIP	8,438	18.3700000	155,008
Tararua DC	SUIP	9,544	18.3700000	175,320
Wanganui DC	SUIP	20,447	18.3700000	375,617
Part Stratford DC	SUIP	188	18.3700000	3,454
Part Taupo DC	SUIP	2	18.3714000	37
Part Waitomo DC	SUIP	20	18.3714000	371
Total Targeted Rate: Environmental Initiatives				2,012,165

All figures are exclusive of GST unless otherwise stated

Targeted Rate: Production Pest Animal Management

Property Type	Class	Number of Rating Units	Dollars Per Hectare 2016-17	Revenue Sought 2016-17
Properties greater than 4 Ha	PPAM	1,635,392	0.9479243	1,550,228
Total Targeted Rate : Production Pest Animal Management				1,550,228

Targeted Rate: AHB Tb Vector Levy

Property Type	Class	Number of Rating Units	Dollars Per Hectare 2016-17	Revenue Sought 2016-17
Properties greater than 4 Ha	AHBTb	-	-	-
Total Targeted Rate: AHB Tb Vector Levy		-	-	-

Targeted Rate: Production Pest Rook Management

Property Type	Class	Number of Rating Units	Dollars Per Hectare 2016-17	Revenue Sought 2016-17
Properties greater than 4 Ha	PPRM	1,635,048	0.0910225	148,826
Total Targeted Rate: Production Pest Rook Management				148,826

Targeted Rate: Production Pest Plant Management

Property Type	Class	Number of Rating Units	Dollars Per Hectare 2016-17	Revenue Sought 2016-17
Properties greater than 4 Ha	PPPM	1,635,048	0.0131830	21,555
Properties less than 4 Ha	PPUA	95,550	1.3575955	129,718
Total Targeted Rate: Production Pest Plant Management				151,273

All figures are exclusive of GST unless otherwise stated

Targeted Rate: Rangitikei Old Man's Beard Eradication

Property Type	Class	Number of Rating Units	Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Properties greater than 4 Ha	OMBE	1,958	38.6627345	75,702
Properties less than 4 Ha	OMBE	5,934	5.5006818	32,641
Total Targeted Rate: Rangitikei Old Man's Beard Eradication				108,343

Targeted Rate: Regional Park

Property Type	Class	Number of Rating Units	Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Manawatu District	PARK	13,184	5.2568962	69,307
Palmerston North City	PARK	31,888	5.2823462	168,443
Total Targeted Rate: Regional Park				237,750

Targeted Rate: Manawatu River Water Quality Improvement

Property Type	Class	Number of Rating Units	Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Manawatu River Catchment	AC	57,940	8.1022625	469,445
Total Targeted Rate: Manawatu River Water Quality Improvement				469,445

Targeted Rate: Waitarere Beach Biodiversity Project

Property Type	Class	Number of Rating Units	Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Waitarere Beach Community		859	9.3659452	8,045
Total Targeted Rate: Waitarere Beach Biodiversity Project				8,045

All figures are exclusive of GST unless otherwise stated

Targeted Rate: Lake Horowhenua Weed Harvester

Property Type	Class	Number of Rating Units	Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Levin District		17,291	9.8069000	169,571
Total Targeted Rate: Lake Horowhenua Weed Harvester				169,571

All figures are exclusive of GST unless otherwise stated

Targeted Rate: River and Drainage Schemes

Rates 2016-17

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
RIVER SCHEMES					
Akitio	RC	Dollars Per Hectare	613	6.9722721	4,273
	DB	Total Amount to be Invoiced			3,739
	CN	Dollars Per Hectare	56,025	0.0476681	2,671
		Scheme			10,682
Eastern Manawatu	EL	Dollars Per Hectare	1,194	19.5265325	23,318
	EU	Dollars Per Hectare	637	13.0163879	8,288
	IN	SUIP	731	9.9366523	7,264
	CN	Dollars Per Hectare	88,140	0.1103202	9,724
		Scheme			48,593
Ihuraia Stream	A	Dollars Per Hectare	91	15.3225792	1,395
	B	Dollars Per Hectare	211	10.7258023	2,268
	C	Dollars Per Hectare	90	4.5967771	415
	D	Dollars Per Hectare	27	1.5322910	42
	E	Dollars Per Hectare	574	0.6129025	352
	F	Dollars Per Hectare	5,307	0.1532257	813
		Scheme			5,284
Kahuterawa	NZ Defence	Total Amount to be Invoiced			4,092
	MU Farm	Total Amount to be Invoiced			3,568
	KM	Dollars Per Hectare	32	130.3065830	4,166
		Scheme			11,825
Lower KIWITEA Stream	CK	Dollars Per Hectare	142	176.1772843	24,933
	MK	Dollars Per Hectare	299	257.9616496	77,243
	CN	Dollars Per Hectare	23,347	1.1030263	25,752
		Scheme			127,928

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
Lower Manawatu	CE	Dollars Per Hectare	272,516	0.4119793	112,271
	CL	Dollars Per Hectare	142,752	1.4011727	200,020
	CW	Dollars Per Hectare	78,934	0.7031462	55,502
	DR	Dollars Per Hectare	177	91.0092664	16,066
	F1	\$ per \$ of Land Value	135,292,170	0.0019541	264,371
	F2	\$ per \$ of Land Value	82,610,759	0.0015633	129,142
	F3	\$ per \$ of Land Value	44,632,570	0.0011724	52,329
	F4	\$ per \$ of Land Value	295,683,572	0.0007816	231,115
	F5	\$ per \$ of Land Value	496,477,114	0.0001947	96,652
	FB	\$ per \$ of Capital Value	324,228,000	0.0001046	33,922
	FG	\$ per \$ of Capital Value	1,696,554,800	0.0001072	181,877
	HF	SUIP	776	511.9081455	397,241
	IC	SUIP	50,453	10.5146419	530,495
	IE	SUIP	2,679	5.2701541	14,119
	IF	SUIP	6,142	3.4875759	21,421
	IS	SUIP	11,304	5.2212827	59,021
	IW	SUIP	583	3.4684597	2,022
	PN	\$ per \$ of Capital Value	11,060,361,850	0.0000716	792,104
	R1	Dollars Per Hectare	4,030	52.1780372	210,295
	R2	Dollars Per Hectare	174	10.5092444	1,825
	SA	\$ per \$ of Capital Value	3,845,740	0.0016610	6,388
	SB	\$ per \$ of Capital Value	43,145,425	0.0014656	63,232
	SC	\$ per \$ of Capital Value	8,701,930	0.0009770	8,502
	SD	\$ per \$ of Capital Value	57,407,523	0.0004885	28,045
		Scheme			3,507,976
Lower Manawatu Special Projects					
(On specified PN scheme)	SP	\$ per \$ of Capital Value	10,931,168,350	0.0000964	1,053,907
Turitea	TU	\$ per \$ of Capital Value	8,990,000	0.0015537	13,968
		Scheme			1,067,876

All figures are exclusive of GST unless otherwise stated

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
Makirikiri	A	Dollars Per Hectare	24	58.2372823	1,426
	B	Dollars Per Hectare	107	40.7661073	4,361
	C	Dollars Per Hectare	65	29.1186361	1,899
	F	Dollars Per Hectare	180	5.8237408	1,049
	A1	Dollars Per Hectare	24	86.7448978	2,124
	B1	Dollars Per Hectare	42	60.7214463	2,576
	C1	Dollars Per Hectare	8	43.3724466	358
	F1	Dollars Per Hectare	76	8.6745011	656
	CN	Dollars Per Hectare	5,263	0.9151980	4,816
				Scheme	19,266
Mangatainoka	LH	Dollars Per Hectare	225	31.4641515	7,082
	LM	Dollars Per Hectare	47	18.8784927	892
	LL	Dollars Per Hectare	592	6.2843542	3,719
	MH	Dollars Per Hectare	787	89.5634500	70,507
	MM	Dollars Per Hectare	1,271	53.7380683	68,308
	ML	Dollars Per Hectare	537	17.8977892	9,619
	UH	Dollars Per Hectare	394	178.2084007	70,132
	UM	Dollars Per Hectare	250	106.9250692	26,693
	UL	Dollars Per Hectare	505	35.6416728	18,002
	KL	Dollars Per Hectare	171	172.4860871	29,412
	MR	Dollars Per Hectare	508	10.0290395	5,095
	F1	Dollars Per Hectare	457	68.1009343	31,154
	F2	Dollars Per Hectare	743	40.8605601	30,371
	PU	\$ per \$ of Capital Value	220,034,540	0.0004313	94,911
	R1	\$ per \$ of Capital Value	64,300,000	0.0002994	19,254
	R2	\$ per \$ of Capital Value	6,830,000	0.0006299	4,302
	IN	Dollars Per Hectare	39,550	1.2776753	50,532
	CU	Dollars Per Hectare	15,938	2.9411345	46,875
	CK	Dollars Per Hectare	16,565	0.7536810	12,485
	CM	Dollars Per Hectare	5,893	0.1120485	660
	DR	Dollars Per Hectare	215	106.7781860	23,000
				Scheme	623,004
Matarawa	M1	Dollars Per Hectare	450	45.3235987	20,379
	M3	Dollars Per Hectare	67	9.0647057	606
	M4	Dollars Per Hectare	21	9.0646792	188
	L1	Dollars Per Hectare	93	6.7985460	629

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
(Wanganui District Council)	L2	Dollars Per Hectare	61	6.7985289	415
	L3	Dollars Per Hectare	14	27.1942242	383
	MW	Total Amount to be Invoiced			22,144
	IN	SUIP	312	15.9310458	4,970
	CN	Dollars Per Hectare	8,027	1.5550308	12,483
		Scheme			62,198
Ohau-Manakau	AD	Dollars Per Hectare	136	24.7173423	3,370
	CD	Dollars Per Hectare	5	15.9075281	83
	CH	Dollars Per Hectare	394	44.3047162	17,454
	CL	Dollars Per Hectare	1,428	3.3228530	4,745
	FL	Dollars Per Hectare	1,428	6.7886709	9,694
	FH	Dollars Per Hectare	394	90.5156265	35,659
	HD	Dollars Per Hectare	422	13.1205984	5,540
	IN	Dollars Per Hectare	12,153	6.0741663	73,817
	KD	Dollars Per Hectare	187	27.9388900	5,235
	L2	Dollars Per Hectare	23	23.1288994	543
	LD	Dollars Per Hectare	60	46.2578121	2,755
	MC	Dollars Per Hectare	401	6.9642616	2,789
	ML	Dollars Per Hectare	41	88.0858623	3,608
	MU	Dollars Per Hectare	57	211.1023396	12,033
	OL	Dollars Per Hectare	33	53.7215285	1,789
	OM	Dollars Per Hectare	75	161.4542832	12,107
	OT	Dollars Per Hectare	115	603.8414069	69,468
	OU	Dollars Per Hectare	50	287.8218986	14,397
	PD	Dollars Per Hectare	69	23.6451609	1,638
	SD	Dollars Per Hectare	53	8.0054539	426
	TD	Dollars Per Hectare	134	35.7190386	4,789
	WD	Dollars Per Hectare	266	16.5518209	4,401
	WL	Dollars Per Hectare	87	67.5400763	5,902
	WU	Dollars Per Hectare	81	167.7868959	13,590
	UO	\$ per \$ of Capital Value	49,473,000	0.0001060	5,242
	UM	\$ per \$ of Capital Value	28,308,000	0.0001379	3,904
	UW	\$ per \$ of Capital Value	63,572,000	0.0002581	16,407
		Scheme			331,388

