



# ***Annual Plan 2016-17***

REPORT NO.2016/EXT/1468

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## Chairman and Chief Executive's Message

The Horizons Region is as vast and varied as the people who call it home. As your Regional Council we work with our communities in the areas of natural resource management, biodiversity and biosecurity, transport, river management, emergency management and regional prosperity to make this Region a great place to live, work and play.

This document provides further information about what we plan to achieve through our Annual Plan for the 2016-17 financial year. Last year we embarked on a comprehensive Long-term Plan 2015-25 (LTP) process through which we consulted on and determined a detailed programme of work for the next three years. While the decisions made during the LTP process for Year 2 remain mostly unchanged, due to the events of 2015 we do need to adapt in some areas.

The main areas in which you'll see some change, albeit relatively minor, are our river management, transport and economic development activities. River control and flood protection is one of our core services. We intend to continue our work in this area and, following the floods of June 2015, increase community resilience by addressing issues in schemes further to those identified in Year 2 of the LTP. This includes work in the Lower Manawatu Schemes and we'll be working closely with affected communities around the impact of this work.

In the transport space things remain relatively unchanged. However, we are making changes to the improvements in the Palmerston North bus services as we further develop the concepts approved in the 2014 bus review.

Growing investment, incomes and employment has been a major focus for our Region with the completion of Central Government's Manawatu-Whanganui Regional Growth Study in early 2015 and the advent of the implementation programme Accelerate25. Ensuring the economic prosperity of our Region will be vital to our future. We asked the community what role they wanted us to play in this space during the consultation period and, following feedback received, have committed to taking a coordination role for the 2016-17 year. As this is a space that is continuing to change, we will review our role as required in future annual plans.

Beyond these minor changes, we will continue to provide for our communities and environment as outlined in the LTP 2015-25. More detail about the decisions discussed can be found within this document. We look forward to working alongside you and your families throughout the coming year.



Bruce Gordon  
**CHAIRMAN**  
31 May 2016



Michael McCartney  
**CHIEF EXECUTIVE**  
31 May 2016



# How to use this Annual Plan

This Annual Plan covers the year from 1 July 2016 to 30 June 2017. It details what Council agreed to do in Year 2 of the 2015-25 Long-term Plan (LTP) and outlines any changes.

## This Document Has Three Distinct Parts

**Part One: Section One** sets the scene and is a good summary of what is included in this Plan and what expectations we have for ourselves as we serve you, our community. At the end of this section we have included a table to link our activities to the community outcomes.

**Part Two: Sections Two to Seven** sets out what we agreed to do in Year 2 of the LTP. Each of the sections represents a group of our activities that contribute towards similar outcomes in similar ways. At the start of each section we introduce the group and explain what activities are in the group and why they are grouped together. Each section then outlines the significant aspects for each activity, including if there are any material changes from what was planned in the LTP.

**Part Three: Section Eight** gives the overall financial statements for the organisation and includes the Annual Funding Impact Statement along with the Annual Administration costs for the year.

We have included both an index and glossary so you can find activities or projects you are interested in and understand some of the more technical terms we have used.





## Introduction to the Annual Plan 2016-17

The Annual Plan covers the year from 1 July 2016 to 30 June 2017. It details what Council agreed to do in Year 2 of the 2015-25 Long-term Plan (LTP) and outlines any changes.

In Year 2 of the LTP, Council anticipated a 3.5 per cent increase in rates, however, as Council is mindful of the impact of such an increase on the community, it has sought to reduce this increase wherever possible. Council has been able to identify minor savings including removing any inflationary impact and finding efficiencies wherever possible, without affecting the levels of service committed to in the LTP. This has resulted in reducing the overall increase in rates from 3.5 per cent to 3.1 per cent.

The following two items are variations to Year 2 of the LTP that are in this Plan.

### Changes to Transport

For the 2016-17 year, our transport function will remain relatively unchanged from what was included in Year 2 of the LTP. This includes no changes to the Road Safety and Transport Planning programmes.

In regards to Passenger Services, a number of new and improved services were proposed across the Region. This was particularly so for Palmerston North with a new Summerhill service to be established and additional late night services on Thursday, Friday and Saturdays to run across the network. After careful consideration, and following the recommendation of the Passenger Transport Committee, instead of implementing the proposed late night services, Council resolved to implement improvements that would also provide an opportunity to gather further information on how best to improve the bus network into the future. Specifically the agreed changes are:

- The Palmerston North Late Night Services (\$150,000) has been substituted for the following:
  - Increased frequency on the Milson/Cloverlea route to 10 mins peak, being a 2-year trial to gauge whether there is demand for increased peak frequency across the network (\$77,500);

- Increased frequency on the Fernlea Heights route to 20 mins peak and 40 mins off-peak (\$44,500);
- A project to collect people movement data to gauge demand opportunity (\$8,000); and
- A project to improve timetable information (\$8,000).
- An increase in the projected cost of the new Palmerston North Summerhill service (\$16,500); and
- A Levin to Waikanae bus service to be established (\$12,000). This was to commence in the 2017-18 financial year however it is now being brought forward to the 2016-17 financial year.

A key aspect of these changes is that they will be incorporated within the original Year 2 budget of the LTP and there is no rating impact on the public.

### Changes to River Schemes

River control and flood protection is one of our core services. Council will continue with its programme of maintenance, renewal and capital works within 34 river and drainage schemes, as set out in Year 2 of the 2015-25 LTP. However, following the June 2015 flood event, we will address an issue within the Lower Manawatu Scheme that was not identified in the LTP in order to increase community resilience to flooding.

The issue highlighted during the June event was channel capacity loss in the lower Oroua River as a result of silt deposition. While provision has been made within Lower Manawatu Scheme LTP budgets for the ongoing removal of silt from the river channel, the June event confirmed that the mobilisation of sediment that was disturbed or deposited in the middle and upper reaches in the February 2004 storm event, and its subsequent deposition in the flatter graded lower reaches, has considerably exceeded predictions. Prompt action is required to address specific areas of channel capacity loss while further investigations are undertaken to quantify longer-term impacts. An additional \$100,000 will be included in the scheme budget for 2016-17 for this purpose. This will result in an overall increase in scheme rates of 1.5 per cent, compared with Year 2 of the LTP at 0.7 per cent.

## Summary of Rates and their Changes for the Annual Plan 2016-17

	Actual 2014-15 (A)	Long-term Plan Year 1			Long-term Plan Year 2			Annual Plan		
		2015-16 (B)	Annual Change (B-A)		2016-17 (C)	Annual Change (C-B)		2016-17 (D)	Annual Change (D-B)	
			\$	%		\$	%		\$	%
<b>Common Rates *<sup>1</sup></b>										
General Rate	949	768	(181)	(19.1%)	611	(157)	(20.5%)	358	(410)	(53.4%)
Uniform Annual General Charge * <sup>4</sup>	3,593	3,653	59.5	1.7%	3,690	37	1.0%	3,745	92	2.5%
Biosecurity	2,574	2,807	232.5	9.0%	2,884	77	2.7%	2,885	78	2.8%
Emergency Management	1,364	1,480	116	8.5%	1,446	(34)	(2.3%)	1,475	(5)	(0.3%)
Information	1,218	1,273	55	4.5%	1,361	87	6.9%	1,251	(23)	(1.8%)
Resource and Consent Monitoring	1,317	1,484	167	12.7%	1,531	47	3.2%	1,622	139	9.4%
River and Drainage	3,416	3,304	(112)	(3.3%)	3,395	91	2.8%	3,436	132	4.0%
Infrastructure Insurance Reserve	300	300	-	-	400	100	33.3%	400	100	33.3%
Strategic Management	1,254	1,437	183	14.6%	1,359	(78)	(5.4%)	1,459	21	1.5%
Water Quality and Quantity	3,314	3,764	450	13.6%	4,093	329	8.7%	4,102	338	9.0%
Sustainable Land Use Initiative (SLUI) UAC	3,283	3,353	70	2.1%	3,704	351	10.5%	3,743	390	11.6%
Environmental Initiatives UAC	1,871	1,704	(167)	(8.9%)	1,751	47	2.7%	1,720	16	0.9%
Targeted Rate Transport Planning etc	232	231	(1)	(0.4%)	190	(41)	(17.7%)	221	(10)	(4.3%)
<b>Individual Rates*<sup>2</sup></b>										
AHB Tb Vector Levy	652	150	(502)	(77.0%)	-	(150)	(100.0%)	-	(150)	(100.0%)
Manawatu River Accord UAC	400	410	10	2.5%	423	13	3.1%	410	-	-
Production Pest Animal Management	1,115	1,309	194	17.4%	1,354	45	3.5%	1,357	48	3.7%
Production Pest Rook Management	153	142	(11)	(7.2%)	135	(7)	(5.2%)	130	(12)	(8.5%)
Rangitikei old man's beard eradication 4 ha and over	67	67	-	-	68	2	2.5%	67	-	-
Rangitikei old man's beard eradication under 4 ha	29	29	-	-	29	1	2.5%	29	-	-
River and Drainage Scheme	8,883	8,247	(636)	(7.2%)	8,427	180	2.2%	8,367	120	1.5%
River and Drainage Scheme Rates (UAC)	1,040	1,110	70	6.7%	1,114	4	0.4%	1,126	16	1.4%
Regional Park UAC	184	207	23	12.5%	212	5	2.4%	167	(40)	(19.3%)
Production Pest Plant Management	90	115	25	27.8%	118	3	2.6%	113	(2)	(1.7%)
Uniform Annual Charge <4 ha	15	19	4	26.7%	20	1	2.6%	19	-	-
Transport Passenger Services	1,408	1,422	14	1.0%	1,736	314	22.0%	1,704	282	19.8%
Waitare UAC	7	7	-	-	7	-	2.5%	7	-	-
Horowhenua Weed Harvester	-	76	76	-	166	90	117.4%	175	99	130.3%
<b>Grand Total</b>	<b>38,728</b>	<b>38,867</b>	<b>139</b>	<b>3.96%</b>	<b>40,223</b>	<b>1,355</b>	<b>3.49%</b>	<b>40,088</b>	<b>1,221</b>	<b>3.14%</b>
UAC total (for 30% cap)	10,393	10,539			11,086			11,112		
	27%	27%			28%			28%		

\*1 Common rates apply to all properties across the Region.

\*2 Individual rates apply to properties depending on the location and size of each individual property. Some of these rates will not apply for some properties. For example, the pest animal per hectare rate will not apply to properties under 4 ha.

\*3 Due to the number of rates that do not apply to all properties, the total regional rate rise in percentage terms is potentially misleading and has not been provided for Year 1.

\*4 UAC for 2016-17 includes approximately \$1 per rate payer to fund coordination of the Regional Growth project.

## District by District Rate Change 2015-16 to 2016-17

	2015-16	2016-17	Change
<b>Horowhenua District</b>			
Common Rates	3,546,114	3,617,044	70,930
Individual Rates	2,474,762	2,671,111	196,349
<b>Total Rates</b>	<b>6,020,876</b>	<b>6,288,155</b>	<b>267,279</b>
<b>Manawatu District</b>			
Common Rates	3,767,125	3,756,100	(11,025)
Individual Rates	2,564,717	2,721,081	156,364
<b>Total Rates</b>	<b>6,331,842</b>	<b>6,477,181</b>	<b>145,339</b>
<b>Palmerston North City</b>			
Common Rates	7,486,998	7,813,527	326,529
Individual Rates	3,696,752	3,827,008	130,256
<b>Total Rates</b>	<b>11,183,750</b>	<b>11,640,535</b>	<b>456,785</b>
<b>Rangitikei District</b>			
Common Rates	1,994,215	2,027,323	33,108
Individual Rates	1,123,325	1,146,827	23,502
<b>Total Rates</b>	<b>3,117,540</b>	<b>3,174,151</b>	<b>56,611</b>
<b>Ruapehu District</b>			
Common Rates	2,048,973	2,090,782	41,809
Individual Rates	639,853	629,016	(10,837)
<b>Total Rates</b>	<b>2,688,826</b>	<b>2,719,799</b>	<b>30,973</b>
<b>Tararua District</b>			
Common Rates	2,597,773	2,657,020	59,247
Individual Rates	1,888,060	1,891,942	3,882
<b>Total Rates</b>	<b>4,485,833</b>	<b>4,548,962</b>	<b>63,129</b>

	2015-16	2016-17	Change
<b>Wanganui District</b>			
Common Rates	3,847,232	4,005,426	158,194
Individual Rates	1,069,159	1,109,085	39,926
<b>Total Rates</b>	<b>4,916,392</b>	<b>5,114,511</b>	<b>198,119</b>
<b>Part Stratford District</b>			
Common Rates	41,139	42,132	993
Individual Rates	30,966	29,005	(1,961)
<b>Total Rates</b>	<b>72,105</b>	<b>71,137</b>	<b>(968)</b>
<b>Part Taupo District</b>			
Common Rates	902	845	(57)
Individual Rates	5,218	4,823	(395)
<b>Total Rates</b>	<b>6,119</b>	<b>5,668</b>	<b>(451)</b>
<b>Part Waitomo District</b>			
Common Rates	28,799	32,457	3,658
Individual Rates	15,185	15,304	119
<b>Total Rates</b>	<b>43,984</b>	<b>47,761</b>	<b>3,777</b>
<b>Region Total</b>			
Common Rates	25,359,270	26,042,656	683,386
Individual Rates	13,507,997	14,045,202	537,205
<b>Total Rates</b>	<b>38,867,267</b>	<b>40,087,859</b>	<b>1,220,592</b>

# Sample Ratepayers for 2016-17

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
<b>HOROWHENUA DISTRICT</b>								
0.069	64,000	64,000	-	7.87%	157.42	171.04	13.62	8.7%
0.025	75,000	75,000	-		143.44	157.28	13.84	9.7%
0.171	90,000	90,000	-		170.77	185.96	15.19	8.9%
0.084	100,000	100,000	-		167.98	182.37	14.39	8.6%
0.094	105,000	105,000	-		179.08	194.77	15.69	8.8%
0.221	113,000	113,000	-	157.31	169.49	12.18	7.7%	
0.087	116,000	116,000	-	175.64	190.38	14.74	8.4%	
0.051	124,000	124,000	-	189.67	206.00	16.33	8.6%	
0.046	130,000	130,000	-	170.48	185.56	15.08	8.8%	
0.080	131,000	131,000	-	170.97	186.07	15.10	8.8%	
0.089	135,000	135,000	-	172.92	188.13	15.21	8.8%	
0.090	140,000	140,000	-	175.40	190.70	15.30	8.7%	
0.086	143,000	143,000	-	188.58	203.89	15.31	8.1%	
0.088	150,000	150,000	-	180.31	195.84	15.53	8.6%	
0.081	155,000	155,000	-	182.77	198.41	15.64	8.6%	
0.108	160,000	160,000	-	185.22	200.98	15.76	8.5%	
0.074	170,000	170,000	-	190.14	206.12	15.98	8.4%	
0.078	180,000	180,000	-	195.06	211.26	16.20	8.3%	
0.083	200,000	200,000	-	203.40	215.57	12.17	6.0%	
0.082	200,000	200,000	-	203.40	215.57	12.17	6.0%	
0.069	200,000	200,000	-	204.86	221.54	16.68	8.1%	
0.034	200,000	200,000	-	204.86	221.54	16.68	8.1%	
2.023	205,000	205,000	-	241.51	276.58	35.07	14.5%	
0.033	215,000	215,000	-	212.26	229.25	16.99	8.0%	
0.153	215,000	215,000	-	212.26	229.25	16.99	8.0%	
0.055	240,000	240,000	-	260.10	277.55	17.45	6.7%	
0.081	240,000	240,000	-	220.91	233.07	12.16	5.5%	
0.071	245,000	245,000	-	235.27	252.94	17.67	7.5%	
0.103	280,000	280,000	-	245.64	264.61	18.97	7.7%	
0.036	280,000	280,000	-	245.64	264.61	18.97	7.7%	
38.524	305,000	305,000	-	514.77	527.88	13.11	2.5%	
1.345	315,000	315,000	-	1066.34	1092.61	26.27	2.5%	
7.543	315,000	315,000	-	291.98	293.35	1.37	0.5%	
0.068	325,000	325,000	-	276.04	296.01	19.97	7.2%	
0.249	435,000	435,000	-	330.35	352.81	22.46	6.8%	
313.166	490,000	490,000	-	2456.24	2460.81	4.57	0.2%	
0.084	495,000	495,000	-	333.88	346.54	12.66	3.8%	
4.540	520,000	520,000	-	367.88	381.10	13.22	3.6%	
15.257	560,000	560,000	-	405.07	417.47	12.40	3.1%	
0.132	680,000	680,000	-	443.69	472.17	28.48	6.4%	
0.960	730,000	730,000	-	468.26	497.87	29.61	6.3%	
619.050	820,000	820,000	-	1,855.51	1831.87	(23.64)	(1.3%)	
20.794	910,000	910,000	-	1,108.06	1,120.94	12.88	1.2%	
596.582	1,380,000	1,380,000	-	2,414.04	2,403.90	(10.14)	(0.4%)	

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
260.511	2,280,000	2,280,000	-	3.43%	1,470.97	1,474.71	3.74	0.3%
65.906	2,400,000	2,400,000	-		11,434.90	11,706.23	271.33	2.4%
278.636	3,260,000	3,260,000	-		2,267.49	2,270.70	3.21	0.1%
103.532	4,160,000	4,160,000	-		6,326.52	6,440.34	113.82	1.8%
290.455	6,400,000	6,400,000	-		5,336.50	5,480.35	143.85	2.7%

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
<b>MANAWATU DISTRICT</b>								
0.202	45,000	45,000	-	10.78%	21.80	21.75	(0.05)	(0.2%)
10.034	50,000	50,000	-		150.01	153.29	3.28	2.2%
0.037	75,000	75,000	-		167.71	172.27	4.56	2.7%
0.089	102,000	102,000	-	22.21%	165.49	170.09	4.60	2.8%
2.699	112,500	112,500	-		323.12	327.81	4.69	1.5%
1.766	127,000	127,000	-		170.21	173.17	2.96	1.7%
0.050	130,000	130,000	-		202.48	207.12	4.64	2.3%
0.045	150,000	150,000	-		215.08	219.78	4.70	2.2%
0.076	160,000	160,000	-	25.48%	221.44	226.15	4.71	2.1%
0.086	180,000	180,000	-		788.29	804.64	16.35	2.1%
0.064	210,000	210,000	-		253.01	247.80	4.79	1.9%
0.070	215,000	215,000	-		256.18	260.97	4.79	1.9%
0.086	220,000	220,000	-		259.36	264.16	4.80	1.9%
0.132	240,000	240,000	-		272.03	276.89	4.86	1.8%
0.080	245,000	245,000	-		275.13	279.99	4.86	1.8%
1.876	250,000	250,000	-		238.32	239.85	1.53	0.6%
0.082	250,000	250,000	-		278.28	283.16	4.88	1.8%
4.535	255,000	255,000	-		443.71	447.80	4.09%	0.9%
0.102	260,000	260,000	-	286.10	291.46	5.36	1.9%	
0.158	275,000	275,000	-	295.65	301.03	5.38	1.8%	
0.101	300,000	300,000	-	259.80	261.35	1.55	0.6%	
0.116	310,000	310,000	-	11.54%	317.71	323.14	5.43	1.7%
0.066	315,000	315,000	-		320.77	326.24	5.47	1.7%
0.082	350,000	350,000	-		343.39	348.93	5.54	1.6%
0.057	375,000	375,000	-		358.66	364.22	5.56	1.5%
26.960	375,000	375,000	-		342.27	340.97	(1.30)	(0.4%)
2.316	385,000	385,000	-		301.81	302.21	0.40	0.1%
162.759	390,000	390,000	-		449.84	436.55	(13.29)	(3.0%)
0.064	450,000	450,000	-		406.01	411.72	5.71	1.4%
0.551	540,000	540,000	-		366.97	365.89	(1.08)	(0.3%)
17.633	650,000	650,000	-		458.73	455.37	(3.36)	(0.7%)
185.184	710,000	710,000	-	16.00%	1,209.38	1,201.06	(8.32)	(0.7%)
33.000	760,000	760,000	-		528.21	523.17	(5.04)	(1.0%)
0.308	850,000	850,000	-		660.42	667.30	6.88	1.0%
116.808	980,000	980,000	-		1,047.07	1,037.43	(9.64)	(0.9%)
30.237	1,020,000	1,020,000	-		640.92	636.88	(4.04)	(0.6%)
0.080	1,100,000	1,100,000	-	10.78%	832.56	844.66	12.10	1.5%
80.707	1,450,000	1,450,000	-		872.67	859.12	(13.55)	(1.6%)

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
926.822	1,790,000	1,790,000	-	10.78%	4,786.55	4,749.31	(37.24)	(0.8%)
10.749	2,363,000	2,363,000	-		1,259.00	1,232.92	(26.08)	(2.1%)
711.037	3,220,000	3,290,000	0.022		4,534.17	4,516.44	(17.73)	(0.4%)
91.897	4,070,000	4,070,000	-		5,225.25	5,279.30	54.05	1.0%
134.453	5,450,000	5,450,000	-		9,845.13	9,916.18	71.05	0.7%
1,034.600	6,350,000	6,350,000	-		9,813.54	9,900.97	87.43	0.9%
35.786	7,400,000	7,400,000	-		4,091.43	4,016.75	(74.68)	(1.8%)

**PALMERSTON NORTH CITY**

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
0.013	116,000	123,000	0.060	20.37%	202.08	211.64	9.56	4.7%
0.035	125,000	125,000	-		208.46	213.08	4.62	2.2%
0.048	150,000	160,000	0.067		226.09	237.82	11.73	5.2%
0.072	175,000	190,000	0.086		243.74	259.05	15.31	6.3%
0.110	185,000	185,000	-		202.56	205.79	3.23	1.6%
0.069	190,000	195,000	0.026		254.29	262.58	8.29	3.3%
0.085	195,000	215,000	0.103		272.03	289.03	17.00	6.3%
0.061	210,000	225,000	0.071		281.91	295.59	13.68	4.9%
0.082	210,000	225,000	0.071		268.42	283.79	15.37	5.7%
0.094	215,000	225,000	0.047		271.96	283.81	11.85	4.4%
13.288	220,000	220,000	-	923.82	931.29	7.47	0.8%	
0.054	220,000	225,000	0.023	38.09%	275.44	283.75	8.31	3.0%
0.072	225,000	240,000	0.067		278.98	294.37	15.39	5.5%
1.007	725,000	730,000	0.007		446.44	449.29	2.85	0.6%
0.065	230,000	230,000	-		282.49	287.30	4.81	1.7%
0.046	230,000	215,000	(0.065)		282.46	276.68	(5.79)	(2.0%)
0.079	235,000	250,000	0.064		286.03	301.45	15.42	5.4%
0.049	240,000	235,000	(0.021)		289.51	290.81	1.30	0.4%
0.068	250,000	250,000	-		296.59	301.43	4.84	1.6%
0.091	260,000	275,000	0.058		316.42	330.49	14.07	4.4%
0.061	265,000	275,000	0.038		308.61	321.02	12.41	4.0%
0.049	270,000	280,000	0.037	312.12	324.54	12.42	4.0%	
1.510	280,000	340,000	0.214	248.13	277.50	29.37	11.8%	
0.061	290,000	300,000	0.034	326.24	338.68	12.44	3.8%	
0.151	290,000	310,000	0.069	326.36	345.87	19.51	6.0%	
0.066	300,000	305,000	0.017	333.29	342.22	8.93	2.7%	
0.081	310,000	320,000	0.032	340.35	352.84	12.49	3.7%	
0.051	315,000	335,000	0.063	352.71	369.95	17.24	4.9%	
0.081	330,000	345,000	0.045	354.42	370.50	16.08	4.5%	
0.064	335,000	335,000	-	357.93	363.41	5.48	1.5%	
0.041	350,000	360,000	0.029	368.50	381.04	12.54	3.4%	
0.052	380,000	380,000	-	389.64	395.18	5.54	1.4%	
0.426	400,000	415,000	0.038	920.61	942.60	21.99	2.4%	
7.535	415,000	415,000	-	323.68	325.48	1.80	0.6%	
0.101	500,000	470,000	(0.060)	474.31	458.83	(15.48)	(3.3%)	
0.073	550,000	570,000	0.036	510.94	531.37	20.43	4.0%	
0.089	570,000	620,000	0.088	525.03	566.71	41.68	7.9%	
0.922	660,000	800,000	0.212	589.64	695.05	105.41	17.9%	
0.051	680,000	710,000	0.044	602.52	630.24	27.72	4.6%	
1.460	720,000	650,000	(0.097)	444.84	414.94	(29.90)	(6.7%)	
1.005	740,000	785,000	0.061	453.10	473.35	20.25	4.5%	

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
139.774	555,000	555,000	-	41.54%	722.24	716.47	(5.77)	(0.8%)
0.067	840,000	530,000	(0.369)		715.31	503.10	(212.21)	(29.7%)
0.068	920,000	860,000	(0.065)		771.68	736.23	(35.45)	(4.6%)
49.305	1,000,000	875,000	(0.125)		759.22	698.52	(60.70)	(8.0%)
0.154	1,320,000	1,420,000	0.076		1,068.29	1,151.32	83.03	7.8%
0.321	2,700,000	2,570,000	(0.048)		2,041.10	1,963.96	(77.14)	(3.8%)
0.428	3,600,000	3,370,000	(0.064)		2,675.53	2,529.26	(146.27)	(5.5%)
95.461	4,445,000	4,460,000	0.003		4,943.56	5,014.40	70.84	1.4%
1.022	9,300,000	10,500,000	0.129		6,693.49	7,566.98	873.49	13.0%
1.597	14,500,000	14,900,000	0.028		10,359.05	10,676.10	317.05	3.1%