All figures are exclusive of GST unless otherwise stated

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
Pakihi Valley	A	Dollars Per Hectare	100	42.5204033	4,257
Pohangina - Oroua	DR	Dollars Per Hectare	19	300.0198222	5,750
	EZ	Dollars Per Hectare	367	0.1078880	40
	IA	\$ per \$ of Capital Value	299,435,050	0.0000333	9,978
	IN	Dollars Per Hectare	55,043	2.3385540	128,721
	O1	Dollars Per Hectare	407	70.5225292	28,727
	O2	Dollars Per Hectare	659	98.4905290	64,882
	O3	Dollars Per Hectare	20	56.4180974	1,115
	O4	Dollars Per Hectare	150	78.7924498	11,804
	P1	Dollars Per Hectare	300	174.1568153	52,261
	P2	Dollars Per Hectare	629	104.4940835	65,717
	P3	Dollars Per Hectare	129	19.6772645	2,536
	P4	Dollars Per Hectare	189	139.3254335	26,329
	P5	Dollars Per Hectare	44	83.5951431	3,675
	P6	Dollars Per Hectare	33	15.7417865	516
	Scheme				402,051
Porewa Valley	A	\$ per \$ of Capital Value	1,514,480	0.0059942	9,078
	B	\$ per \$ of Capital Value	2,998,300	0.0034766	10,424
	C	\$ per \$ of Capital Value	6,654,730	0.0016784	11,169
	D	\$ per \$ of Capital Value	28,186,260	0.0002997	8,448
	E	\$ per \$ of Capital Value	6,897,690	0.0001798	1,240
	F	\$ per \$ of Capital Value	119,301,640	0.0000599	7,151
	U1	\$ per \$ of Capital Value	10,925,150	0.0004742	5,180
	U2	\$ per \$ of Capital Value	6,795,990	0.0001199	815
	Scheme				53,505
Rangitikei River	CD	Dollars Per Hectare	25,315	0.2939478	7,441
	CN	Dollars Per Hectare	175,059	0.5766741	100,952
	CU	Dollars Per Hectare	43,097	0.2670881	11,511
	E1	Dollars Per Hectare	591	50.3453621	29,772
	E2	Dollars Per Hectare	692	20.1381455	13,937
	E3	Dollars Per Hectare	1,208	70.6682603	85,366
	E4	Dollars Per Hectare	1,301	60.7246645	79,023
	F1	Dollars Per Hectare	1,475	117.2081935	172,834
	F2	Dollars Per Hectare	779	70.3249133	54,783

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
	F3	Dollars Per Hectare	41	12.9349516	529
	F4	Dollars Per Hectare	165	38.0219821	6,276
	F5	Dollars Per Hectare	219	38.7164790	8,497
	F6	Dollars Per Hectare	53	25.3039752	1,341
	GF	SUIP	51	298.0330000	15,200
	GT	SUIP	225	140.1497000	31,534
	IN	Dollars Per Hectare	40,424	0.5067346	20,484
	RF	\$ per \$ of Capital Value	650,000	0.0050026	3,252
	RH	\$ per \$ of Capital Value	2,600,000	0.0015415	4,008
	RO	\$ per \$ of Capital Value	60,500,000	0.0000462	2,798
	UF	\$ per \$ of Capital Value	8,045,000	0.0018893	15,200
	UL	\$ per \$ of Capital Value	605,535,110	0.0000520	31,474
	UT	\$ per \$ of Capital Value	29,821,250	0.0010574	31,534
	UU	\$ per \$ of Capital Value	129,902,390	0.0000453	5,887
	DR	Dollars Per Hectare	87	223.5290681	19,359
	Scheme				752,989
South East Ruahines	CN	Dollars Per Hectare	49,207	1.1311559	55,661
	DR	Dollars Per Hectare	362	50.7563283	18,397
	IN	Dollars Per Hectare	64,566	0.9281604	59,928
	M1	Dollars Per Hectare	1,216	34.7361324	42,227
	M2	Dollars Per Hectare	634	60.8495415	38,602
	M3	Dollars Per Hectare	110	67.8377696	7,463
	M4	Dollars Per Hectare	444	69.2183956	30,765
	M5	Dollars Per Hectare	1,923	10.9472908	21,047
	RZ	Dollars Per Hectare	229	0.0194668	4
	SZ	Dollars Per Hectare	295	0.0150711	4
	W1	Dollars Per Hectare	533	8.2127734	4,381
	W2	Dollars Per Hectare	754	15.2473883	11,496
	W3	Dollars Per Hectare	8,540	10.4600122	89,324
	WO	\$ per \$ of Capital Value	114,717,400	0.0001954	22,411
	DK	\$ per \$ of Capital Value	415,472,000	0.0001470	61,087
	Scheme				462,796

All figures are exclusive of GST unless otherwise stated

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
Taringamotu	TM	Dollars Per Hectare	496	93.9987969	46,660
	CN	Dollars Per Hectare	13,960	0.8348177	11,654
					58,314
Tawataia - Mangaone	B	Dollars Per Hectare	112	27.8811100	3,109
	C	Dollars Per Hectare	659	9.2937085	6,123
	D	Dollars Per Hectare	11	4.6468101	52
				Scheme	9,284
Turakina	T1	Dollars Per Hectare	276	27.5858719	7,621
	T2	Dollars Per Hectare	155	24.6599925	3,811
	T3	Dollars Per Hectare	223	17.0805607	3,811
	T4	Dollars Per Hectare	1,372	11.2275953	15,402
	T5	Dollars Per Hectare	109	4.8787455	530
	CN	Dollars Per Hectare	82,142	0.0952977	7,828
				Scheme	39,003
Tutaenui	TW	Dollars Per Hectare	291	31.9078011	9,278
	TL	Dollars Per Hectare	455	14.8750341	6,771
	IN	Dollars Per Hectare	12,756	0.5683868	7,250
	CN	Dollars Per Hectare	11,687	0.6328733	7,397
(Marton)	UM	\$ per \$ of Capital Value	355,006,450	0.0000981	34,825
(Bulls)	UB	\$ per \$ of Capital Value	129,035,606	0.0000868	11,205
				Scheme	76,725
Upper Manawatu	U1	Dollars Per Hectare	598	140.9117722	84,224
	U2	Dollars Per Hectare	168	102.2478615	17,153
	U3	Dollars Per Hectare	146	175.2264689	25,537
	U4	Dollars Per Hectare	126	83.7180678	10,547
	M1	Dollars Per Hectare	258	90.0009164	23,196
	M2	Dollars Per Hectare	38	282.3631718	10,813
	IN	Dollars Per Hectare	23,948	1.2366096	29,615
	CN	Dollars Per Hectare	269,414	0.3185312	85,817
	D1	Dollars Per Hectare	124	15.2186661	1,884
	D2	Dollars Per Hectare	214	11.4455955	2,449
	D3	Dollars Per Hectare	239	11.8448461	2,826
	D4	Dollars Per Hectare	84	26.7771908	2,261
				Scheme	296,322

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
Upper Whanganui	IN	\$ per \$ of Capital Value	2,066,055,900	0.0000379	78,264
	U1	\$ per \$ of Capital Value	53,221,970	0.0006580	35,019
	U2	\$ per \$ of Capital Value	215,693,380	0.0002630	56,722
	R1	\$ per \$ of Capital Value	111,500	0.0030259	337
	R2	\$ per \$ of Capital Value	1,025,500	0.0015130	1,552
	R3	\$ per \$ of Capital Value	906,040	0.0027147	2,460
	R4	\$ per \$ of Capital Value	1,543,400	0.0013574	2,095
				Scheme	176,447
Whangaehu - Mangawhero	IN	SUIP	481	19.1126399	9,193
	CN	Dollars Per Hectare	125,870	0.3028029	38,114
	UM	Dollars Per Hectare	79	76.8112271	6,047
	UW	Dollars Per Hectare	657	40.4305553	26,547
	MW	Dollars Per Hectare	1,322	17.4620869	23,084
	LW	Dollars Per Hectare	842	5.0147767	4,225
				Scheme	107,210
Lower Whanganui River	W1	\$ per \$ of Capital Value	108,011,900	0.0001507	16,280
	W2	\$ per \$ of Capital Value	3,600,669,724	0.0000753	271,028
	N1	\$ per \$ of Capital Value	3,708,933,714	0.0000258	95,768
	N2	SUIP	3,466	13.2893827	46,061
				Scheme	429,137
DRAINAGE SCHEMES					
Ashhurst Stream	AN	SUIP	1,169	22.6649950	26,495
	AC	\$ per \$ of Capital Value	299,435,050	0.0000885	26,494
	AL	Dollars Per Hectare	10	139.4878584	1,347
	AU	Dollars Per Hectare	22	37.0829058	823
				Scheme	55,159
Forest Road	A	Dollars Per Hectare	36	20.0479702	731
	B	Dollars Per Hectare	207	15.0359779	3,105
	C	Dollars Per Hectare	159	10.0239856	1,598
	D	Dollars Per Hectare	553	5.0119927	2,771