**RANGITIKEI DISTRICT**

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
0.303	18,000	18,000	-	32.06%	110.39	115.69	5.30	4.8%
1.884	44,900	44,900	-		122.67	127.96	5.29	4.3%
0.081	50,000	50,000	-		123.88	129.13	5.25	4.2%
0.086	73,000	73,000	-		133.93	139.15	5.22	3.9%
0.080	530,000	530,000	-		430.46	444.43	13.97	3.2%
0.101	75,000	75,000	-		136.89	143.21	6.32	4.6%
0.116	78,000	78,000	-		136.12	141.34	5.22	3.8%
0.065	80,000	80,000	-		142.71	149.19	6.48	4.5%
0.101	80,000	80,000	-		151.04	157.52	6.48	4.3%
2.916	86,000	86,000	-		139.90	145.12	5.22	3.7%
3.524	110,000	110,000	-		399.18	410.49	11.31	2.8%
0.981	120,000	120,000	-		154.63	159.81	5.18	3.3%
0.078	126,000	126,000	-		157.19	162.34	5.15	3.3%
0.068	140,000	140,000	-		187.91	195.26	7.35	3.9%
0.068	155,000	155,000	-		197.14	204.70	7.56	3.8%
0.110	155,000	155,000	-		195.36	203.00	7.64	3.9%
40.469	160,000	160,000	-		134.50	132.20	(2.30)	(1.7%)
1.376	160,000	160,000	-		172.88	178.03	5.15	3.0%
0.101	165,000	165,000	-		263.85	274.04	10.19	3.9%
0.081	170,000	170,000	-		204.39	212.27	7.88	3.9%
0.084	174,000	174,000	-		178.26	183.34	5.08	2.9%
2.911	175,000	175,000	-		178.70	183.78	5.08	2.8%
0.022	190,000	190,000	-		218.64	226.71	8.07	3.7%
0.081	245,000	245,000	-		947.80	986.70	38.90	4.1%
1.763	270,000	270,000	-		222.01	227.46	5.45	2.5%
0.101	305,000	305,000	-		290.75	300.98	10.23	3.5%
105.352	310,000	310,000	-		436.95	435.90	(1.05)	(0.2%)
0.332	380,000	380,000	-		332.48	344.00	11.52	3.5%
9.728	385,000	385,000	-		321.11	325.99	4.88	1.5%
108.228	390,000	390,000	-		788.67	789.54	0.87	0.1%
0.405	425,000	425,000	-	364.50	376.46	11.96	3.3%	
282.190	490,000	490,000	-	712.14	695.72	(16.42)	(2.3%)	
2.308	545,000	545,000	-	345.45	350.98	5.53	1.6%	
103.273	680,000	680,000	-	642.98	643.37	0.39	0.1%	
0.738	650,000	650,000	-	496.76	512.81	16.05	3.2%	
407.643	800,000	800,000	-	993.29	967.64	(25.65)	(2.6%)	
1.085	890,000	890,000	-	641.47	661.14	19.67	3.1%	
0.426	970,000	970,000	-	700.82	721.18	20.36	2.9%	

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
71.231	1,040,000	1,040,000	-	67.94%	726.10	731.70	5.60	0.8%
1,062.300	1,150,000	1,150,000	-		2,173.48	2,110.79	(62.69)	(2.9%)
39.659	1,330,000	1,330,000	-		857.61	865.52	7.91	0.9%
84.602	1,480,000	1,480,000	-		906.29	909.08	2.79	0.3%
576.022	2,380,000	2,380,000	-		2,179.98	2,154.95	(25.03)	-1.1%
1,844.203	3,360,000	3,360,000	-		4,598.04	4,492.15	(105.89)	-2.3%
159.437	4,140,000	4,140,000	-		2,391.02	2,389.06	(1.96)	-0.1%
7,462.317	16,330,000	16,330,000	-		18,916.62	18,433.53	(483.09)	-2.6%

**RUAPEHU DISTRICT**

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
0.094	29,000	29,000	-	38.32%	110.11	115.41	5.30	4.8%
0.202	32,000	32,000	-		110.68	116.02	5.34	4.8%
0.088	54,000	54,000	-		121.97	127.27	5.30	4.3%
0.160	56,000	56,000	-		138.04	143.25	5.21	3.8%
0.112	56,000	56,000	-		159.75	164.76	5.01	3.1%
0.051	58,000	58,000	-		27.35	27.88	0.53	1.9%
1.707	60,000	60,000	-		125.35	130.70	5.35	4.3%
0.083	64,000	64,000	-		143.88	149.09	5.21	3.6%
0.367	80,000	68,000	(15%)		155.78	152.06	(3.72)	(2.4%)
0.103	81,000	81,000	-		156.53	161.69	5.16	3.3%
0.202	88,000	88,000	-		161.71	166.88	5.17	3.2%
0.000	90,000	90,000	-		139.06	144.35	5.29	3.8%
11.902	90,000	90,000	-		151.32	155.69	4.37	2.9%
2.484	99,000	99,000	-		48.42	48.90	0.48	1.0%
0.101	102,000	102,000	-		140.98	146.29	5.31	3.8%
2.092	107,000	107,000	-		48.87	49.36	0.49	1.0%
0.170	110,000	110,000	-		178.04	183.19	5.15	2.9%
0.111	120,000	120,000	-		148.85	154.16	5.31	3.6%
0.361	155,000	155,000	-		169.90	175.18	5.28	3.1%
0.089	165,000	165,000	-		218.93	223.95	5.02	2.3%
0.438	170,000	170,000	-		177.02	182.29	5.27	3.0%
0.030	185,000	185,000	-		178.90	184.36	5.46	3.1%
0.056	185,000	185,000	-		233.77	238.78	5.01	2.1%
3.214	200,000	200,000	-		191.23	196.52	5.29	2.8%
0.260	235,000	235,000	-		270.93	275.83	4.90	1.8%
440.703	240,000	240,000	-		714.32	684.80	(29.52)	(4.1%)
14.607	253,500	253,500	-		134.88	134.76	(0.12)	(0.1%)
0.029	260,000	260,000	-		213.81	219.82	6.01	2.8%
0.133	290,000	290,000	-		227.24	233.27	6.03	2.7%
1.315	305,000	305,000	-		231.57	237.37	5.80	2.5%
10.787	315,000	315,000	-		258.24	263.17	4.93	1.9%
4.530	340,000	340,000	-		262.93	268.34	5.41	2.1%
427.183	340,000	340,000	-		747.72	719.74	(27.98)	(3.7%)
0.043	355,000	355,000	-		256.22	262.29	6.07	2.4%
356.485	379,000	379,000	-		685.14	662.73	(22.41)	(3.3%)
79.150	381,425	381,425	-		393.61	398.84	5.23	1.3%
82.379	415,000	415,000	-		387.80	387.06	(0.74)	(0.2%)
913.000	494,000	494,000	-		1,378.03	1,311.64	(66.39)	(4.8%)
1.138	650,000	650,000	-		383.86	390.11	6.25	1.6%
363.696	570,000	570,000	-		692.02	664.61	(27.41)	(4.0%)

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
0.150	690,000	690,000	-	61.68%	407.21	414.00	6.79	1.7%
20.180	810,000	810,000	-		477.51	482.23	4.72	1.0%
40.914	1,010,000	1,010,000	-		612.43	620.45	8.02	1.3%
1,994.310	1,701,000	1,701,000	-		3,207.08	3,060.30	(146.78)	(4.6%)
86.911	1,780,000	1,780,000	-		1,016.28	1,020.91	4.63	0.5%
0.296	2,650,000	2,650,000	-		1,296.49	1,309.52	13.03	1.0%
1,903.044	3,600,000	3,600,000	-		4,003.52	3,863.59	(139.93)	(3.5%)
263.431	4,993,500	4,993,500	-		2,997.82	2,990.53	(7.29)	(0.2%)
332.112	5,750,000	5,750,000	-		3,084.38	3,070.36	(14.02)	(0.5%)
4,255.796	10,178,000	10,178,000	-		10,460.25	10,151.91	(308.34)	(2.9%)

**TARARUA DISTRICT**

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
0.081	16,000	16,000	-	27.13%	115.22	120.56	5.34	4.6%
0.101	54,000	54,000	-		119.96	125.29	5.33	4.4%
0.079	57,000	57,000	-		142.99	148.34	5.35	3.7%
0.050	58,000	58,000	-		143.56	148.92	5.36	3.7%
29.130	60,000	60,000	-		187.25	190.69	3.44	1.8%
0.031	64,000	64,000	-		147.22	152.58	5.36	3.6%
0.101	122,000	122,000	-		217.10	221.73	4.63	2.1%
0.102	89,000	89,000	-		153.27	158.62	5.35	3.5%
0.075	100,000	100,000	-		169.33	174.68	5.35	3.2%
0.101	105,000	105,000	-		154.19	159.57	5.38	3.5%
0.073	115,000	115,000	-		178.52	183.88	5.36	3.0%
0.103	115,000	115,000	-		178.54	183.90	5.36	3.0%
0.057	120,000	120,000	-		215.19	219.83	4.64	2.2%
0.085	120,000	120,000	-		186.52	191.51	4.99	2.7%
0.149	150,000	150,000	-		200.05	205.39	5.34	2.7%
0.554	133,000	133,000	-		168.87	174.29	5.42	3.2%
3.685	145,000	145,000	-		184.05	189.50	5.45	3.0%
11.559	147,000	147,000	-		281.41	286.15	4.74	1.7%
0.713	170,000	170,000	-		189.24	194.88	5.64	3.0%
0.636	180,000	180,000	-		188.06	193.46	5.40	2.9%
0.216	195,000	195,000	-		281.55	285.71	4.16	1.5%
2.044	200,000	200,000	-		236.10	241.62	5.52	2.3%
8.933	215,000	215,000	-		389.45	396.55	7.10	1.8%
0.349	215,000	215,000	-		203.75	209.15	5.40	2.7%
63.131	220,000	220,000	-		320.75	321.95	1.20	0.4%
0.191	285,000	285,000	-		360.00	364.10	4.10	1.1%
270.735	315,000	315,000	-		751.52	739.35	(12.17)	(1.6%)
76.897	360,000	360,000	-		735.94	734.53	(1.41)	(0.2%)
0.101	365,000	365,000	-		431.62	435.23	3.61	0.8%
326.100	370,000	370,000	-		648.23	628.08	(20.15)	(3.1%)
0.077	395,000	395,000	-		351.60	357.42	5.82	1.7%
0.691	410,000	410,000	-		471.48	474.76	3.28	0.7%
80.897	415,000	415,000	-		784.44	782.93	(1.51)	(0.2%)
145.687	435,000	435,000	-		1,082.35	1,069.48	(12.87)	(1.2%)
20.920	560,000	560,000	-		514.32	519.53	5.21	1.0%
10.117	640,000	640,000	-		430.39	436.30	5.91	1.4%
13.260	720,000	720,000	-		577.00	582.45	5.45	0.9%
901.372	800,000	800,000	-		4,073.57	4,024.05	(49.52)	(1.2%)

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
80.937	810,000	810,000	-	72.87%	509.79	506.05	(3.74)	(0.7%)
288.038	1,010,000	1,010,000	-		884.49	873.15	(11.34)	(1.3%)
0.404	1,120,000	1,120,000	-		1,110.74	1,114.95	4.21	0.4%
703.170	1,350,000	1,350,000	-		2,027.97	1,992.41	(35.56)	(1.8%)
191.017	3,805,000	3,805,000	-		2,535.66	2,532.53	(3.13)	(0.1%)
814.480	3,250,000	3,250,000	-		3,066.79	3,024.36	(42.43)	(1.4%)
92.674	3,130,000	3,130,000	-		1,665.99	1,671.87	5.88	0.4%
135.914	4,860,000	4,860,000	-		4,097.17	4,121.08	23.91	0.6%
1493.399	5,975,000	5,975,000	-		5,526.69	5,439.61	(87.08)	(1.6%)

Hectares	Old CV	New CV	CV % Change	% of Rateable Properties	2015-16 Rates	2016-17 Estimated	2016-17 Change \$	2016-17 Change %
898.206	2,000,000	2,000,000	-	1.48%	2,294.30	2,262.64	(31.66)	(1.4%)
90.505	2,420,000	2,420,000	-	0.55%	1,261.09	1,292.99	31.90	2.5%
89.098	3,050,000	3,560,000	16.7%		1,527.76	1,790.05	262.29	17.2%
1,039.360	3,650,000	3,650,000	-	0.23%	3,157.44	3,133.24	(24.20)	(0.8%)
432.494	6,675,000	6,675,000	-	0.07%	3,465.46	3,519.09	53.63	1.5%
160.640	5,750,000	5,750,000	-	0.16%	2,652.03	2,711.41	59.38	2.2%
3,592.554	7,400,000	7,400,000	-		7,951.98	7,765.10	(186.88)	(2.4%)

**WANGANUI DISTRICT**

0.303	2,500	2,500	-	15.43%	2.61	3.13	0.52	19.7%
0.030	56,000	56,000	-		131.85	138.05	6.20	4.7%
0.054	68,000	68,000	-		139.49	145.84	6.35	4.6%
0.078	80,000	80,000	-		147.09	153.64	6.55	4.5%
15.507	90,000	90,000	-		165.28	170.66	5.38	3.3%
0.072	90,000	90,000	-		153.44	160.14	6.70	4.4%
0.710	100,000	100,000	-		44.05	45.67	1.62	3.7%
0.000	102,000	102,000	-	45.83%	161.04	167.94	6.90	4.3%
0.041	119,000	119,000	-		171.83	178.99	7.16	4.2%
0.061	132,000	132,000	-		180.07	187.43	7.36	4.1%
0.067	135,000	135,000	-		181.96	189.38	7.42	4.1%
0.071	147,000	147,000	-		189.59	197.18	7.59	4.0%
0.066	149,000	149,000	-		190.87	198.48	7.61	4.0%
0.097	150,000	150,000	-		191.48	199.13	7.65	4.0%
0.000	155,000	155,000	-		194.66	202.38	7.72	4.0%
0.067	160,000	160,000	-		197.83	205.63	7.80	3.9%
0.093	160,000	160,000	-		210.02	217.72	7.70	3.7%
0.098	170,000	170,000	-		204.19	212.13	7.94	3.9%
0.071	180,000	180,000	-		210.52	218.63	8.11	3.9%
0.030	185,000	185,000	-		213.68	221.88	8.20	3.8%
2.023	190,000	190,000	-	216.86	225.12	8.26	3.8%	
0.101	225,000	225,000	-	18.77%	239.06	247.87	8.81	3.7%
0.118	225,000	225,000	-		239.06	247.87	8.81	3.7%
1.000	255,000	255,000	-		220.60	229.57	8.97	4.1%
0.092	255,000	255,000	-		259.57	269.30	9.73	3.8%
0.441	265,000	265,000	-		224.85	233.94	9.09	4.0%
0.086	280,000	280,000	-		275.42	285.55	10.13	3.7%
0.659	300,000	335,000	-		239.77	264.55	24.78	10.3%
0.058	300,000	300,000	-		288.12	298.55	10.43	3.6%
0.086	300,000	300,000	-		288.12	298.55	10.43	3.6%
0.184	365,000	365,000	-		329.33	340.79	11.46	3.5%
74.600	385,000	385,000	-	4.22%	360.12	364.73	4.61	1.3%
497.000	420,000	420,000	-		859.55	831.16	(28.39)	(3.3%)
737.165	475,000	475,000	-	1,158.41	1,111.71	(46.70)	(4.0%)	
83.062	490,000	490,000	-	2.26%	414.55	419.68	5.13	1.2%
2.598	555,000	555,000	-		349.83	362.70	12.87	3.7%
419.866	820,000	820,000	-		1,094.16	1,079.69	(14.47)	(1.3%)
0.129	980,000	980,000	-	0.78%	720.95	742.36	21.41	3.0%
63.839	1,275,000	1,275,000	-	0.44%	2,206.66	2,114.01	(92.65)	(4.2%)
			-	0.42%				





## Thank you for having your say

During the consultation period 93 submissions (including 4 late submissions) were received. The submissions covered 252 points and commented on many of Council's activities. Topics raised varied although the majority related to the three specific areas that Council had raised in its consultation document, which were:

- Our role in regional growth
- Changes to transport
- Changes to river schemes

On 27 and 28 April 2016 Council heard from 36 submitters who wished to make verbal representations in support of their submissions. On 10 May councillors considered all submissions, working hard to strike the right balance for our Region and its residents, and agreed the following changes to the Annual Plan:

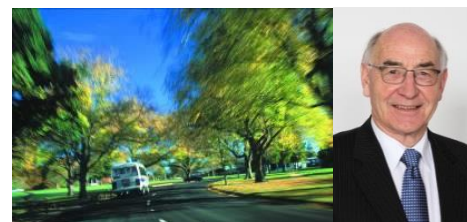
1. Retain a 2% rate increase for the Tutaenui Scheme for the 2016-17 financial year;
2. Remove the rate increase for Upper Whanganui Scheme; rates reduced by \$3,533, thereby retaining the 2015-16 funding levels;
3. That the spillway formation and modifications to the Koputaroa No.1 Pump Station be deferred. This resulted in a rate decrease of \$15,588 in 2016-17;
4. Remove the rate decrease for the South Eastern Ruahine Scheme for the 2016-17 financial year of \$3,528, thereby retaining the 2015-16 financial year funding levels;
5. Consult with the Whanganui community in conjunction with Whanganui District Council on the adequacy or otherwise of Whanganui River flood protection standards during the 2016-17 financial year;
6. Invest \$10,000 to consult with the community on an amendment to the classification for the Matarawa Scheme to enable the inclusion of channel maintenance for the lower reach of the Matarawa Stream;
7. Complete a pre-feasibility assessment of a Makotuku River Scheme and report back to Council;
8. Consult with the public on an Upper Mangawhero Scheme as part of the 2017-18 Annual Plan process;
9. Consult on the Pest Management 4ha threshold rating when reviewing the Revenue and Financing Policies for the 2018-28 Long-term Plan;
10. Fund the Manawatu River Advisory Board, established under the Treaty Settlement between the Crown and Rangitane o Manawatu (RoM), to a maximum of \$20,000 in the 2016-17 Annual Plan from within the existing Iwi and Hapū Relationships Activity budget, subject to Council's approval of a detailed proposal around what the funding delivers for Horizons Regional Council;
11. Affirm a coordinating role, working with partner councils, iwi, business and government, around regional growth and prosperity, including the implementation of the Accelerate25 Regional Action Plan;
12. Confirm their commitment of \$230,000 by way of reserve funding of \$130,000 and rating of \$100,000 from UAC general rate;
13. Consult on funding for the Rescue Helicopter through the 2017-18 Annual Plan process; and
14. Amends the 2016-17 Annual Plan to include a one-off payment of \$2,400 (Horizons' share) to be funded by reserves, for the Pahiatua Community Vehicle Trust.



## Your Councillors



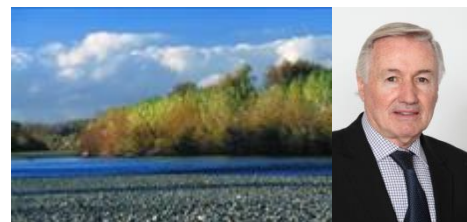
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# The Horizons Regional Council

The Region's six constituencies provide a total of 12 elected representatives who form the governance body of Horizons Regional Council, which is the trading name of the Manawatu-Wanganui Regional Council. Local government elections are run every three years, and the Chair of the Council is elected by the members of the Council. The next election is due in October 2016 and will be run on the first-past-the-post voting system.

The chief executive is employed directly by the Council. The chief executive, in turn, employs the staff of Horizons Regional Council. The staff of the Council number approximately 200 full-time equivalents. Around half of the staff are based at the head office in Palmerston North. The remainder are located at offices and depots throughout the Region.

## The Horizons Region is divided into six constituencies as listed here:

RUAPEHU CONSTITUENCY  
WANGANUI CONSTITUENCY  
MANAWATU/RANGITIKEI CONSTITUENCY  
HOROWHENUA/KAIRANGA CONSTITUENCY  
PALMERSTON NORTH CONSTITUENCY  
TARARUA CONSTITUENCY

## The Council carries out much of its work through a number of Standing Committees. These include:

STRATEGY AND POLICY COMMITTEE  
CATCHMENT OPERATIONS COMMITTEE  
ENVIRONMENT COMMITTEE  
AUDIT, RISK AND INVESTMENT COMMITTEE  
REGIONAL TRANSPORT COMMITTEE  
PASSENGER TRANSPORT COMMITTEE  
MANAWATU RIVER USERS' ADVISORY GROUP  
LINKLATER BURSARY SUB-COMMITTEE

## Organisational groups you may work with or meet out in the Region



### STRATEGY AND REGULATION GROUP

The Strategy and Regulation Group has a policy development role. Its main focus currently is the One Plan. The group also administers resource consents under the Resource Management Act, and ensures that resource users are complying with their consent conditions. It also provides science and monitoring functions.



### REGIONAL SERVICES GROUP

The Regional Services Group provides public transport and road safety services, catchment information and emergency management.



### RIVER MANAGEMENT GROUP

The River Management Group provides comprehensive river and drainage engineering services to the Region's communities.



### NATURAL RESOURCES AND PARTNERSHIPS GROUP

The Natural Resources and Partnerships Group implements many of the regional planning initiatives, and provides land and water management services to the Region. The group's current activities include: protecting the Region's top wetlands and bush remnants, advising on soil conservation, catchment management, and targeting the eradication of pest plants and animals.

# Community Outcomes



**Land Management**  
Sustainable management of the Region’s land



**Flood Protection**  
Early warning and reasonable protection from flood events



**Water Quality**  
Clean and healthy rivers and lakes



**Natural Hazards**  
Early warning: organised response and recovery from natural hazard events



**Water Quantity**  
Sustainable management and fair allocation of water resources



**Coastal Environmental Management**  
Balanced use of coastal environment



**Managing Indigenous Biodiversity**  
Protection and enhancement of indigenous biodiversity



**Air Quality**  
Clean air



**Control of Plant and Animal Pests**  
Sustained plant and animal pest control



**Transport**  
Safe and accessible transport systems

# Directory of Council

## COUNCIL ADDRESSES

<b>Postal Address:</b>	HORIZONS REGIONAL COUNCIL Private Bag 11025 Manawatu Mail Centre Palmerston North 4442
<b>Regional House Palmerston North:</b>	11-15 Victoria Avenue, Palmerston North 4410 Tel. 06 9522 800 Fax 06 9522 929
<b>Regional House Wanganui:</b>	181 Guyton Street, Wanganui 4500 Freephone 0508 800 800 Fax 06 345 3076
<b>Service Centres:</b>	<p>KAIRANGA Corner Rongotea/Bunnythorpe Kairanga Roads Palmerston North 4475 Tel. 06 350 1761 Fax 06 350 1771</p> <p>MARTON Corner Hammond and Hair Streets, Marton 4710 Tel. 06 327 7189 Fax 06 327 7187</p> <p>WOODVILLE Corner Vogel and Tay Streets, Woodville 4920 Tel. 0508 800 800 Fax 06 376 4179</p> <p>TAUMARUNUI 34 Maata Street, Taumarunui 3924 Tel. 07 895 5209 Fax 07 895 5279</p>
<b>Depots:</b>	<p>LEVIN 11 Bruce Street, Levin 5510 Tel. 06 367 8259 Fax 06 367 8465</p> <p>TAIHAPE Torere Road, Ohotu 4793 Freephone 0508 800 800 Fax 06 388 1387</p>

## COUNCIL CONTACT INFORMATION

<b>Freephone:</b>	0508 800 800
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<b>Email:</b>	help@horizons.govt.nz
<b>Website:</b>	www.horizons.govt.nz
<b>Bankers:</b>	Bank of New Zealand Palmerston North
<b>Auditor:</b>	Controller and Auditor General Audit Office Wellington





## Introducing the Land and Water Management Group of Activities

### What is included in this group?

This group of activities includes our Land Management, Water Quality and Quantity, and Resource Consent and Pollution Management activities.

Our Land Management Activity aims to guard and manage our Region's land and soil for current and future generations. The Water Quality and Quantity Activity seeks to preserve the quality and quantity of our water supplies while at the same time allowing our water resource to be used for the economic and social goals of our community. Our Resource Consent and Pollution Activity seeks to manage wisely and protect the Region's land and water resources.

### Why does Council deliver this group of activities?

We undertake this group of activities as it strongly contributes to the following community outcomes:

- Land Management
- Water Quality
- Water Quantity
- Flood Protection
- Coastal Environmental Management

In addition the group also contributes to the following community outcome:

- Managing Indigenous Biodiversity

These activities are grouped together as they all affect our rivers and water sources and have a high degree of interconnectivity. Work in one activity will contribute to the community outcomes of the other activities. For example, erosion protection work under our Land Management Activity will not only contribute to the land management community outcome (through sustainable management of our soil), it will also benefit the water quality outcome (through less sediment resulting in higher water quality). Our Resource Consent and Pollution Activity protects all aspects of our Region's natural resources.

### Significant negative effects on the community goals

While none of the activities in this group have significant negative impacts on any of the four goals, there are trade-offs between some of the community goals. Work on protecting land, water and air quality will benefit environmental goals and may restrict economic goals. However, in order to sustainably live in the Region, this trade-off is required so long-term economic, social and cultural goals can be maintained.