All figures are exclusive of GST unless otherwise stated

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
	E	Dollars Per Hectare	79	2.6062353	207
	F	Dollars Per Hectare	138	1.4033586	194
				Scheme	8,607
Foxton East	AC	SUIP	19	52.8456000	1,004
	D1	Dollars Per Hectare	39	35.3702472	1,395
	D2	Dollars Per Hectare	36	17.6851264	643
	D3	Dollars Per Hectare	12	5.6885251	67
	D4	Dollars Per Hectare	44	17.4229389	761
Foxton Township Only	U1	\$ per \$ of Capital Value	201,775,900	0.0000955	19,271
				Scheme	23,141
Haunui	A	\$ per \$ of Capital Value	27,178,000	0.0002956	8,033
Himatangi	A	Dollars Per Hectare	489	18.9297911	9,251
	B	Dollars Per Hectare	406	9.0241315	3,664
	C	Dollars Per Hectare	658	2.3822741	1,568
	D	Dollars Per Hectare	1,125	0.6319594	711
	E	Dollars Per Hectare	1,361	0.0949883	129
	F	Dollars Per Hectare	405	0.0487263	20
				Scheme	15,343
Hokio	AC	SUIP	189	52.7558582	9,971
	DA	Dollars Per Hectare	101	20.4571663	2,066
	DH	Dollars Per Hectare	56	13.7750448	768
	DL	Dollars Per Hectare	38	3.0016843	115
	DM	Dollars Per Hectare	175	10.7369578	1,880
	DP	Dollars Per Hectare	27	28.4704442	755
	DS	Dollars Per Hectare	662	16.8298375	11,148
	IN	Dollars Per Hectare	4,469	2.8427802	12,703
	UH	\$ per \$ of Capital Value	23,101,400	0.0000504	1,164
	UL	\$ per \$ of Capital Value	1,579,173,900	0.0000141	22,242
				Scheme	62,813
Koputaroa	A1	Dollars Per Hectare	174	24.3550288	4,240
	A2	Dollars Per Hectare	216	12.1775075	2,634
	C1	Dollars Per Hectare	30	34.0159311	1,016

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
	C2	Dollars Per Hectare	128	22.4505112	2,865
	C3	Dollars Per Hectare	111	11.2252599	1,251
	C4	Dollars Per Hectare	99	36.0309252	3,559
	C5	Dollars Per Hectare	107	23.7803993	2,541
	D1	Dollars Per Hectare	501	31.0262463	15,553
	D2	Dollars Per Hectare	80	15.5131225	1,246
	D3	Dollars Per Hectare	141	35.9708671	5,072
	D4	Dollars Per Hectare	63	17.9854341	1,130
	D5	Dollars Per Hectare	348	20.6880610	7,202
	D6	Dollars Per Hectare	113	10.3440306	1,170
	D7	Dollars Per Hectare	250	44.9994363	11,241
	D8	Dollars Per Hectare	165	22.4997187	3,719
	F1	Dollars Per Hectare	753	18.6570877	14,057
	F2	Dollars Per Hectare	723	11.1942536	8,089
	F3	Dollars Per Hectare	110	5.5971236	615
	F4	Dollars Per Hectare	173	1.8657154	323
	F5	Dollars Per Hectare	124	27.8047090	3,451
	F6	Dollars Per Hectare	238	11.1218893	2,643
	I1	Dollars Per Hectare	1,300	6.8127903	8,854
	I2	Dollars Per Hectare	305	9.7644115	2,980
	I3	Dollars Per Hectare	664	6.2407210	4,147
	I4	Dollars Per Hectare	635	8.3283264	5,291
	IA	Dollars Per Hectare	1,836	0.7843373	1,440
	IK	Dollars Per Hectare	5,277	1.5967696	8,426
	IN	Dollars Per Hectare	1,048	22.9718000	24,074
	K1	Dollars Per Hectare	133	57.1458257	7,572
	K2	Dollars Per Hectare	106	28.5729108	3,032
	P1	Dollars Per Hectare	110	277.4512573	30,506
	P2	Dollars Per Hectare	177	183.1178293	32,377
	P3	Dollars Per Hectare	48	184.6127008	8,854
	P4	Dollars Per Hectare	96	121.8443582	11,748
	P5	Dollars Per Hectare	30	157.7950459	4,713
	P6	Dollars Per Hectare	128	104.1447137	13,292
	P7	Dollars Per Hectare	111	52.0723773	5,803
	P8	Dollars Per Hectare	99	156.7691670	15,484
	P9	Dollars Per Hectare	107	103.4676089	11,057
				Scheme	293,266

All figures are exclusive of GST unless otherwise stated

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
Makerua	B1	Dollars Per Hectare	306	19.2237399	5,882
	B2	Dollars Per Hectare	131	7.6894975	1,008
	C1	Dollars Per Hectare	96	32.4450866	3,113
	C2	Dollars Per Hectare	144	12.9780254	1,866
	CB	Dollars Per Hectare	128	15.7063666	2,012
	CK	Dollars Per Hectare	363	20.6444334	7,494
	CM	Dollars Per Hectare	213	27.5885139	5,884
	CO	Dollars Per Hectare	3,491	19.4336603	67,844
	EC	Dollars Per Hectare	8,596	1.3222399	11,366
	G1	Dollars Per Hectare	139	6.1494151	855
	K1	Dollars Per Hectare	363	47.7864801	17,351
	L1	Dollars Per Hectare	213	16.8342830	3,584
	L2	Dollars Per Hectare	342	6.7337108	2,301
	M1	Dollars Per Hectare	218	21.4545654	4,680
	M2	Dollars Per Hectare	129	8.5818240	1,104
	O1	Dollars Per Hectare	4,082	30.3386708	123,840
	O2	Dollars Per Hectare	1,196	12.1354684	14,514
	OC	Dollars Per Hectare	6,004	4.0957629	24,593
	PB	Dollars Per Hectare	128	149.9958003	19,212
	PK	Dollars Per Hectare	363	90.1981617	32,740
	PM	Dollars Per Hectare	213	103.5158757	22,078
	PO	Dollars Per Hectare	3,491	34.4749420	120,350
	R1	Dollars Per Hectare	121	29.4630416	3,571
	T1	Dollars Per Hectare	215	26.3815071	5,683
				Scheme	502,924
Manawatu	DU	SUIP	1,251	58.0934331	72,675
	CC	Total Amount to be Invoiced			11,996
	CL	Dollars Per Hectare	33	74.7629489	2,454
	CN	Dollars Per Hectare	15,566	8.8622509	137,951
	DR	Dollars Per Hectare	17,313	13.1687677	227,988
	P1	Dollars Per Hectare	724	167.6390664	121,436
	P2	Dollars Per Hectare	176	83.8195333	14,747
	P3	Dollars Per Hectare	908	41.9097579	38,040
	P4	Dollars Per Hectare	267	8.3819561	2,238
	F1	Dollars Per Hectare	1,182	35.4748949	41,926
	F2	Dollars Per Hectare	498	17.7374479	8,836

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
	F3	Dollars Per Hectare	216	3.5474982	766
				Scheme	681,052
Moutoa	B1	Dollars Per Hectare	4	325.4935129	1,317
	B2	Dollars Per Hectare	36	260.3949947	9,476
	B3	Dollars Per Hectare	62	48.8237608	3,035
	C1	Dollars Per Hectare	124	70.4270586	8,743
	C2	Dollars Per Hectare	21	56.3416511	1,178
	C3	Dollars Per Hectare	5	21.1274562	115
	D1	Dollars Per Hectare	1,138	27.8728422	31,721
	D2	Dollars Per Hectare	711	15.8779243	11,292
	D3	Dollars Per Hectare	1,341	6.3511704	8,516
	D4	Dollars Per Hectare	1,012	7.3009951	7,389
	D5	Dollars Per Hectare	129	2.9203975	378
	MC	Dollars Per Hectare	4,489	17.3720092	77,978
	P1	Dollars Per Hectare	206	100.2109842	20,674
	P2	Dollars Per Hectare	837	80.1687893	67,073
	P3	Dollars Per Hectare	411	30.0632933	12,346
	P4	Dollars Per Hectare	601	80.0127488	48,064
	P5	Dollars Per Hectare	376	64.0101906	24,064
	P6	Dollars Per Hectare	101	24.0037933	2,419
				Scheme	335,776
Te Kawanu	AC	SUIP	519	69.6866996	36,167
	C1	Dollars Per Hectare	83	10.9510360	906
	C2	Dollars Per Hectare	848	0.4267312	362
	CF	Dollars Per Hectare	13,118	1.0956009	14,372
	CR	Dollars Per Hectare	713	2.5415099	1,812
	CU	Dollars Per Hectare	36	31.0924825	1,119
	DA	Dollars Per Hectare	1,650	2.1067172	3,476
	DO	Dollars Per Hectare	4,172	5.2663463	21,973
	DR	Dollars Per Hectare	291	7.2853251	2,121
	DS	Dollars Per Hectare	7,499	10.6944169	80,193
	FK	Dollars Per Hectare	207	13.2630547	2,742
	FM	Dollars Per Hectare	1,089	30.7429675	33,493
	P1	Dollars Per Hectare	41	37.7264218	1,528
	P2	Dollars Per Hectare	11	9.4315205	102

All figures are exclusive of GST unless otherwise stated

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
	PR	Dollars Per Hectare	332	12.0057742	3,983
				Scheme	204,349
Whirokino	D1	Dollars Per Hectare	111	36.1600206	4,024
	D2	Dollars Per Hectare	157	16.9652749	2,656
	D3	Dollars Per Hectare	4	100.8451745	402
	D4	Dollars Per Hectare	45	68.5134106	3,067
	D5	Dollars Per Hectare	26	47.6816375	1,227
	F1	Dollars Per Hectare	89	19.6935218	1,746
	F2	Dollars Per Hectare	4	262.5180062	1,048
	F3	Dollars Per Hectare	268	0.6518584	175
	IN	Dollars Per Hectare	458	2.4778886	1,136
	P1	Dollars Per Hectare	28	171.3052290	4,825
	P2	Dollars Per Hectare	16	118.6556713	1,930
	P3	Dollars Per Hectare	48	10.1081831	482
				Scheme	22,717
Total Scheme Rates				Including GST	10,897,240
				Excluding GST	9,475,861

Total Rates Summary	Including GST	Excluding GST
General Rate	439	382
Uniform Annual General Charge	4,155	3,613
Biosecurity	3,318	2,885
Emergency Management	1,689	1,469
Information	1,439	1,251
Resource and Consent Monitoring	1,865	1,622
River and Drainage	3,942	3,428
Infrastructure Insurance Reserve	460	400
Strategic Management	1,678	1,459
Water Quality and Quantity	4,695	4,083
Sustainable Land Use Initiative UAC	4,332	3,767
Environmental Initiatives UAC	1,988	1,729
Targeted Rate Transport Planning etc	254	221
AHB Tb Vector Levy	-	-
Manawatu River Accord UAC	472	410
Production Pest Animal Management	1,561	1,357
Production Pest Rook Management	150	130
Rangitikei Old Man's Beard Eradication	110	96
River and Drainage Scheme	10,928	9,503
Regional Park UAC	239	208
Production Pest Plant Management	152	132
Transport Passenger Services	1,955	1,700
Waitarere UAC	8	7
Horowhenua Weed Harvester UAC	169	147
Grand Total	45,998	39,999

All figures are exclusive of GST unless otherwise stated

Annual Administrative Charges for the Year Ending 30 June 2017

Pursuant to Section 36 of the Resource Management Act 1991 and Section 243 of the Building Act 2004

A. Overview

Section 36 of the Resource Management Act 1991 and Section 243 of the Building Act 2004 enables local authorities to fix charges for various administrative and monitoring activities. The Council sets charges on an annual basis in the Annual Plan or Annual Plan/Amendment.

The charges outlined here are for the period 1 July 2016 - 30 June 2017. They are for:

- Processing of resource consent applications (Section B);
- Compliance monitoring of resource consents (Section C);
- Research and monitoring (Section D);
- Dam consents, Project Information Memoranda (PIMs) and dam safety charges (Section E);
- Totara Reserve camping fees (Section F);
- Undertaking generic administrative functions (Section G); and
- Financial contributions (Section H).

The charges are based on cost recoveries specified in this Plan. Projected recoveries for 2016-17 are \$1,312,969 for consents processing, \$669,489 for all compliance monitoring charges, and \$1,319,616 for contributions from resource users to research and science programmes.

Two statutes guide the Council in setting its administrative charges: the Funding Policy prepared under the Local Government Act 2002, and the criteria in Section 36 of the Resource Management Act 1991. The matters to be considered under both Acts are similar and can be briefly summarised as follows.

Public and private good

In its Funding Policy, the Council has identified the public and private good components of the various services that it provides. In broad terms, Council has determined that: 100 per cent of the costs of processing resource consents are a private benefit, and 65 to 80 per cent of the costs of conducting initial

compliance inspections are a private benefit. Where, however, repeat compliance inspections are required because of poor performance, Council has determined the consent holder should pay 100 per cent of the costs of those inspections. This is because the need to carry out further inspections is due solely to the actions of the consent holder.

Matching costs to benefits

Both Council's Funding Policy and the Section 36 consent criteria led Council to decide that individual users should pay most of the costs of resource administration or monitoring where the benefits are enjoyed by consent holders rather than the community as a whole. The charges reflect this. Where beneficiaries cannot be individually identified, then charges are made against a group of beneficiaries. Examples are for monitoring surface water flows, and groundwater quality and quantity monitoring.

In setting its charges in the Long-term Plan, the Council also considers one further principle.

Equity

Classes of users should be treated in the same manner. To achieve this, charges for basic inspections are applied equitably across the Region with travel costs charged uniformly irrespective of location. More detailed inspections will be charged on an actual and reasonable basis, particularly in instances of non-compliance.

All figures are exclusive of GST unless otherwise stated

B. Resource Consent Charges and Project Information Memoranda (PIM)

The net costs of services for this output reflect Council's policies as follows:

- a. Council's policy is to recover from applicants 100 per cent of the costs of receiving, processing and granting resource consent applications and their subsequent administration. It should be noted that some community-based applications (excluding TAs) will not be charged with the full cost of processing their consents;
- b. The Resource Management Act does not allow for charging of submitters to resource consent applications;
- c. Details of lodgement fees and the charges applied for receiving, processing and granting of resource consents and the annual administration charge are presented in the schedule below; and
- d. The Council provides information free of charge on how to apply for resource consents. Note also that the Council provides free advice to district councils on land use consent applications.

The following charges, made pursuant to Section 36(1)(b) of the Resource Management Act 1991, are payable by applicants for resource consents in order for the Council to carry out its functions in relation to the receiving, processing and granting of resource consents (including Certificates of Compliance), and their subsequent administration.

Planning services listed below are imposed under the Resource Management Act 1991 to recover the cost to Horizons Regional Council of processing applications.

All figures are GST exclusive.

Charges payable by applicants for resource consents, for the carrying out by the local authority of its functions in relation to the receiving, processing and granting of resource consents (including certificates of compliance and existing use certificates).

Section 36(1)(b).

ACTIVITY TYPE	FIXED PRELIMINARY DEPOSIT
Minor non-notified consent/permit:	\$770
(i) Discharge to land (excludes where there is more than one effluent type);	
(ii) Discharge to air (excludes odour); or	
(iii) Take, use, dam or divert water (where in accord with water allocation limits).	
(iv) Land use (excludes gravel extraction); or	\$920
(v) Coastal permits (excludes marine farms).	
Other non-notified consent/permit:	\$1,000
(vi) Other discharge to land;	
(vii) Other discharge to air;	
(viii) Discharge to water;	
(ix) Other takes, uses, dams or diversions of water; or	
(x) Other coastal permits.	
(xi) Limited notified consent/permit (excluding hearing)	\$5,500
(xii) Publically notified consent/permit (excluding hearing)	\$20,500
Certificates of compliance	\$770
Existing use certificates	\$770
Location transfer	\$770
Dairy discharge (non-notified)	\$880
Ground water take for stock (renewals, legalising existing takes and non-notified)	\$790
Surface water take for stock (renewals, legalising existing takes and non-notified)	\$850
Riparian water take for stock (renewals, legalising existing takes and non-notified)	\$850
Ground water take for irrigation (within allocation and non-notified)	\$1,620
Surface water take for irrigation (within allocation and non-notified)	\$1,050
Riparian water take for irrigation (within allocation and non-notified)	\$1,050

ACTIVITY TYPE	FIXED PRELIMINARY DEPOSIT
Gravel take (within allocation and non-notified)	\$1,450
Hearings for resource consent where:	
(xiii) Heard by council member	\$800 per day per member of the hearing panel
(xiv) Heard by independent commissioner/s	\$1,550 per day per commissioner

Charges payable by holders of resource consents, for the carrying out by the local authority of its functions in relation to reviewing consent conditions, if:

- The review is carried out at the request of the consent holder;
- The review is carried out under Section 128(1)(a); or
- The review is carried out under Section 128(1)(c).

Section 36(1)(cb).

ACTIVITY TYPE	FIXED PRELIMINARY DEPOSIT
Review pursuant to Section 128(1)(a)	\$770
Review pursuant to Section 128(1)(c)	\$770

Charges for supply of documents payable by the person requesting the document. Section 36(1)(f).

ACTIVITY TYPE	FIXED MINIMUM CHARGE
Replacement copies of certificates, resource consents/permits	\$10
Other documents	\$1 per page

Notes:

- In accordance with Section 36(3) of the Resource Management Act 1991, the Council reserves the right to recover its actual and reasonable costs for applications where costs exceed lodgement fees^{*1}.

If the fixed charges are not sufficient to meet the Council's actual and reasonable costs then additional charges will be payable in accordance with the attached schedule of additional charges.

The Council will finally fix its fees including:

- Charging the fixed charge or part thereof;
- Charging the fixed charge and additional charges under Section 36(3) having regard to the following criteria in Section 36(4) as set out below:

When fixing charges referred to in this section, a local authority shall have regard to the following criteria—

- *the sole purpose of a charge is to recover the reasonable costs incurred by the local authority in respect of the activity to which the charge relates;*
- *a particular person or persons should only be required to pay a charge:*
 - *to the extent that the benefit of the local authority's actions to which the charge relates is obtained by those persons as distinct from the community of the local authority as a whole; or*
 - *where the need for the local authority's actions to which the charge relates is occasioned by the actions of the local authority as a whole; or*
- *in a case where the charge is in respect of the local authority's monitoring functions under Section 35(2)(a) (which relates to monitoring the state of the whole or part of the environment) to the extent that the monitoring relates to the likely effects on the environment of those persons' activities, or to the extent that the likely benefit to those persons of the monitoring exceeds the likely benefit of the monitoring to the community of the local authority as a whole."*

And the local authority may fix different charges for different costs it incurs in the performance of its various functions, powers, and duties under this Act—

- In relation to different areas or different classes of applicant, consent holder; or
- Where any activity undertaken by the persons liable to pay any charge reduces the cost to the local authority of carrying out any of its functions, powers and duties.

The lodgement fees are required up front and no action will be taken in accordance with Section 36(7) until paid. That does not mean that the Council is required to complete the activity upon payment of the deposit. The costs incurred will be monitored and additional amounts up to the total of the fixed charge may be required. Then additional charges will also be required before completion of the task if the fixed charges are inadequate to cover the Council's actual and reasonable costs.

Advice of up to one hour will be provided free of charge prior to making an application for a resource consent. Thereafter, customers will be informed that costs will be accrued and they will be invoiced for staff time whether a consent is lodged or not. It is expected that one hour will meet the needs of the majority of potential or actual applicants for a resource consent.

Mileage will be charged at 55 cents per kilometre. Costs for Hearing Committee members and their disbursements will be recovered at actual and reasonable rates.

1. These charges shall come into effect on 1 July 2016 and remain in effect until 30 June 2017.
2. All charges are exclusive of GST.

*¹ Especially in the event the applicant does not supply all the required information within the negotiated timeframes.

SCHEDULE OF ADDITIONAL CHARGES

The following schedule of charges shall form the basis for calculating any charges under Section 36(3) in the event that the fixed charges are not sufficient to cover the Council's actual and reasonable costs.

CONSULTANT CHARGES FOR ANY CONSENTS

WORK TYPE	RATE PER HOUR
Consultants' and solicitors' fees associated with all work types, including the processing of a consent or certificate (including specialist technical or legal advice or where a consent involves creating legal instruments)	At cost plus disbursements

CHARGES FOR HEARINGS

ITEM	CHARGE
Hearings for all applications and remittance fees, consultants' and solicitors' fees associated with all work types, including the processing of a consent or certificate (including specialist technical or legal advice or where a consent involves creating legal instruments)	At cost of officer's time per hour as per rates listed below At cost, plus disbursements
Production of order papers	At cost plus disbursements
Advertising costs	At cost plus disbursements

CHARGES FOR COUNCIL OFFICERS AND DECISION MAKERS

The following hourly rates for the council officers and decision makers will be charged for the processing of consents, hearing etc. that do not have a fixed charge or where the fixed charge is inadequate to cover the actual and reasonable costs of Council. Any council roles not covered by the list below will be charged based on actual and reasonable costs for the role.