### Highlights

#### Land Management

In the 2015-25 LTP we signalled our continued support for the Land Management Activity, which includes SLUI, Whanganui Catchment Strategy and other general land programmes. During the term of the 2016-17 Annual Plan we will bring 20,000 ha of land under a Whole Farm Plan and treat (plant or mitigate issues) over 2,800 ha of highly erodible land (land at risk of accelerated erosion). A further 200 ha of erodible land will be treated in the Whanganui Catchment and an additional 150 ha of other land in the wider catchment also suffering from erosion and soil issues will be treated. To complete these works we will spend \$6.23 million in 2016-17, of which the regional community will fund \$4.56 million.

## **Water Quality and Quantity**

As agreed in the LTP, this Plan will continue to expand our research and monitoring programme of the Regional water (quality and quantity) at a cost of \$6.14 million for 2016-17 to not only seek water quality improvements but to also support economic development. The increase in funding will allow us to increase research in areas such as the interaction between ground and surface water, periphyton science, and lake and estuaries water quality. Of the total research budget, the Region's ratepayers will pay \$4.73 million and water consent holders \$1.40 million for 2016-17.

As agreed in the LTP we will maintain the protection programmes aimed at our priority waterways by undertaking projects and supporting landowners, community and iwi groups by making grants aimed at delivering improved water quality outcomes. This will cost \$160,000 in 2016-17, which is funded by ratepayers in the form of a General Rate.

The Manawatu River Accord programme that aims to improve water quality throughout the catchment will continue. This will cost \$410,000 for 2016-17 and is entirely funded by the ratepayers in the Manawatu Catchment. We will fence off 45 km of the catchment over 2016-17 while improving whitebait and indigenous fish habitats in 10 sites.

This Plan also sees the inclusion of additional funding to clean up Lake Horowhenua. In association with Horowhenua Lake Accord members (iwi owners, landowners and the district) we aim to harvest 50 ha of weed a year to improve water quality in the lake. This Annual Plan includes \$180,000 toward continuing the resource consenting process to get the necessary permissions in place to enable this important restoration work to get underway. This will be funded mainly by ratepayers (80 per cent) in the Horowhenua district. Weed harvesting and other initiatives in and around the lake will contribute to improved water quality with the ultimate aim of allowing safe recreational access to the lake.

## **Resource Consent and Pollution Management**

We will continue our granting and monitoring of consents with emphasis on those consents that impact most on the Region's environment. Over the 2016-17 year we will focus consent processing on those land use consents associated with intensive agriculture and consents relating to territorial authority discharges. We will spend \$3.63 million in 2016-17 on this activity with the majority of these costs (\$2.01 million) being funded by consent holders.

## Land and Water Management Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
LAND MANAGEMENT	5,007	5,640	6,197	6,226
WATER QUALITY AND QUANTITY	5,821	5,641	6,160	6,140
RESOURCE CONSENT AND POLLUTION MANAGEMENT	3,533	2,958	3,054	3,630
Total Operating Expenditure	14,361	14,239	15,411	15,996
Capital Expenditure	522	782	404	406
Total Funding Required	14,883	15,021	15,815	16,402
<b>Funded By</b>				
User Fees and Other Revenue	6,749	4,833	4,845	5,283
Individual Rates	406	486	570	585
Common Rates	8,681	9,407	10,187	10,321
Loans and Reserves	(953)	294	213	212
<b>Total Funded</b>	<b>14,883</b>	<b>15,021</b>	<b>15,815</b>	<b>16,402</b>

Capital Expenditure \$000	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Meet Additional Demand	-	-	-	-
Improve Level of Service	-	-	-	-
Replace Existing Assets	522	782	404	406
<b>Total Capital Expenditure</b>	<b>522</b>	<b>782</b>	<b>404</b>	<b>406</b>

## Prospective Funding Impact Statement for the Land and Water Management Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	8,681	9,407	10,187	10,321
Targeted rates	406	486	570	585
Subsidies and grants for operating purposes	2,708	1,371	1,190	1,190
Fees and charges	4,042	3,429	3,601	4,040
Internal charges and overheads recovered	-	33	54	54
Interest and dividends from investments	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>15,836</b>	<b>14,727</b>	<b>15,602</b>	<b>16,190</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	5,889	5,421	6,269	6,727
Finance costs	-	-	-	-
Internal charges and overheads applied	8,394	8,685	9,014	9,106
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,284</b>	<b>14,106</b>	<b>15,283</b>	<b>15,833</b>
<b>Surplus (Deficit) of Operating Funding (A-B)</b>	<b>1,552</b>	<b>621</b>	<b>319</b>	<b>357</b>
<b>Sources of Capital Funding</b>				
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	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>				
<b>Capital expenditure:</b>				
· to meet additional demand	-	-	-	-
· to improve the level of service	-	-	-	-
· to replace existing assets	522	782	404	406
Increase (decrease) in reserves	1,030	(161)	(84)	(49)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,552</b>	<b>621</b>	<b>320</b>	<b>357</b>
<b>Surplus (Deficit) of Capital Funding (C-D)</b>	<b>(1,552)</b>	<b>(621)</b>	<b>(320)</b>	<b>(357)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>(1)</b>	<b>-</b>
Depreciation	77	132	129	163



## Land Management Activity

### Overview

The Land Management Activity covers Horizons' main land-based initiatives: the Sustainable Land Use Initiative (SLUI), the Whanganui Catchment Strategy (WCS) and our Regional Land and Coastal Programme. All these initiatives aim to protect and manage our Region's vital assets – its land and soil.

Hill country farming is important to our Region's economy. In the past removal of trees and intensifying land use has resulted in accelerated rates of soil erosion. This leads to reduced productive capacity of soils for farming, and generates sediment that enters our streams and rivers. The sediment increases the flood risk downstream by reducing the river's carrying capacity, and also causes a decline in water quality and loss of native aquatic habitats.

Landcare Research modelling in 2014 concluded that the implementation of SLUI without any more new farm plans or works implementation from 2005 to 2014 is predicted to reduce the annual sediment load in the Region's rivers from 13.4 million tonnes in 2004 to 12.2 million tonnes of sediment by 2043. This is a 9 per cent reduction. The 2015-25 LTP approach to continuing SLUI predicted to result in an average reduction of 30 per cent overall in the Region, and over 50 per cent within some priority catchments. At the rate of work signalled in this Plan the reduction will be around 1-2 per cent per year. Further modelling work in 2014-15 investigated the potential impacts of climate change, and the results of this work suggested at a medium level climate change scenario the sediment reduction is likely to be reduced to around 12 per cent overall by 2043.

Our land management initiatives continue to address the issues caused by erosion as well as other land-based issues such as protecting the health of our soils, managing fragile dune lands and reducing the impact of land use on water quality. The land research and monitoring programme supports and informs these initiatives and tracks their effectiveness. The research and monitoring component also has a wider role of informing programmes around land management and sedimentation in rivers for the other activities of the Plan eg. policy, resource consents, decisions and flood scheme management. There was also a soil health monitoring programme introduced in 2015-16 aimed at meeting national State of the Environment reporting requirements.

### What we will do in 2016-17

#### Sustainable Land Use Initiatives (SLUI)

This programme is targeted at priority hill land that is prone to erosion. Under SLUI we aim to develop Whole Farm Plans (WFPs) with farmers. These plans help us and the farmers understand the land resources of their farm and then produce works programmes, with the aid of grant money, to address the erosion and water quality issues on the farm.

Horizons has successfully contested for funding from Central Government's Hill Country Erosion Fund (HCEF) and will receive \$4.76 million in funding through until June 2019.

SLUI has been operating successfully since 2006 reducing sediment in our rivers. At the rate signalled in this Plan, HRC is on track to meet its goal of reducing sediment in our river systems by around 30 per cent by 2043. This year we plan to reduce the number of WFPs being prepared and any funding saved will be redirected into the works programme in an effort to increase the sediment reduction levels.

#### Whanganui Catchment Strategy (WCS)

This programme covers erosion prone hill country within priority areas of the Whanganui River Catchment (lower Ohura, upper Ohura and Waikaka) and also develops WFPs along with one-off work programmes to address erosion and water quality issues on farms. Horizons has received funding support from the Whanganui River Enhancement Trust (WRET) to encourage more work to be completed, to establish a local demonstration farm and to increase local production of pole material to be sold for erosion control works. This work will continue this year.

## **Regional Land Initiatives (RLI)**

Horizons continues to provide advice and one-off grants to landowners to address erosion issues throughout the Region, including our fragile sand country. We also support and partner with a variety of industry-led programmes promoting sustainable land use. The two major areas of support are to the Ballance Farm Environment Awards and the New Zealand Poplar and Willow Research Trust. RLIs also promote soil health through plans and workshops, and run a pole nursery to support the supply of erosion control material to landowners in the Region.

## **Land Use Consents**

The land management team continue to assist with the implementation of the One Plan through managing the on-farm consent process for a number of activities: cultivation, earth disturbance, vegetation clearance, erosion and sediment control plans for forestry.

## **Research and Monitoring**

Research and monitoring provides information around priorities for the work programmes, and the effectiveness of the work programmes. In the Land Management Activity the research programmes are:

- The land research and monitoring programme, which includes support of the SLUI programme, project work around effluent management and treatment and further research generally in partnership with others around nutrient management on farms;
- The fluvial monitoring and research programme that completes monitoring and project work around gravel management and sediment movement/storage in the Region's rivers particularly in relation to the Region's flood management infrastructure. A major component of this work is regular cross section surveys of the Region's rivers to measure changes in river channel capacity; and
- Implement Year 2 of the Regional State of the Environment (SOE) soil quality monitoring.

## Land Management – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>SUSTAINABLE LAND USE INITIATIVE (SLUI)</b>				
Erosion reduction works programmes in targeted SLUI catchments (hectares)	3,255	2,500	2,800	2,800
Hectares of Whole Farm Plan properties mapped per year	35,173	25,000	20,000	20,000
<b>WHANGANUI CATCHMENT STRATEGY (WCS)</b>				
Manage environmental grant programme to deliver erosion reduction works (hectares)	191	200	200	200
Deliver programme in conjunction with Whanganui River Enhancement Trust	1	1	1	1
<b>REGIONAL LAND INITIATIVES (NON-SLUI and WCS incl. COASTAL DUNE AREAS)</b>				
Manage environmental grant programme to deliver erosion reduction works (hectares)	171	150	150	150
Support industry initiatives that promote sustainable land use via industry partnerships	6	4	4	4
Environmental award programmes completed per year	1	1	1	1
Operate Council nursery and source additional commercial material to deliver poles (poplar and willow) to erosion control programmes (number of poles)	29,871	27,000	30,000	30,000
<b>RESEARCH AND MONITORING</b>				
Undertake research and monitoring to: <ul style="list-style-type: none"> <li>Track changes in the health of the Region’s land and fluvial resource;</li> <li>Inform policy and non-regulatory programme development; and</li> <li>Assess policy and implementation effectiveness.</li> </ul>	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year

## Land Management – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Regional and Coast	578	712	739	734
Fluvial Resources	143	177	183	167
SLUI Sustainable Land Use	3,850	4,158	4,694	4,755
Land Monitoring and Research	69	72	76	74
Nursery and Trading	367	521	505	497
<b>Total</b>	<b>5,007</b>	<b>5,640</b>	<b>6,197</b>	<b>6,226</b>



## What this work will cost (Financial Summary \$000)

### This activity is funded by:

#### User Fees and Other Revenue

- Government Support
- Gravel Charges
- Sponsorship

#### Common Rates

- General Rate (EQCV)
- Sustainable Land Use Initiative Rate (UAC)
- Environmental Initiatives Rate (UAC)

Percentage of total expenditure  
for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	2,281	2,017	1,895	1,871
Individual Rates	-	-	-	-
Common Rates	4,009	4,120	4,502	4,557
<b>Total Income</b>	<b>6,290</b>	<b>6,137</b>	<b>6,397</b>	<b>6,428</b>
Operating Expenditure	5,007	5,640	6,197	6,226
<b>Operating Surplus/(Deficit)</b>	<b>1,283</b>	<b>497</b>	<b>200</b>	<b>202</b>
Capital Expenditure	-	670	334	336
<b>Total To Be Funded</b>	<b>1,283</b>	<b>(173)</b>	<b>(134)</b>	<b>(134)</b>
Reserve Funding	-	(173)	(134)	(134)
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>-</b>	<b>(173)</b>	<b>(134)</b>	<b>(134)</b>





## Water Quality and Quantity Activity

### Overview

Water is crucial for human survival and the cultural, environmental and economic goals of the Region. The waterways provide recreational opportunities, are central to regional and cultural identity, and provide the life-blood of our towns, industries and agricultural sector.