HOURLY RATES	RATE PER HOUR
Group Manager	\$150.00
Manager	\$140.00
Area/Project Engineer	\$135.00
Team Leader Consents	\$125.00
Team Leader Compliance	\$125.00
Senior Consents Planner, Hydrology Technician	\$105.00
Senior Policy Planner, Scientist	\$105.00
Senior Compliance Officer	\$105.00
Dam Safety Officer	\$100.00
Supervisor Biosecurity	\$100.00
Environmental Management Officers	\$100.00
Co-ordinator Biosecurity	\$95.00
Policy Planner, Scientist, Hydrology Technician	\$95.00
Catchment Co-ordinators	\$95.00
Communications Advisor	\$90.00
Emergency Management Officers	\$90.00
Surveyors	\$85.00
Consent Planner, Reporting Officer	\$85.00
Compliance Officer	\$85.00
Land Management Officers	\$85.00
Technician EI Analyst	\$85.00
Biosecurity Officer	\$80.00
Consents Administrator	\$65.00
Commissioner	At cost plus disbursements
Hearings Committee Chair and Members	At cost plus disbursements

All figures are exclusive of GST unless otherwise stated

OTHER CHARGES

PRE-LODGE MENT CHECKING/ADVICE	
Applies where staff vet information prior to the lodgement of an application.	The first hour of advice will not be charged. Every hour after the first hour will be charged at cost as per the officer's time per hour above plus disbursements.

C. Resource Consent Monitoring Charges

The following charges, made pursuant to Section 36(1)(c) of the Resource Management Act 1991, are payable by holders of resource consents, and relate to compliance monitoring inspections by Council staff. The use of uniform charges for various types of resource consent has been imposed to simplify the administration of recovery of these charges. Every effort has been made to set these charges so they fairly reflect the average costs of undertaking inspections of the various types of resource consent listed.

Overview of Charging Policy

The net costs of services for this output reflect Council's policies as follows:

- a. Council's policy (as outlined in the Revenue and Financing Policy) is to recover from consent holders:
 - i. 65 to 80 per cent of the costs of monitoring activities that comply with consent conditions; and
 - ii. 100 per cent of the actual costs of monitoring activities that do not comply with consent conditions.

Schedule of Charges

ANNUAL FEE FOR INSPECTIONS FOR ALL MULTIPLE INSPECTION SITES

Where a consent has multiple site inspections and/or report analysis during the year, actual and reasonable costs will be recovered from the consent holder. Hourly rates for additional staff time will be as set out under the charges for consents in this document.

ANNUAL FEE FOR INSPECTIONS FOR ALL OTHER INSPECTION SITES

TYPE OF CONSENT	ANNUAL FEE 2016-17
Water – Telemetered	\$84
Water – Individually Inspected	\$334
Land – Individually Inspected	\$334
Water Bundled (First)	\$334
Water Bundled (Subsequent)	\$84
Land Bundled (First)	\$334
Land Bundled (Subsequent)	\$84
Air Bundled (First)	\$334
Air Bundled (Subsequent)	\$84

INSPECTION FEE FOR NON-COMPLYING CONSENTS

Costs for inspecting non-complying consents (either site visit or record inspection) will be recovered 100 per cent from the consent holder. This includes staff time at the rates contained in this document.

CHARGES FOR COUNCIL OFFICERS AND DECISION MAKERS

The following hourly rates for the council officers and decision makers will be charged for any work required on a non-complying consent or environmental incident where a consent does not exist. Any council roles not covered by the list below will be charged based on actual and reasonable costs for the role.

HOURLY RATES	RATE PER HOUR
Group Manager	\$150.00
Manager	\$140.00
Area/Project Engineer	\$135.00
Team Leader Consents	\$125.00
Team Leader Compliance	\$125.00
Senior Consents Planner, Hydrology Technician	\$105.00
Senior Policy Planner, Scientist	\$105.00
Senior Compliance Officer	\$105.00
Dam Safety Officer	\$100.00
Supervisor Biosecurity	\$100.00
Environmental Management Officers	\$100.00
Co-ordinator Biosecurity	\$95.00
Policy Planner, Scientist, Hydrology Technician	\$95.00
Catchment Co-ordinators	\$95.00

HOURLY RATES	RATE PER HOUR
Communications Advisor	\$90.00
Emergency Management Officers	\$90.00
Surveyors	\$85.00
Consent Planner, Reporting Officer	\$85.00
Compliance Officer	\$85.00
Land Management Officers	\$85.00
Technician EI Analyst	\$85.00
Biosecurity Officer	\$80.00
Consents Administrator	\$65.00
Commissioner	At cost plus disbursements
Hearings Committee Chair and Members	At cost plus disbursements

Notes:

1. All charges are payable on request.
2. These charges shall come into effect on 1 July 2016 and remain in effect until 30 June 2017.
3. In setting these charges, the Council had regard to the criteria set out in Section 36 of the Resource Management Act 1991.
4. All charges are exclusive of GST.

D. Research and Monitoring Charges

The following charges, made pursuant to Section 36(1)(c) of the Resource Management Act 1991, are payable by holders of resource consents and offset the Council's costs for its surface water, ground water, and gravel resource research and monitoring programmes.

Overview of Charging Policy

The net cost of services for this output reflects Council's policies as follows:

- a. Council's policy (as outlined in the Revenue and Financing Policy) is to recover from consent holders 60 per cent of the costs of research and monitoring relating to gravel resources and 30 per cent of the costs relating to water quantity. For water quantity charges, Council has introduced a scale of fees based on restrictions on water takes and portions of the year during which the take occurs; and

- b. Council's policy (as outlined in the Revenue and Financing Policy) is to recover from consent holders 30 per cent of the costs of research and monitoring relating to water quality.

Schedule of Charges

CHARGES FOR SURFACE AND GROUNDWATER TAKES

KCE Mangahao Limited	Mangahao – \$10,462
Genesis Power Limited	Tongariro Power Development – \$40,975 Plus additional costs for specific projects as per the Schedule of Administrative Charges.
NZ Energy Limited	\$1,884
KEC Piriaka	\$10,462
Other non-domestic power schemes less than 0.2 CMS and greater than 0.05 CMS	A charge of \$209 until separate charge negotiated.
Other non-domestic power schemes less than 0.05 CMS	Nil
Other holders of permits	A charge of \$30 plus \$0.41 per cubic metre authorised as a maximum daily take.

CHARGES FOR LAND USE CONSENTS

Holders of land use consents to remove gravel	\$0.41 per cubic metre extracted.
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WATER QUALITY CHARGES FOR DISCHARGE CONSENTS

ADDITIONAL RESEARCH SITE (In addition to standard charge)	ANNUAL FEE 2016-17
AFFCO Feilding	4,583
DB Breweries	8,500
Fonterra – Longburn	3,117
Fonterra – Pahiatua	1,567
Horowhenua District Council	7,400
Manawatu District Council	23,150
NZ Defence Force	6,550
Palmerston North City Council	8,483

ADDITIONAL RESEARCH SITE (In addition to standard charge)	ANNUAL FEE 2016-17
Rangitikei District Council	24,733
Riverlands Manawatu	3,850
Ruapehu District Council	26,463
Scanpower	4,717
Winstone Pulp	4,483

ADDITIONAL MONITORING AT SITE	ANNUAL FEE 2016-17
Tararua District Council	As per contract

STANDARD RESEARCH CHARGE TYPE AND QUANTITY	ANNUAL FEE 2016-17
Discharge to Land <25	143
Discharge to Land >25 to 50	190
Discharge to Land >50 to 100	285
Discharge to Land >100 to 200	380
Discharge to Land >200 to 1,000	1,268
Discharge to Land >1,000 to 10,000	1,427
Discharge to Land 10,000+	1,585
Discharge to Water <25	285
Discharge to Water >25 to 50	380
Discharge to Water >50 to 100	571
Discharge to Water >100 to 200	761
Discharge to Water >200 to 1,000	2,536
Discharge to Water >1,000 to 10,000	2,853
Discharge to Water 10,000+	3,170
Unspecified Volume Discharge	1,585
Land Fill – High Impact	3,170
Land Fill – Medium Impact	476
Land Fill – Low Impact	159

Notes:

1. All charges are payable on request.
2. These charges shall come into effect on 1 July 2016 and remain in effect until 30 June 2017.
3. In setting these charges, the Council has had regard to the criteria set out in Section 36 of the Resource Management Act 1991.

All figures are exclusive of GST unless otherwise stated

4. All charges are exclusive of GST.
5. Where the consent does not cover the full year, all research and monitoring annual fees and/or cubic metre charges will be pro-rated based on the commenced and/or expiry dates of the consent. This excludes the surface and groundwater charge of \$30.

E. Dam Consents, Project Information Memoranda (PIM's) and Dam Safety Charges

The following charges, made pursuant to Section 243 of the Building Act, are payable by dam owners and related to goods and services provided by Council staff. While fixed charges have been set it is Council policy to recover actual and reasonable costs incurred on behalf of dam owners in relation to Dam Consents, PIM's and Dam safety work

Overview of Charging Policy

The net costs of services for this output reflect Council's policies as follows:

- a. Council's policy (as outlined in the Revenue and Financing Policy) is to recover 100 per cent of costs from Dam owners.

Schedule of Charges

Dam Consent, PIM and Safety Work Charges

Please note these charges are the minimum charges, additional charges may be incurred based on actual and reasonable costs for staff time, expert advice and other disbursements.

ACTIVITY TYPE	FIXED MINIMUM CHARGE	LODGEMENT FEE
Dam Project Information Memoranda (PIM)		
(i) Large Value Dam (above \$100,000);	\$1,000	\$1,000
(ii) Medium Value Dam (\$20,000 to \$99,999); or	\$750	\$750
(iii) Small Value Dam (\$0 to \$19,999).	\$500	\$500

ACTIVITY TYPE	FIXED MINIMUM CHARGE	LODGEMENT FEE
Dam Building Consent and Certificate of Acceptance *1		
(i) Large Value Dam (above \$100,000);	\$1,000	\$1,000
(ii) Medium Value Dam (\$20,000 to \$99,999); or	\$750	\$750
(iii) Small Value Dam (\$0 to \$19,999).	\$500	\$500
*1 The charges associated with building consent applications are those that are directly applied by Waikato Regional Council (WRC) as these functions have been transferred to WRC. It is therefore advised to contact WRC (www.waikatoregion.govt.nz) to check building consent application charges and charge-out rates. Please note that building consents incur BRANZ and Department of Building and Housing levies. These are payable to WRC		
Lodge dam potential impact category	\$100	\$100
Review dam safety assurance programme	\$100	\$100
Lodge annual dam safety compliance certificate	\$100	\$100
Policy implementation – Dangerous dams, Earthquake-prone dams, Flood-prone dams	\$100	\$100
Amendment to Compliance Schedule	\$100	\$100
Any other activity under the Building Act 2004 (actual and reasonable costs)	\$100	N/A

CHARGES FOR COUNCIL OFFICERS AND DECISION MAKERS

The following hourly rates for the council officers and decision makers will be charged for work under the Building Act 2004 that do not have a fixed charge or where the fixed charge is inadequate to cover the actual and reasonable costs of Council. Any council roles not covered by the list below will be charged based on actual and reasonable costs for the role.