Within this Plan a number of the activities contribute to the management of water quality and the resultant water quality outcomes. For example the Sustainable Land Use Initiative (SLUI) of the Land Management Activity contributes to sediment outcomes that are predicted to improve over the life of the Plan. Further initiatives through the regulatory programme and the voluntary efforts of industries, the farming sector and communities all contribute to water quality outcomes. Some good progress is being made, for example the Oroua River at the Awahuri Bridge monitoring site in the Manawatu Catchment has shown significant improvements over the last 10 years in bacteria levels, dissolved phosphorus levels and water clarity. These improvements can be attributed to a combination of upgrades to treatment of point source discharges, efforts on farms such as improved soil erosion control and effluent management as well as increased levels of stream fencing and planting.

The Water Quality and Quantity Activity of this Plan includes two components of the many that contribute to water quality outcomes. These are the non-regulatory programmes to improve water quality like the Manawatu River and Lake Horowhenua Accords (and the associated Clean-up Fund projects), and the freshwater grants programmes to enhance water quality and aquatic habitat. The other major component of the activity is the science and monitoring programmes that track changes in the water resource and inform decision-making around water management.

The Water Quality and Quantity Activity includes the management of surface and groundwater quality and quantity.

### What we will do in 2016-17

#### Protect/Enhance Priority Waterways

The protection and enhancement of a select number of priority waterways is very much business as usual and focuses on supporting stock exclusion from waterways (through freshwater grants, advice and education), riparian enhancement and planting where desirable, aquatic habitat enhancement and supporting industry led initiatives, such as the Sustainable Dairying: Water Accord.

#### Manawatu River Accord

The Manawatu River Leaders' Accord Action Plan includes an array of water quality related activities to achieve the goals of the Manawatu River Leaders' Accord. This activity funds works to improve the water quality in the Manawatu Catchment as a part of the Accord including fencing off streams, riparian planting, improving fish passage and supporting community projects.

#### Lake Horowhenua Accord

The Lake Horowhenua Accord is a partnership to address water quality issues in Lake Horowhenua. Horizons has the lead role in delivering on the Lake Horowhenua Clean-up Fund, which consists of eight projects to contribute to restoration of Lake Horowhenua. Within these projects, lake weed harvesting is a key action recommended by NIWA to reduce the frequency of toxic conditions in the lake. The Freshwater Clean-up Fund assisted with the purchase of a lake weed harvester. A funding increase was included in the 2015-25 LTP to operate the harvester to harvest around 50 hectares of lake weed per year out of the approximately 300 hectare lake and to monitor this activity. Consents for the weed harvesting programme, establishment of a sediment trap and fish pass were granted in December 2015 and a single appeal has been lodged to the Environment Court. A key focus for 2016-17 will be resolving the Environment Court appeal and undertaking the works related to these lake restoration consents. A further initiative in 2016-17 will be the Regional Council's contribution to the Te Mana o Te Wai project for Lake Horowhenua, which has been funded by the Ministry for Environment for further restoration work for Lake Horowhenua.

### **Improve Knowledge and Understanding of the Region's Waterways**

Decision-making around water management is highly dependent on a solid understanding of the water resource. The Water Quality and Quantity Activity supports the monitoring and science to advance this knowledge. The core of this understanding comes from the water monitoring programmes to measure river flows, rainfall, water quality and the aquatic biodiversity. These core monitoring programmes are supplemented by targeted monitoring investigations and science projects to address specific issues. New work is included in the 2016-17 year to increase the amount of science on groundwater, water quality and water quantity. This new work is in part in response to new reporting requirements of the recently revised National Policy Statement for Freshwater, and is also to provide further information for resource consent decisions around water allocation (including groundwater) and nutrient management.

## Water Quality and Quantity – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>PROTECT/ENHANCE PRIORITY WATERWAYS</b>				
Continue to work with, and provide advice to, individuals, landowners, community and iwi groups to improve waterways	131	25 per year	25 per year	25 per year
Freshwater grants are provided each year, with priority given to working in focus catchments and improving aquatic habitat	49	20 per year	20 per year	20 per year
<b>MANAWATU RIVER ACCORD</b>				
Stream fencing. Measure lineal metres (km) of fencing installed (all types) and 2 wire equivalent in brackets.	64.909 kms (188.382 kms)	45 km	45 km	45 km
Improve native fish habitat and fish passage. Number of new sites protected/ enhanced. Life to date in brackets.	21 sites (71 sites)	10 sites	10 sites	10 sites
Community improvement projects	5	4 per year	4 per year	4 per year
<b>LAKE HOROWHENUA ACCORD</b>				
Obtain consents and operate a lake weed harvester on Lake Horowhenua		Consent obtained	50 ha harvested	Environment Court process for consents completed
Annual report on lake weed harvesting operation			1	
<b>IMPROVE KNOWLEDGE AND UNDERSTANDING OF THE REGION'S WATER RESOURCE</b>				
Undertake research and monitoring to: <ul style="list-style-type: none"> <li>Track changes in the health of the Region's water resource;</li> <li>Inform policy and non-regulatory programme development; and</li> <li>Assess policy and implementation effectiveness.</li> </ul>	Reported to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year

## Water Quality and Quantity – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Water Quality	1,919	2,116	2,240	2,230
Water Quantity	1,631	1,955	2,245	2,224
Aquatic Habitat Improvement	2,270	1,570	1,675	1,686
<b>Total</b>	<b>5,821</b>	<b>5,641</b>	<b>6,160</b>	<b>6,140</b>

## What this work will cost

(Financial Summary \$000)

### This activity is funded by:

User Fees and Other Revenue

- Science Research Charges

Individual Rates

- Manawatu River Accord (UAC)
- Horowhenua Weed Harvester (UAC)

Common Rates

- General Rate (EQCV)
- Water Quality and Quantity Rate (EQCV)
- Environmental Initiatives Rate (UAC)

Percentage of total expenditure for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	2,256	1,342	1,427	1,404
Individual Rates	406	486	570	585
Common Rates	3,354	3,804	4,154	4,142
<b>Total Income</b>	<b>6,016</b>	<b>5,632</b>	<b>6,151</b>	<b>6,131</b>
Operating Expenditure	5,821	5,641	6,160	6,140
<b>Operating Surplus/(Deficit)</b>	<b>196</b>	<b>(9)</b>	<b>(9)</b>	<b>(9)</b>
Capital Expenditure	522	112	70	70
<b>Total To Be Funded</b>	<b>(326)</b>	<b>(121)</b>	<b>(79)</b>	<b>(79)</b>
Reserve Funding	(522)	(121)	(79)	(79)
Loan Funding	196	-	-	-
<b>Total Funded</b>	<b>(326)</b>	<b>(121)</b>	<b>(79)</b>	<b>(79)</b>







## Resource Consent and Pollution Management Activity

### Overview

The Resource Consent and Pollution Management Activity is driven by the Resource Management Act 1991 under which Horizons is the principal agency in our Region for the provision of regulatory services to avoid, remedy or mitigate the actual or potential adverse effects of resource use on the natural environment.

This activity involves implementation of our environmental policies and plans using regulatory methods. It covers resource consent processing, compliance monitoring, responding to environmental incidents, and Resource Management Act advice focusing on natural resource use, including whether a resource consent is needed and how to apply.

This section of work also involves working with other groups within Horizons to achieve overall outcomes relating to the management of natural resources.

### What we will do in 2016-17

#### Resource Management Act Advice

Horizons receives consent enquiries from the community and gives advice in relation to the Resource Management Act. This section of work also involves staff ensuring processes and procedures remain current in light of changes through court decisions and legislative amendments. The number of enquiries and general advice given remains high and is anticipated to increase due to both the implementation of the nutrient management consenting process and pending RMA amendments.

#### Consents Processing

Resource consents allow activities to take place whilst ensuring the sustainable management of natural and physical resources. They help ensure that the environment we enjoy will be looked after for future generations and that our Region continues to develop on the foundation of sustainable use of the Region's resources. The consents team is charged with providing resource management advice and processing resource consents within the Horizons Region.

The scale of the consents business has been increased by \$600,000 to reflect increased demand. However these costs will be recovered from user charges so there is no net effect to ratepayers.

#### Compliance Monitoring

Compliance monitoring of resource consents is undertaken to ensure that consented activities are adhering to their conditions of consent and not having actual or potential adverse effects on the environment.

#### Incidents and Hazards

Horizons operates a 24 hour pollution response service for environmental purposes. This includes the investigation of reported environmental pollution incidents and undertaking remedial action where appropriate. Pollution incidents include contamination of waterways, land and most commonly odour. Environmental incidents are responded to in accordance with the priority category assigned. This ensures that those incidents that have the potential to have a significant impact on the environment are attended to first.

## Resource Consent and Pollution Management – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>CONSENTS PROCESSING</b>				
Process all consents within Resource Management Act (RMA) timeframes	87%	100%	100%	97%
Advise all consent holders of consent expiry dates 12 months prior to expiration	Approx. 80%	100%	100%	100%
<b>COMPLIANCE MONITORING</b> (See Note 1)				
Inspect rural discharge resource consents identified from the annual compliance monitoring programme	90%	90%	90%	90%
Inspect Category 1 and Category 2 sites identified in the territorial authority and industry monitoring programme	100%	100%	100%	100%
Inspect Category 3 and Category 4 sites identified in the territorial authority and industry monitoring programme	40-50%	>60%	>60%	50%
Take follow-up action for significant non-compliers	90%	90%	90%	90%
<b>INCIDENTS AND HAZARDS</b>				
Respond to Category 1 environmental incidents immediately	67%	100%	100%	100%
Respond to Category 2 environmental incidents within one day	54%	100%	100%	100%
Respond to Category 3 environmental incidents within two weeks	80%	100%	100%	100%
Respond to Category 4 environmental incidents when officer next in area	90%	90%	90%	90%
Record Category 5 environmental incidents only – no response	90%	90%	90%	90%
Update contaminated sites information database for one territorial authority each year	1	1	1	1

### Notes:

- Industrial and territorial authorities are categorised between 1-4 encompassing three areas; potential risk on the environment, complexity of the resource consent, previous compliance history, and level of community interest. For example:
  - A C1 site requires three compliance assessments per year for it to be deemed fully inspected; and
  - A C4 site requires a site inspection over a three-year period.
- Incident response has been prioritised to ensure response is appropriate, efficient and effective, with Category 1 being the highest priority. Prioritisation includes: effects on environment, human population, amenity value, agricultural commerce, and breach of RMA.

## Resource Consent and Pollution Management – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Compliance Monitoring	824	1,021	1,060	988
Consent Processing	1,970	821	843	1,415
RMA Advice	374	686	705	790
Incidents and Hazards	365	430	445	437
<b>Total</b>	<b>3,533</b>	<b>2,958</b>	<b>3,053</b>	<b>3,630</b>

## What this work will cost (Financial Summary \$'000)

### This activity is funded by:

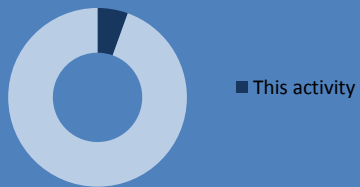
#### User Fees and Other Revenue

- Consent Fees
- Compliance Fees
- Incident Recoveries

#### Common Rates

- Resource and Consent Monitoring (EQCV)

Percentage of total expenditure  
for 10-year Plan



	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	2,212	1,474	1,523	2,008
Individual Rates	-	-	-	-
Common Rates	1,317	1,484	1,531	1,622
<b>Total Income</b>	<b>3,529</b>	<b>2,958</b>	<b>3,054</b>	<b>3,630</b>
Operating Expenditure	3,533	2,958	3,054	3,630
<b>Operating Surplus/(Deficit)</b>	<b>(5)</b>	-	-	-
Capital Expenditure	-	-	-	-
<b>Total To Be Funded</b>	<b>(5)</b>	-	-	-
Reserve Funding	(5)	-	-	-
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>(5)</b>	-	-	-

# Introducing the Flood Protection and Control Works Group of Activities

## What is included in this group?

This group includes the Region's river and drainage general and specific scheme activities.

## Why does Council deliver this group of activities?

We undertake this group of activities as it strongly contributes to the following community outcome:

- Flood Protection

In addition the group also contributes to the following community outcome:

- Natural Hazards

These activities are grouped together as required by the Local Government Act 2002 Schedule 10 (2).

## Significant negative effects on the community goals

These activities from time to time have transitory negative effects on environmental goals during the construction of flood protection works. Consent conditions ensure that these effects are minimised and environmental recovery is rapid once works are completed. These temporary negative effects on environmental goals are more than offset by the extensive positive benefits generated by flood protection and control works for economic, social and cultural community goals.

## Highlights

### River and Drainage – General

In August 2014 Council undertook a comprehensive first level assessment of community risk associated with flood and/or erosion hazards in those parts of the Region not serviced by river/flood control schemes, and produced a report titled Non-scheme Rivers Investigation – Prioritising Future Studies. The report identifies a total of 28 high to medium priority studies that should be undertaken. The higher priority studies included those for a number of lower Whanganui River

tributary streams and those priorities were confirmed during the extreme rainfall event in June 2015. Accordingly, studies to be undertaken during 2016-17 will be focused in that area.