All figures are exclusive of GST unless otherwise stated

HOURLY RATES	RATE PER HOUR
Group Manager	\$150.00
Manager	\$140.00
Area/Project Engineer	\$135.00
Team Leader Consents	\$125.00
Team Leader Compliance	\$125.00
Senior Consents Planner, Hydrology Technician	\$105.00
Senior Policy Planner, Scientist	\$105.00
Senior Compliance Officer	\$105.00
Dam Safety Officer	\$100.00
Supervisor Biosecurity	\$100.00
Environmental Management Officers	\$100.00
Co-ordinator Biosecurity	\$95.00
Policy Planner, Scientist, Hydrology Technician	\$95.00
Catchment Co-ordinators	\$95.00
Communications Advisor	\$90.00
Emergency Management Officers	\$90.00
Surveyors	\$85.00
Consent Planner, Reporting Officer	\$85.00
Compliance Officer	\$85.00
Land Management Officers	\$85.00
Technician EI Analyst	\$85.00
Biosecurity Officer	\$80.00
Consents Administrator	\$65.00
Commissioner	At cost plus disbursements
Hearings Committee Chair and Members	At cost plus disbursements

F. Totara Reserve Camping Fees

The following charges are made pursuant to Sections 103(2) Local Government Act 2002, and are payable by campers at the Totara Reserve.

Overview of Charging Policy

The net costs of services for this output reflect Council's policies as follows:

- Council's policy (as outlined in the Revenue and Financing Policy) is to recover 30 to 40 per cent of the costs of running the Totara Reserve Camp from campers.

Schedule of Charges

Camp Fees

Power Site:	\$20.00 (for two people) plus \$4.00 per person per night
Tent Site:	\$12.00 (for two people) plus \$4.00 per person per night
Children under 5:	Free

Camp Rangī Woods Rental

As negotiated with the Camp Rangī Woods Trust Board

Notes:

1. All charges are payable on request.
2. These charges shall come into effect on 1 July 2016 and remain in effect until 30 June 2017
3. All charges are inclusive of GST.

G. Other Administrative Charges

The following charges are made pursuant to Sections 36(1)(a), (c), (e) and (f) of the Resource Management Act 1991, and/or Section 13 of the Local Government Official Information and Meetings Act 1987 (LGOIMA), and are payable firstly by applicants for the preparation or change of a policy statement or plan; secondly by persons seeking information in respect of plans and resource consents; and finally by persons seeking the supply of documents.

Schedule of Charges

Application for the preparation of a plan.	A deposit of \$1,000 or the actual and reasonable costs of notification, whichever is the greater.
Application to change a policy statement or plan.	A deposit of \$600 or the actual and reasonable costs of notification, whichever is the greater.
Information for general education/public use and normal public enquiries.	No charge for first half hour or 20 A4 photocopies. Beyond that, actual and reasonable costs may be charged.
Information for planning, technical, commercial purposes.	Actual and reasonable cost recovery.

PHOTOCOPIES	BLACK AND WHITE	COLOUR
A4 single sided	10c per page	60c per page
A4 double sided	20c per page	\$1.20 per page
A3 single sided	20c per page	80c per page
A3 double sided	40c per page	\$1.60 per page
A2 single sided	80c per page	Not available

Copying charges are GST inclusive and should be paid immediately by cash, eftpos or cheque. For large amounts, credit may be approved on application.

Supply of Council documents. A set charge may be made for recovery of production costs.

Request for information from Council databases. After first half hour, \$90 per hour.

Notes:

1. Staff costs per hour will be assessed using the table below. Any council roles not covered by the list below will be charged based on actual and reasonable costs for the role.

HOURLY RATES	RATE PER HOUR
Group Manager	\$150.00
Manager	\$140.00

HOURLY RATES	RATE PER HOUR
Area/Project Engineer	\$135.00
Team Leader Consents	\$125.00
Team Leader Compliance	\$125.00
Senior Consents Planner, Hydrology Technician	\$105.00
Senior Policy Planner, Scientist	\$105.00
Senior Compliance Officer	\$105.00
Dam Safety Officer	\$100.00
Supervisor Biosecurity	\$100.00
Environmental Management Officers	\$100.00
Co-ordinator Biosecurity	\$95.00
Policy Planner, Scientist, Hydrology Technician	\$95.00
Catchment Co-ordinators	\$95.00
Communications Advisor	\$90.00
Emergency Management Officers	\$90.00
Surveyors	\$85.00
Consent Planner, Reporting Officer	\$85.00
Compliance Officer	\$85.00
Land Management Officers	\$85.00
Technician EI Analyst	\$85.00
Biosecurity Officer	\$80.00
Consents Administrator	\$65.00
Commissioner	At cost plus disbursements
Hearings Committee Chair and Members	At cost plus disbursements

- These charges shall come into effect on 1 July 2016 and remain in effect until 30 June 2017.
- In accordance with Section 13 of the Local Government Official Information and Meetings Act (LGOIMA), a deposit for part of a charge for Council information may be sought in advance of a request being actioned.
- In making these charges the Council has had regard to the criteria set out in Section 36 of the Resource Management Act 1991, and the practice guides accompanying the LGOIMA.
- All charges are exclusive of GST.

H. Financial Contributions

(Pursuant to Section 108 of the Resource Management Act 1991)

Overview

The Council's Regional Plan for Beds of Rivers and Lakes and Associated Activities (Section 22) provides for financial contributions "where the activity for which consent is granted will cause or contribute to adverse effects on flood protection or erosion control works." The purpose of the financial contribution is "to mitigate or offset the adverse effects of the activity by protecting, restoring or enhancing the river bed, bank and/or flood protection or erosion control works, including (without limitation) maintenance and planting of vegetation, sediment replenishment, flood protection works, and including a contribution to such measures elsewhere in the general locality."

Schedule of Charges

GRAVEL EXTRACTION – RANGITIKEI RIVER

Holders of Consents to Take	A financial contribution of \$2 (excluding GST) per cubic metre of gravel extracted is set to avoid, remedy or mitigate the adverse effects. This financial contribution is applicable to land use consents for gravel extraction in the Rangitikei River and its tributaries where there is a consent condition requiring a financial contribution to be made for this purpose. The amount payable is set for the period 1 July 2016-30 June 2017.
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Glossary of Terms

The following words and terms may appear in the Annual Plan. The definitions provided relate to how the word or term is used in the Annual Plan or within Horizons Regional Council, which may differ from the purist's definition for a given word or term.

Abstractor

Person/company removing water from rivers or groundwater

Aquaculture

Fish and shellfish farming at sea

Aquifer

A gravel or sand layer that holds water beneath the ground

Biodiversity

The number and varieties of plant and animal populations in an area of land or water

Biosecurity

The prevention of new pest invasions and management of the impacts of existing pests

Cargo hub

Coordinated air, rail and road transport and distribution centre for the lower North Island

Catchment

The area occupied by a river system

Common Rates

Common rates are rates that are charged to all rateable properties in the Region. They are made up of general rates and targeted rates that are spread across all properties in the region, such as the SLUI uniform annual charge

Community consultation

A consultation process to achieve community feedback

Community outcomes

Community priorities for the future of the Region, identified through a community consultation process

Compliance monitoring

Monitoring of resource consent holder performance against consent conditions

Consents

Legal documents that give conditional rights to use a natural resource

Council Controlled Trading Organisation (CCTO)

A Council Controlled Trading Organisation is a Council Controlled Organisation (CCO) that can undertake trading

Degradation

Damage to a natural resource

Endemic

Native to a particular place such as a country or region

Environmental Grant

Funding provided by Horizons Regional Council to offset the costs of environment-based projects

Erosion

The breakdown and removal of soil and rock by water

Estuary

Tidal area along the lower reach of a river, eg. Manawatu estuary at Foxton

Exempt CCO

A Council Controlled Organisation that has been resolved as exempt pursuant to section 7(3-5) of the LGA 2002. Consequently the CCO does not require a statement of intent nor is the information that is normally necessary under the LGA 2002 included in this Long-term Plan

Fluvial

Something that is produced through the action in a stream or river

General Rates

General rates is a legal term from the Local Government (Rating) Act 2002 and refers to rates set under sections 13 to 15 of that act. General rates are charged to all rateable properties in the region

GIS

Geographical Information Systems

Governance

The function of elected members

Gross Domestic Product (GDP)

The total value of products and services generated by an area

Groundwater

Water held in layers of sand or gravel beneath the ground

Habitat

The environment in which animals live, eg. forests and wetlands

Habitat protection

The community outcome and activity that relate to biodiversity issues

Hapu

Whanau groups descended from a common ancestor

He Tini Awa Trust

Environmental enhancement trust established and supported by Horizons Regional Council

High Value Conservation Areas

Habitat areas that have been identified as priorities for protection

Holistic

All encompassing

Indicators

Measures used to track change, eg. water quality is an indicator of environmental health

Individual Rates

Individual rates are rates that are only charged to some properties in the Region. For example as the Lower Manawatu scheme rates are only charged to properties in the southern part of the region they are considered an individual rate. All individual rates are targeted rates

Inter-generational equity

Being fair to both current and future generations when using resources or paying for infrastructure and facilities

Inventory

A stocktake, eg. wetland inventory

Irrigation take

The abstraction of water for irrigation purposes

Iwi

A grouping of Māori based on ancestral ties

Iwi Management Plans

Plans outlining how iwi would like the natural resources of their area of interest managed

Iwi Māori

A term commonly used that is inclusive in nature recognising all facets of Māori society including iwi, hapu, taurahere, mataa waka, etc.

Kyoto Agreement

An agreement between some national governments to reduce the quantities of greenhouse gases each produces

LGA 2002

Local Government Act 2002. This is the legislation that gives councils the majority of their powers and responsibilities

Lifelines

Road, rail, power, gas and telecommunication networks

Linklater Bursary

Horizons Regional Council scholarship for students taking or intending to take an environment-related course at University

Live tree protection

Use of trees to protect banks from erosion

Local Government

Regional, district and city councils

Lowland

Plains

Māori freehold land

Māori freehold land is defined by the Local Government (Rating) Act 2002 as “land whose beneficial ownership has been determined by the Māori Land Court by freeholder order”

Marae

Meeting place of the people

Memorandum of Partnership or Understanding

An agreement between two or more parties outlining how a partnership will work

Mitigation

Reducing adverse effects

MNZ

Maritime New Zealand

Non-point source pollutants

Pollutants that enter water bodies from the surrounding land

Non-rateable

Non-rateable land is land exempted by the Local Government (Rating) Act 2002 or any other Act from the imposition of rates. Local authorities are not able to declare rateable land as non-rateable. Non-rateable land is not exempt from separate rates for water supply, wastewater disposal or waste collection where these services are provided

Non-scheme

Work done in rivers and drains not covered in a scheme area

Point discharge or point-source discharge

Piped discharge into a water body

Primary Sector

The agricultural sector

Publicly notified

A notice is printed in appropriate newspapers informing the public about the release of a council’s draft and final documents. The submission period for the document is also included

Rateable

Except as otherwise provided by the Local Government (Rating) Act 2002, or in any other Act, all land is deemed to be rateable property. All land classified as being rateable must be rated by the local authority

Rates remission

Where a rates remission is granted, the rates levied are forgiven and are no longer collectable by the local authority. Rates remissions do not apply to targeted rates levied for water, wastewater disposal, stormwater disposal and waste collection

Regional Collective Iwi Forum

Group representing regional iwi that Council will work with

River and drainage – non-scheme

Areas not covered by Horizons Regional Council flooding, river control or drainage schemes

River and drainage – schemes

Areas where Horizons Regional Council manages flooding, river control and drainage on behalf of ratepayers

Roadsafe Central

A group comprising regional and district councils, Police, ACC, NZ Transport Agency, Regional Health Boards, and AA tasked with improving road safety in the Region

Rohe

The area of interest to an iwi

Run off

Waste material draining from land to water

Scheme Activity

Work in rivers and drains where a plan has been agreed for flood protection and/or drainage management

Soil health

The quality of the soil for production purposes

SUIP

SUIP is a legal definition we use to determine which properties and parts of a rating unit (property) receive uniform annual charges (UAC's). SUIP means Separate Used or Inhabited Part of a property and we currently define this as "A separately used or inhabited part of a rating unit is only recognised as such if there is an unique valuation identifier for that part of the rating unit"

Sustainable

Using a natural resource in such a way that its does not damage it for future users, or reduce its ability to support life

Targeted Rates

Targeted rates is a legal term from the Local Government (Rating) Act 2002 and refers to rates set under sections 16 to 19 of that act. Targeted rates can be charged to all rateable properties in the region or to a subset of properties in the region. In theory a targeted rate could be targeted to just one property within the region if it were equitable to do so

Tb vector

An animal, such as a possum or ferret, that is able to transfer Tb (bovine tuberculosis) to farm animals

Technological failure

Disruption to a transport, power, water, gas or telecommunication network

Terrestrial

Land-based

Territorial Authorities (TAs)

District and city councils

Total Mobility Service

A subsidised service for people who are assessed as being mobility impaired

TRA (Te Roopu Awhina)

In abeyance

Triennial Agreement

A three-yearly agreement between the Regional Council and Territorial Authorities of the Region outlining how they will work together

Triennial Elections

Local government elections held every three years

Tsunami

Tidal wave set off by an earthquake

Vector Risk Areas

Areas where Tb is present in the resident possum and ferret populations

Waahi Tapu

Means land set apart under Section 338(1) (b) of the Te Ture Whenua Māori Act 1993 (a place of special significance according to the meaning, custom, obligation and conditions to Māori)

Wash water

Industrial wastewater resulting from the cleaning of equipment and product

Waste assimilation

Ability of a water body to dilute and process waste

Water bodies

Rivers, streams, creeks, lakes and groundwater

Wetland

A permanently or seasonally wet area, usually with high biodiversity values

Whanau

Extended family in which a person is born and socialised

Whole Farm Plans (WFPs)

Specific work programmes for the Region's hill country and the Whanganui Catchment

Glossary of Terms for Liability Management and Investment Policies

Amortising Swap – An interest rate swap contract that has a reducing principal or notional amount over the term of the contract period. The appropriate market swap rate from which to price an amortising swap is the weighted average maturity, not the final maturity date.

Bank Bill – A “bill of exchange” security document issued by a corporate borrower, but guaranteed by a bank, who then in turn sells the security into the bank/investor market to re-liquify itself with cash. Normally for terms of 30, 60, 90 or 180 days.

Base Rate – Normally a lending bank’s cost of funds/interest rate for a particular funding period. The base or “prime” rate will be changed by the bank from time to time, but not every day like market rates.

Basis Point(s) – In financial markets it is normal market practice to quote interest rates to two decimal places eg. 6.25 per cent – one basis point is the change from 6.25% to 6.26 per cent, one hundred basis points is the change from 6.25 per cent to 7.25 per cent.

Basis Risk – The risk that the interest rate difference between the current physical debt instrument (say, a bank bill) market interest rate and the interest rate quoted for that debt instrument’s future price (say, a bank bill futures price) changes over the period to the date of the future price.

Bid-Offer Spread – The exchange points (FX) or basis points (interest rates) difference between the bid and offer rate when quoted by a bank is known as the “bid-offer spread”. Banks make their profits from dealing at their own bid and offer prices, thus earning the spread.

Bid Rate – Exchange rates and interest rate securities/instruments that are traded between banks are always quoted as a two-way price. One rate is where the quoting bank will buy – **the bid rate**, the second rate or price where the bank will sell at – **the offer rate**.

Bond – The security instrument that is issued by a borrower whereby they promise to repay the principal and interest on the due dates. A bond’s interest rate is always fixed.

Bond FRA – A tailored contract to buy or sell a bond (Government or Corporate) at a fixed interest rate at some specified future date. The Bond FRA contract rate will differ from the current physical market bond yield, depending on the slope of the interest rate yield curve.

Bond Option – The right, but not the obligation by the owner/holder of the option to buy or sell bonds (Government or Corporate) at a pre-determined interest rate at a specified future date. The buyer pays a “premium” in cash up-front to reduce risk and have insurance-type protection, the seller or grantor of the bond option receiving the premium for assuming the risk.

Borrower Notes – On occasion when Council borrows from the LGFA it will be required to contribute part of that borrowing back as equity in the form of “Borrower Notes”. A Borrower Note is a written, unconditional declaration by a borrower (in this instance the LGFA) to pay a sum of money to a specific party (in this instance the Council) at a future date (in this instance upon the maturity of the loan). A return is paid on the Borrower Notes and can take the form of a dividend if the Borrower Notes are converted to redeemable preference shares.

Call Option – The owner or buyer of a call option has the right, but not the obligation, to buy the underlying debt security/currency/commodity at the price stated in the option contract.

Cap – A series or string of interest rate put options whereby a borrower can have protection against rising short-term interest rates, but participate in the lower rates if market rates remain below the “capped rate”. A cap is normally for more than one 90-day funding period. Also called a “ceiling”.

Caplet – A series of call options (caplets) that exist for each period the cap agreement is in existence.

Certificate of Deposit “CD” – A debt instrument (normally short-term) issued by a bank to borrow funds from other banks/investors.

Closing-Out – The cancellation/termination of a financial instrument or contract before its maturity date, resulting in a realised gain/loss as the current market rate differs from the contract rate.

Collar – Two option contracts linked together into the one transaction or contract. A borrower's collar is normally a “**cap**” above current market rates and a “**floor**” below current rates. Over the term of the collar contract, if rates go above the cap the borrower is protected and pays an interest cost no more than the cap rate. Likewise, if market rates fall below the floor, the borrower pays the floor rate and does not participate in the lower market rates. Also called a “**cylinder**”.

Collateral – A legal term, meaning “security”.

Commercial Paper – The debt security instrument issued by a prime (and normally credit-rated) borrower to raise short-term funds (30, 60, 90 or 180 days). Also called “one-name paper” and “promissory notes” issued by competitive public tender to investors, or by private treaty to one investor.

Common Rates – Common rates are rates that are charged to all rateable properties in the Region. They are made up of general rates and targeted rates that are spread across all properties in the Region, such as the SLUI uniform annual charge.

Counterparty – The contracting party to a financial transaction or financial instrument.

Coupon – The interest rate and amount that will be paid on the interest due dates of a bond. The coupon will normally differ from the purchase or issue yield/interest rate on a bond instrument.

Covenants – Special conditions and financial ratios required to be met or maintained by a borrower for a lender under the legal security documents.

Cover – A term used to describe any action of entering financial instruments that reduces risk or puts protection in place against adverse future price movements.

Credit Rating – The credit rating of a corporation/council is a financial indicator to potential investors of debt securities such as bonds. These are assigned by

credit rating agencies such as Standard & Poor's, Moody's or Fitch Ratings and have letter designations such as AAA, B, CC. A poor credit rating indicates a high risk of defaulting, therefore constitutes a higher level of interest rates.

Credit Risk – The risk that the other party to a financial transaction (bank deposit, interest rate swap contract) will default on or before the maturity date and not be able to fulfil their contractual obligations.

Credit Spread – The interest rate difference (expressed as basis points) between two types of debt securities. The credit spread being a reflection of the difference in credit quality, size and liquidity between the two securities eg. five-year corporate bonds may be at a credit spread of 200 basis points above Government bonds.

Debenture – A debt instrument similar to a bond whereby a borrower (normally a finance company) borrows for a longer term at a fixed rate. Also a legal instrument provided as security to a lender.

Derivative(s) – A “paper” contract whose value depends on the value of some “underlying” asset eg. sharemarket stocks, bank bills, bonds or foreign currency. Also called a “**synthetic**.” The value of the assets will change as its market price changes, the derivative instrument will correspondingly change its value.

Discount – A bond or bank bill is discounted when the interest rate is applied to the face value of the security and the net proceeds after deducting the interest is paid out to the borrower. Investors pay for the discounted (NPV) value at the commencement of the investment and receive the interest coupon payments along the way and the full face value at the maturity date.

Duration – Not the simple average maturity term of a debt or investment portfolio, **but** a measure of the interest rate risk in a portfolio at a particular point in time. The duration of a portfolio is the term (measured in years and months) if the total portfolio of bonds/fixed interest investments was revalued at market rates and expressed as one single bond. The profit/loss on revaluation of a one basis point movement being the same in both cases.