### River and Drainage – Scheme

We will continue with, and expect to substantially complete, the reinstatement of flood damage suffered by infrastructure within 20 river and drainage schemes during the June 2015 region-wide flood event. We will continue to undertake maintenance and capital renewal programmes across all 34 schemes, in accordance with Asset Management Plans adopted as part of the 2015-25 Long-term Plan, and with annual programmes agreed with scheme stakeholders. Finally we will continue with capital projects that provide an increased level of service, as consulted on through previous Long-term Plans. In particular we will undertake the penultimate year's works on the Lower Manawatu Scheme Rural Flood Protection Upgrade Project; will complete the two relatively minor outstanding works within the Lower Manawatu City Reach Project; and will complete works scheduled for Year 12 of a 15-year programme of stopbank upgrades within the Rangitikei Scheme.

We will also:

- Investigate options for improving the level of flood protection service for Foxton township, through improvements to Foxton East Drainage Scheme infrastructure;
- Increase the level of expenditure on silt management/removal from the Oroua River and investigate future management options in that regard;
- Continue the 10-yearly cycle of scheme audits;
- Continue to fund asset renewals; and
- Encourage increased contributions to individual scheme emergency reserve funds for those schemes where present contributions are not commensurate with the average annual damage cost estimate.

## Flood Protection and Control Works Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
<b>RIVER AND DRAINAGE – GENERAL ACTIVITY</b>	481	446	417	448
<b>RIVER AND DRAINAGE – SCHEMES ACTIVITY</b>	10,354	10,095	10,497	10,497
Total Operating Expenditure	10,835	10,541	10,914	10,945
Capital Expenditure	7,892	6,904	5,843	5,992
Loan Repayments	2,535	1,922	2,068	2,090
Total Funding Required	21,262	19,367	18,825	19,027
<b>Funded By</b>				
User Fees and Other Revenue	1,803	1,764	1,859	1,728
Individual Rates	9,899	9,357	9,541	9,493
Common Rates	3,320	3,184	3,275	3,316
Loans and Reserves	6,240	5,064	4,150	4,490
Total Funded	<b>21,262</b>	<b>19,369</b>	<b>18,825</b>	<b>19,027</b>

Capital Expenditure \$000	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Meet Additional Demand	-	-	-	-
Improve Level of Service	7,892	6,670	5,561	5,714
Renew Existing Assets	-	234	282	278
<b>Total Capital Expenditure</b>	<b>7,892</b>	<b>6,904</b>	<b>5,843</b>	<b>5,992</b>

## Prospective Funding Impact Statement for the Flood Protection and Control Works Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	3,320	3,184	3,275	3,316
Targeted rates	9,899	9,357	9,541	9,493
Subsidies and grants for operating purposes	-	447	524	413
Fees and charges	1,392	1,317	1,335	1,315
Internal charges and overheads recovered	411	-	-	-
Interest and dividends from investments	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>15,007</b>	<b>14,305</b>	<b>14,675</b>	<b>14,537</b>
Applications of Operating Funding				
Payments to staff and suppliers	4,249	3,815	3,861	3,974
Finance costs	-	-	-	-
Internal charges and overheads applied	5,507	5,894	6,219	6,139
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>9,756</b>	<b>9,709</b>	<b>10,080</b>	<b>10,112</b>
<b>Surplus (Deficit) of Operating Funding (A-B)</b>	<b>5,266</b>	<b>4,596</b>	<b>4,595</b>	<b>4,424</b>
Sources of Capital Funding				
Subsidies and grants for capital expenditure	-	-	-	-
Development and financial contributions	-	-	-	-
Increase (decrease) in debt	3,691	3,269	1,993	2,060
Gross proceeds from sale of assets	-	-	-	-
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>3,691</b>	<b>3,269</b>	<b>1,993</b>	<b>2,060</b>
Applications of Capital Funding				
Capital expenditure:				
· to meet additional demand	-	-	-	-
· to improve the level of service	7,892	6,670	5,561	5,714
· to replace existing assets	-	234	282	278
Increase (decrease) in reserves	1,066	960	744	492
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>8,958</b>	<b>7,864</b>	<b>6,587</b>	<b>6,484</b>
<b>Surplus (Deficit) of Capital Funding (C-D)</b>	<b>(5,266)</b>	<b>(4,595)</b>	<b>(4,594)</b>	<b>(4,424)</b>
<b>Funding Balance</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>
Depreciation	1,080	833	833	833







## River and Drainage (General) Activity

### Overview

The River and Drainage General Activity focuses on protecting life, property and infrastructure from flooding and erosion outside of scheme areas. This activity includes investigating erosion and flooding risks and developing mitigation options in consultation with affected communities. The more comprehensive mitigation options may be addressed through new river management schemes, and the activity includes the development of scheme proposals and associated funding systems. More localised problems may be addressed through the provision of river and drainage engineering advice or through implementation of mitigation works with funding assistance through the Environmental Grant facility. The activity also includes the identification and removal of 'man-made' hazards to recreational navigation in the Region's major rivers.

### What we will do in 2016-17

#### Investigations and Advice

Council, through its management of 34 river and drainage schemes, currently mitigates flooding and erosion risks associated with a large number of the rivers and streams throughout the Region. These include most of the water courses where the hazards are the greatest. However, there are still a significant number of streams where community assets, private property and people are at risk to some degree. Accordingly in August 2014, Council undertook a comprehensive first-level assessment of those risks and produced a report titled Non-scheme Rivers Investigation – Prioritising Future Studies. The report identifies a total of 28 high to medium priority studies that should be undertaken in order to better understand the risks and to identify mitigation options for discussion with the affected communities.

In 2016-17 we will give priority to a study of the Ngatarua Stream, which caused significant flooding in Putiki during the June 2015 floods. Investigations will also be undertaken to identify flood mitigation options for the Kaikokopu/Tutaeika Streams in Whanganui. The findings from both studies will initially be referred to the Whanganui Flood Management Review Group. No provision has been made in this Plan for the implementation of any recommendations that might arise from the studies.

Following a study of flood risk arising from the upper Mangawhero River and tributaries in 2014-15, we will develop proposals for a scheme to give effect to the study recommendations around capital flood protection works and on-going channel maintenance.

We will endeavour to satisfy the demand for river and drainage engineering advice, which is largely weather/flood event related, within the constraint of a relatively small activity budget.

We will undertake annual surveys of those navigable rivers within the Region that are the subject of river management schemes, to identify and remove man-made hazards to safe navigation.

#### Implementation

We will receive and process applications for Environmental Grant assistance with flood and erosion mitigation measures that satisfy Council's criteria. In essence those proposals that provide a 'community' benefit and are located outside scheme areas will be supported. We will fully fund the investigation, design, development, consultation and works supervision phases of mitigation proposals and will contribute 30 per cent of the cost of actual mitigation works. Again the demand for this activity is largely weather/flood event related.

## River and Drainage (General) – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>INVESTIGATIONS AND ADVICE</b>				
Undertake investigations in relation to identified or potential flooding or erosion hazards, identify mitigation measures and consult with affected communities. Develop works and funding measures where appropriate	1	2	2	2
Provide river and drainage advice on demand, in relation to flooding and erosion problems	18+	18	18	18
Survey rivers annually for identification and removal of obstacles presenting hazards to navigation and recreational use	5	5	5	5
<b>IMPLEMENTATION</b>				
Respond to the need for urgent flood or erosion mitigation works in situations where there is insufficient time to identify beneficiaries and arrange funding	1	1	1	1
Undertake investigations and designs, prepare engineering proposals for flood or erosion measures, and supervise works	6	10	10	10
Apply funding assistance where criteria are satisfied	5	10	10	10

## River and Drainage (General) – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Investigations and Advice	333	303	275	308
Implementation	148	143	142	140
<b>Total</b>	<b>481</b>	<b>446</b>	<b>417</b>	<b>448</b>

## What this work will cost (Financial Summary \$000)

This activity is funded by:

Common Rates

- River and Drainage (EQCV)

Percentage of total expenditure  
for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	96	8	8	5
Individual Rates	-	-	-	-
Common Rates	459	439	409	443
<b>Total Income</b>	<b>555</b>	<b>447</b>	<b>417</b>	<b>448</b>
Operating Expenditure	481	446	417	448
<b>Operating Surplus/(Deficit)</b>	<b>74</b>	<b>1</b>	<b>-</b>	<b>-</b>
Capital Expenditure	-	-	-	-
<b>Total To Be Funded</b>	<b>74</b>	<b>1</b>	<b>-</b>	<b>-</b>
Reserve Funding	74	1	-	-
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>74</b>	<b>1</b>	<b>-</b>	<b>-</b>





## River and Drainage (Schemes) Activity

### Overview

The River and Drainage Schemes Activity is carried out under the Soil Conservation and Rivers Control Act 1941 and the Resource Management Act 1991. The schemes facilitate protection from flooding and erosion for both rural and urban communities, preventing significant disruption to the economic and social goals of these communities. Many of the Region's urban communities are located on flood plains and an appropriate standard of flood risk mitigation is essential for their safety and social goals. Similarly, the flood plains comprise highly productive land, and the protection of that land from flooding and the provision of good drainage is fundamental to the economic goals of not only the immediately affected areas but also the wider Region.

### What we will do in 2016-17

We currently manage 24 river management and erosion control schemes that provide protection from flooding, riverbank erosion and channel movement to 71,000 ha of land and 10 urban areas. These schemes allow full utilisation of, and capital investment on, river margins. We also manage 10 drainage schemes to increase production potential across 62,000 ha by lowering soil water levels and increasing drainage efficiency.

The River and Drainage Scheme Activity includes the management, design and operational activities associated with the various river and erosion control and drainage schemes located throughout the Region. The nature and scope of activities vary among the different schemes, as specified in the relevant scheme establishment, review and asset management documents.

In 2016-17 we will implement maintenance programmes in respect of all 34 river and drainage schemes to achieve agreed levels of service as set out in the respective Scheme or Asset Management Plans, as last reviewed and updated as at 1 July 2015, and in accordance with detailed programmes agreed with stakeholders at Annual Catchment Community meetings. In addition, we will continue with current programmes of capital upgrade works in a number of schemes.

### Flood Damage Reinstatement

Substantial flood damage was suffered by 20 schemes in the region-wide extreme weather event in June 2015. Total damage reinstatement cost was estimated at \$5.9 million. Of that, it was estimated that repairs with an estimated cost of \$1.8 million could be accommodated within maintenance programmes over two or three years, through re-prioritisation. A claim was lodged with the Ministry of Civil Defence and Emergency Management (MCDEM) for financial assistance with damage repairs that were deemed to qualify under the Recovery Plan. That total estimated cost is \$4.1 million with the amount sought from MCDEM \$1.9 million. Good progress has been made with damage reinstatement during 2015-16 and repairs have been completed within most schemes, using interim funding from emergency reserve accounts. Processing of the MCDEM claim in respect of many of those repairs has progressed satisfactorily. Some major repairs, particularly to rock linings, are however still outstanding and there will be a focus on completing those early in the 2016-17 year.

### Major Capital Works

#### Lower Manawatu Scheme (LMS)

A review of the 12-year Rural Upgrade Project was completed in August 2014 and confirmed that this major project is on target for completion in 2017-18 and within the original \$40 million budget, adjusted only for inflation. Almost all work programmed for 2015-16 was completed and accordingly the penultimate year's work will be undertaken in 2016-17. The programme of work will be substantial and will comprise stopbank upgrades on sections of the Manawatu River at Koputaroa; Oroua River at Rangiotu, Awahuri and Feilding; Tokomaru River; Linton Main Drain; and the Mangaore Stream, together with some outstanding individual property flood mitigation works in the Taonui Basin. Upon completion of the project, all property within the scheme benefit area will enjoy a uniform standard of flood protection, that standard being containing the current estimate of a 1 per cent Annual Exceedance Probability (AEP) (100-year) flood.

### **Lower Manawatu Scheme – ‘City Reach’**

All outstanding works within the 8-year Lower Manawatu Scheme ‘City Reach’ flood protection upgrade project within Palmerston North City were programmed for completion in 2015-16. However, two relatively minor works, being some flood protection improvements on the Mangaone Stream at Benmore Avenue and the construction of one final amenity enhancement element downstream of Albert Street, were unable to be completed. Accordingly those two works will be completed early in 2016-17. While the re-vegetation of the newly re-contoured Anzac Park Cliffs, following major river realignment works, is not a scheme responsibility, an overview of that 3-year planting programme will be maintained by scheme management. With the present state of project completion, all of the Palmerston North ‘City’ area between Napier Road Drain and the Awapuni landfill is protected from the 0.2 per cent AEP (500-year) flood. In addition, the Turitea Science Campus enjoys 500-year protection from Manawatu River flooding and 200-year protection from the Turitea Stream. All assets constructed as part of the City Reach Project will now be maintained in perpetuity by the Lower Manawatu Scheme. City Reach Project loans are scheduled for full repayment in 2025-26, at which time the Special Project rate over all Palmerston North ‘City’ properties will be discontinued.