Equity – Equity equals the total of actual (or estimated) asset revaluation reserves, restricted reserves and retained earnings.

Eurobond – A fixed rate bond issued by a non-resident borrower in a European country.

Eurodollar – The borrowing and depositing of a currency outside its domestic financial markets.

Event Risk – The risk of a major/unforeseen catastrophe eg. earthquake, Y2K, political elections, adversely affecting a council's financial position or performance.

Exchange-Traded – A currency, debt or financial instrument that is quoted and traded on a formal exchange with standardised terms, amounts and dates.

Exercise Date/Price – The day and fixed price that an option contract is enforced/actioned or “exercised” because it is in the interests of one of the parties to the contract to do so.

Fair Value – The current market value of an off-balance sheet financial instrument should it be sold or closed-out on the market rates ruling at the balance date.

Federal Reserve – The US Government's central bank and/or monetary authority.

Fixed Rate – The interest rate on a debt of financial instrument is fixed and does not change from the commencement date to the maturity date.

Floating Rate – The interest rate on a loan or debt instrument is re-set at the ruling market interest rates on the maturity date of the stipulated funding period (usually 90-days).

Floor – The opposite of a “cap”. An investor will buy a floor, or a series/string of call options (the right to buy) to protect against falling interest rates, but be able to invest at higher interest rates if rates move upwards.

Floorlet – A series or string of floor options that exist for each period the floor agreement is in existence.

Forward Exchange Contract – A contract to buy and sell one currency against another at a fixed price for delivery at some specified future date.

Forward Points – The difference in interest rates between two currencies expressed as the exchange rate points, ie. 152 forward points is a 0.0152 adjustment to the 0.5500 NZ\$/US\$ exchange spot rate.

Forward Rate Agreement – A contract (“FRA”) whereby a borrower or investor in Bank Bills agrees to borrow or invest for an agreed term (normally 90-days) at a fixed rate at some specified future date. A FRA is an “over-the-counter” contract as the amount and maturity date is tailored by the bank to the specific requirements of the borrower/investor.

Forward Starting Swap – An interest rate swap contract that commences at a future specified date. The rate for the forward starting swap will differ from the current market rate for swaps by the shape and slope of the yield curve.

Funding Risk – The risk that a borrower cannot re-finance its debt at equal or better terms at some date in the future, in terms of lending margin, bank fees and funding time commitment. Funding risk may increase due to the council's own credit worthiness, industry trends or banking market conditions.

Futures – Exchange-traded financial and commodity markets that provide forward prices for the underlying asset, instrument or commodity. Futures contracts are standardised in amount, term and specifications. Futures markets are cash-based, transacting parties do not take any counter-party credit risk on each other. Deposits and margin-calls are critical requirements of all futures markets.

General Rates – General rates is a legal term from the Local Government (Rating) Act 2002 and refers to rates set under sections 13 to 15 of that Act. General rates are charged to all rateable properties in the Region.

Hedging – The action of reducing the likelihood of financial loss by entering forward and derivative contracts that neutralise the price risk on underlying financial exposures or risks. The gain or loss due to future price movements on the underlying exposure is offset by the equal and opposite loss and gain on the hedge instrument.

High-yield Bonds – Corporate bonds issued by borrowing companies that are non-prime, ie. have a low or no credit rating. The margin or credit spread above

Government bond yields is high (>300 basis points) to compensate the investor into the bond for the higher credit and liquidity risk.

Individual Rates - Individual rates are rates that are only charged to some properties in the Region. For example as the Lower Manawatu scheme rates are only charged to properties in the southern part of the Region they are considered an individual rate. All individual rates are targeted rates.

Interest Rate Swaps – A binding, paper contract where one party exchanges, or swaps, its interest payment obligations from fixed to floating basis, or floating to fixed basis. The interest payments and receipts under the swap contract being offsetting, equal and opposite to the underlying physical debt.

ISDA – International Security Dealers Association: a governing body that determines legal documentation/standards for over-the-counter swaps/options/FRAs and other derivative instruments for interest rates, currencies, commodities etc. Corporate users of such instruments sign an ISDA Master Agreement with banking counterparties that covers all transactions.

“In-the-Money” Option – An option contract that has a strike price/rate that is more favourable or valuable than the current market spot or forward rate for the underlying currency/instrument.

Inverse Yield Curve – The slope of the interest rate yield curve (90 days to 10 years) is “inverse” when the short-term rates are higher than the long-term rates. The opposite, when short-term rates are lower than long-term interest rates is a normal curve or “upward sloping”. In theory, a normal curve reflects the fact that there is more time, therefore more time for risk to occur in long-term rates, hence they are higher to build in this extra risk premium.

Liability Management – The policy, strategy and process of actively managing a portfolio of debt.

Limit(s) – The maximum or minimum amount or percentage a price or exposure may move to before some action or limitation is instigated. Also called “**risk control limits**”.

Liquidity Risk – The risk that a council cannot obtain cash/funds from liquid resources or bank facilities to meet foreseen and unforeseen cash requirements.

The management of liquidity risk involves working capital management and external bank/credit facilities.

“Long” Position – Holding an asset or purchased financial instrument in anticipation that the price will increase to sell later at a profit.

Look-back Option – An option structure where the strike price is selected and the premium paid at the end of the option period.

Margin – The lending bank or institution’s interest margin added to the market base rate, normally expressed as a number of basis points.

Marked-to-Market – Financial instruments and forward contracts are revalued at current market rates, producing an unrealised gain or loss compared to the book or carrying value.

Medium Term Notes (MTN) – A continuous programme whereby a prime corporate borrower has issuance documentation permanently in place and can issue fixed rate bonds at short notice under standard terms.

Multi-currency Facility – A committed banking facility that allows the borrowing of several alternative currencies to the NZ dollar.

Netting – Method of subtracting currency receivables from currency payables (and vice versa) over the same time period to arrive at a net exposure position.

Open Position – Where a council has purchased or sold an asset, currency, financial security or instrument unrelated to any physical exposure, and adverse/favourable future price movements will cause direct financial loss/gain.

Option Premium – The value of an option, normally paid in cash at the commencement of the option contract, similar to an insurance premium.

Order – The placement of an instruction to a bank to buy or sell a currency or financial instrument at a pre-set and pre-determined level and to transact the deal if and when the market rates reach this level. Orders are normally placed for a specific time period, or “good till cancelled”. The bank must deal at the first price available to them once the market level is reached. Some banks will only take orders above a minimum dollar amount.

“Out-of-the-Money” Option – An option contract that has a strike price/rate that is unfavourable or has less value than the underlying current spot market rate for the instrument.

Over-the-Counter – Financial and derivative instruments that are tailored and packaged by the bank to meet the very specific needs of the corporate client in terms of amount, term, price and structure. Such financial products are non-standard and not traded on official exchanges.

Perpetual Issue – A loan or bond that has no final maturity date.

Pre-hedging – Entering forward or option contracts in advance of an exposure being officially recognised or booked in the records of the Council.

Primary Market – The market for new issues of bonds or MTNs.

Put Option – The right, but not the obligation to sell a debt security/currency/commodity at the contract price in the option agreement.

Revaluation – The re-stating of financial instruments and option/forward contracts at current market values, different from historical book or carrying values. If the contracts were sold/bought back (closed-out) with the counterparty at current market rates, a realised gain or loss is made. A revaluation merely brings the contract/instrument to current market value.

Secondary Market – The market for securities or financial instruments that develops after the period of the new issue.

“Short” Position – Selling of an asset or financial instrument in anticipation that the price will decrease or fall in value to buy later at a profit.

Spot Rate – The current market rate for currencies, interest rates for immediate delivery/settlement, normally two business days after the transaction is agreed.

Stop Loss – Bank traders use a “stop-loss order” placed in the market to automatically closeout an open position at a pre-determined maximum loss.

Stop Profit – The opposite of a “stop-loss order” where a “stop-profit order” is placed in the market to automatically closeout an open position at a pre-determined maximum gain/profit.

Strike Price – The rate or price that is selected and agreed as the rate at which an option is exercised.

Swap Spread – The interest rate margin (in basis points) that interest rate swap rates trade above Government bond yields.

Swaption – An option on an interest rate swap that, if exercised, the swap contract is written between the parties. The option is priced and premium paid similar to bank bill and bond interest rate options.

Swaption Collar – The simultaneous position of entering into two option contracts on two interest rate swaps linked together into one transaction. A swaption collar performs similarly to a “collar” where from a borrower’s perspective, a top-side position above current market rates and a bottom-side position below current market rates are entered into. On maturity of the options and depending on current interest rates relative to the strike levels on the swaps will determine if either swap is transacted.

Targeted Rates – Targeted rates is a legal term from the Local Government (Rating) Act 2002 and refers to rates set under sections 16 to 19 of that Act. Targeted rates can be charged to all rateable properties in the Region or to a subset of properties in the Region. In theory a targeted rate could be targeted to just one property within the Region if it were equitable to do so.

Time Value – Option contracts taken for longer-term periods may still have some time value left even though the market rate is a long way from the strike rate of the option and the option is unlikely to be exercised.

Tranches – A loan may be borrowed in a series of partial drawdowns from the facility, each part borrowing is called a tranche.

Treasury – Generic term to describe the activities of the financial function within a council that is responsible for managing the cash resources, debt, foreign exchange risk, and sometimes the commodity price and energy price risk.

Treasury Bill – A short-term (<12 months) financing instrument/security issued by a government as part of its debt funding programme.

Volatility – The degree of movement or fluctuation (expressed as a percentage) of an asset, currency, commodity or financial instrument price over time. The percentage is calculated using mean and standard deviation mathematical techniques.

Yield – Real interest rate, always expressed as a percentage.

Yield Curve – The plotting of market interest rate levels from short-term (90-days) to long-term on a graph, ie. the difference in market interest rates from one term (maturity) to another.

Yield to Maturity – The Yield to Maturity (YTM) or redemption yield is the yield promised by the bondholder on the assumption that the bond or other fixed-interest security such as gilts will be held to maturity, that all coupon and principal payments will be made and coupon payments are reinvested at the bond's promised yield at the same rate as invested. It is a measure of the return of the bond.

Zero Coupon Bond – A bond that is issued with the coupon interest rate being zero, ie. no cash payments of interest made during the term of the bond, all interest paid on the final maturity date. In effect the borrower accrues interest on interest during the term, increasing the total interest cost.