### **Rangitikei Scheme**

We will continue with our 15-year programme (Year 12 in 2016-17) of flood protection improvements in the Rangitikei Scheme. A further section of the Parewanui stopbank downstream of the McAloon property will be raised to the 100-year protection standard. We will also continue with a 15-year programme of channel clearance and capital works (Year 7 in 2016-17) designed to achieve increased flood channel width and to achieve and/or maintain design channel alignment.

### **Hokio Drainage Scheme**

We will continue with a 3-year programme (Year 2 in 2016-17) of capital improvement works in the Drainage South area of the scheme. These works involve the rationalisation of the old drainage system and are being undertaken as an adjunct to the Lake Horowhenua Clean-Up Project.

### **Other Significant Scheme Issues**

#### **Lower Whanganui River Scheme**

Following the June 2015 flood, a Whanganui Flood Management Review Group, comprising staff from both Whanganui District Council and Horizons Regional Council, together with Whanganui River iwi representatives, has been established. The Group is charged with identifying flooding or erosion issues affecting the urban part of Whanganui; prioritising investigations; reporting to the respective Councils; and communicating with affected individuals and groups, and the wider community. Investigations commenced in 2015-16 and will likely continue through into 2017-18. Key tasks programmed for 2016-17 include studies of the Ngatarua, Kaikokopu and Tutaeika catchments (under the General Activity) and review of the current flood risk of the four discreet flooding compartments within the ‘City’. We also intend to consult with the community on current Whanganui River flood protection standards and the likely costs of increasing those standards.

Through adoption of the 2015-25 Long-term Plan, Council commenced making a provision of \$40,000 per year for the deferred maintenance of a number of existing old groynes and erosion protection structures along the South Spit, upstream of the South Mole, and for erosion protection along the Balgownie to City Wharf section of the right bank of the Whanganui River. Under this facility, it is proposed in 2016-17 to strengthen a 135 metre-long concrete erosion protection wall immediately upstream of the South Mole. The cost of that work will be shared with Whanganui District Council.

#### **Rangitikei River Scheme**

Repeated damage to scheme assets over the past 5 years, or thereabouts, has resulted in a concerning degree of channel instability in a number of locations within the scheme. The cost of stabilising these sections is becoming unsustainable and has placed considerable strain on both annual budgets and emergency reserve funds. Accordingly Council has resolved to review the channel management requirements and funding arrangements for the scheme during 2016-17.

### **Foxton East Drainage Scheme**

Budgetary provision of \$13,000 has been made in this Plan for the investigation of options for increasing the level of scheme service for Foxton township. The costs will be loan funded. The investigation will be undertaken in close collaboration with the Horowhenua District Council and Foxton Community Board and findings will ultimately be discussed with the wider Foxton community.

### **Lower Manawatu Scheme**

Flood levels achieved in the Oroua River, particularly downstream of Kaimatarau Road, during the June 2015 flood, along with survey information subsequently obtained, have confirmed that the rate of sedimentation post-2004 has significantly exceeded expectations as reflected in recent flood protection designs. A provision of \$100,000 has been included in this Plan for increased silt removal from the worst affected reach of the river. Further investigation will be undertaken in 2016-17, with a view to better quantifying the volumes of silt being deposited, their likely source, and identifying options for managing that in future years.

### **Flood Control Schemes with Detention Dams**

Following many years of uncertainty, the Government revoked its Building (Dam Safety) Regulations 2008 in July 2015. Accordingly the significant and on-going costs associated with the classification process, development of dam safety assurance programmes and annual compliance requirements that were expected to be incurred in respect of many of the larger detention dams owned by Horizons, have been avoided. The present monitoring and surveillance programmes employed in respect of all 53 dams within five flood protection schemes will be reviewed during 2016-17 to ensure that those programmes generally reflect best management practices as set out in the New Zealand Society for Large Dams (NZSOLD) Dam Safety Guidelines (2000).

### **Scheme Audits**

We will continue with a programme of scheme audits on a 10-year cycle. The purpose of the audits is to ensure that scheme management is in accordance with the most recent review recommendations or that any deviations from agreed management philosophy or programmes have been based on a well-

informed, considered and documented process. Audits will also consider whether actual scheme expenditure is aligned to assumptions made in the development of targeted rating systems and whether adjustments are required in that regard. During 2016-17, we will undertake audits of the Lower Whanganui, Makirikiri and Lower Manawatu (part only) schemes.

### **New River and Drainage Schemes**

No provision is made in this Plan for the establishment of new schemes. While a community desire for such schemes may emanate from programmed hazard investigations under the General Activity, for example on the upper Mangawhero River and tributaries within Ohakune township, any firm proposal will need to be addressed through a future draft annual or long-term plan process. We will also consult with the community on plans to extend the area of responsibility (and the associated targeted rate classification) for the Matarawa Scheme.

### **Scheme Emergency Reserve Funds**

Recent experience in responding to the June 2015 region-wide floods has again demonstrated the value of having adequate emergency reserve funds within individual schemes. The availability of those funds enabled Council to give prompt approval to proceed with damage reinstatement works, in advance of obtaining Central Government assistance, and thereby minimise the risk of damage aggravation.

However a recent review of emergency reserve targets and annual contribution levels for individual schemes has identified some inconsistencies and potential future flood damage funding shortfalls. While Council has confirmed the estimated 50-year flood damage reinstatement cost as being an appropriate reserves target, it has endorsed the adoption of the 'average annual damage' estimate for the setting of annual emergency reserve contributions. Over a long period of time, annual contributions based on the estimated average annual damage cost should be sufficient to fund all damage incurred in events greater than 2 per cent AEP, or with return periods of less than 50 years. Individual schemes will be encouraged to raise their annual contributions to that prescribed level as quickly as possible. Some urgency exists with this issue as proposals recently advanced by Central Government (a local government risk agency) suggest that in future a greater proportion of the flood damage cost is likely to fall to individual schemes.

## **Scheme Funding and Rate Increases**

A summary of expenditure and funding forecasts for 2016-17 for all schemes is presented in the Financial Information section on pages 145-149 of this Plan. Scheme rates increases will range from 0.41 per cent (Pakihi Flood Control Scheme) to 16.3 per cent (Foxton East Drainage Scheme) and on average will be 2.45 per cent.

## **Infrastructure Assets – Risk Management**

Council will continue to manage its infrastructure assets risk through a combination of the following measures:

- Maintaining the impetus for increasing individual scheme reserves as a means of ultimately being in a position to self-insure against damage incurred in up to 1 in 50-year recurrence interval floods. This Plan makes provision for a net transfer to reserves of \$504,000 in 2016-17;
- Increasing self-insurance capability through the continued growth of a regional infrastructure reserve, primarily funded through a four-tier uniform annual charge. This Plan makes provision for \$520,000 to be added to that reserve;
- Purchasing commercial insurance (40 per cent cover) for all the major scheme 'insurable' infrastructure, with a current insured value of \$262.5 million under the umbrella of the Manawatu-Wanganui LASS Insurance Proposal. This cover has a deductible of \$3 million;
- Ensuring through good management of financial ratios, in accordance with its Liability Management Policy, that there is the capacity to borrow in order to fund damage reinstatement works arising from natural disaster events, should that be necessary; and
- Ensuring through prudent risk management processes, including insurance and balance sheet management, that the criteria for Central Government assistance through its National Civil Defence Emergency Management Plan will be satisfied in the event of a major natural disaster.



**River and Drainage (Schemes) – What We Will Deliver (\$000)**  
**Mandatory Reporting (Non-financial Performance Measures Rules 2013)**

LOWER MANAWATU SCHEME				
Objective	Measure	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17
		Year 3	Target Year 1	Target Year 2
Flood and erosion protection assets and systems are maintained	Completion of agreed maintenance programme	Achieved	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the LMS Asset Management Plan.	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the LMS Asset Management Plan.
	System performance design standard		Stopbanks and associated structures within the rural area are maintained to the 1% AEP standard (except for those assets programmed for renewal within LMS Rural Flood Protection Upgrade Project). Stopbanks within the Palmerston North 'City' area are maintained to the 0.2% AEP standard.	Stopbanks and associated structures within the rural area are maintained to the 1% AEP standard (except for those assets programmed for renewal within LMS Rural Flood Protection Upgrade Project). Stopbanks within the Palmerston North 'City' area are maintained to the 0.2% AEP standard.
Flood and erosion protection assets and systems are repaired	Response to flood event or damage		Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.	Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.
Assets are renewed at end of useful life or to reinstate decline in service level	Completion of renewals programme		As per Asset Management Plan Renewals programme.	Replace Kara Creek timber retaining wall.

Annual Plan 2016-17
Target Year 2
The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the LMS Asset Management Plan.
Stopbanks and associated structures within the rural area are maintained to the 1% AEP standard (except for those assets programmed for renewal within LMS Rural Flood Protection Upgrade Project). Stopbanks within the Palmerston North 'City' area are maintained to the 0.2% AEP standard.
Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.
Replace Kara Creek timber retaining wall.

New assets are constructed	Completion of new capital works programme	75% complete for Year 8	Complete all programmed Year 10 Rural Flood Protection Upgrade Project works. Complete final works (Mangaone Stream stopbanks) under City Reach Project. These works will increase standard to 1% AEP.	Complete all programmed Year 11 Rural Flood Protection Upgrade Project works. These works will increase standard to 1% AEP.	Complete all programmed Year 11 Rural Flood Protection Upgrade Project works. These works will increase standard to 1% AEP.
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<b>RANGITIKEI RIVER SCHEME</b>					
<b>Objective</b>	<b>Measure</b>	<b>Actual 2014-15</b>	<b>Long-term Plan 2015-16</b>	<b>Long-term Plan 2016-17</b>	<b>Annual Plan 2016-17</b>
		<b>Year 3</b>	<b>Target Year 1</b>	<b>Target Year 2</b>	<b>Target Year 2</b>
Flood and erosion protection assets and systems are maintained	Completion of agreed maintenance programme	Achieved	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the Rangitikei River Scheme Asset Management Plan.	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the Rangitikei River Scheme Asset Management Plan.	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the Rangitikei River Scheme Asset Management Plan.
	System performance design standard		Parewanui stopbanks are maintained to the 1% AEP standard (except for those assets still to be upgraded under the Parewanui flood protection upgrade project). Tangimoana, Walker's and Kakariki stopbanks are maintained to the 2% AEP standard.	Parewanui stopbanks are maintained to the 1% AEP standard (except for those assets still to be upgraded under the Parewanui flood protection upgrade project). Tangimoana, Walker's and Kakariki stopbanks are maintained to the 2% AEP standard.	Parewanui stopbanks are maintained to the 1% AEP standard (except for those assets still to be upgraded under the Parewanui flood protection upgrade project). Tangimoana, Walker's and Kakariki stopbanks are maintained to the 2% AEP standard.
Flood and erosion protection assets and systems are repaired	Response to flood event or damage		Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.	Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.	Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.

Assets are renewed at end of useful life or to reinstate decline in service level	Completion of renewals programme		As per Asset Management Plan Renewal programme.	As per Asset Management Plan Renewal programme.	As per Asset Management Plan Renewal programme. (Nil renewals for 2016-17)
New assets are constructed	Completion of new capital works programme		Complete all programmed Year 11 Parewanui Flood Protection Upgrade Project works. These works will raise standard from approximately 2% AEP to 1% AEP. Complete Year 5 channel alignment project works.	Complete all programmed Year 12 Rural Flood Protection Upgrade Project works. These works will raise standard from approximately 2% AEP to 1% AEP. Complete Year 6 channel alignment project works.	Complete all programmed Year 12 Rural Flood Protection Upgrade Project works. These works will raise standard from approximately 2% AEP to 1% AEP. Complete Year 6 channel alignment project works.

<b>MANAWATU DRAINAGE SCHEME</b>					
<b>Objective</b>	<b>Measure</b>	<b>Actual 2014-15</b>	<b>Long-term Plan 2015-16</b>	<b>Long-term Plan 2016-17</b>	<b>Annual Plan 2016-17</b>
		<b>Year 3</b>	<b>Target Year 1</b>	<b>Target Year 2</b>	<b>Target Year 2</b>
Flood and erosion protection and drainage assets and systems are maintained	Completion of agreed maintenance programme	Achieved	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the Manawatu Drainage Scheme Asset Management Plan.	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the Manawatu Drainage Scheme Asset Management Plan.	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the Manawatu Drainage Scheme Asset Management Plan.
	System performance design standard		Stopbanks and associated flood protection structures are maintained to the 20% AEP standard.	Stopbanks and associated flood protection structures are maintained to the 20% AEP standard.	Stopbanks and associated flood protection structures are maintained to the 20% AEP standard.
Flood and erosion protection and drainage assets and systems are repaired	Response to flood event or damage		Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.	Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.	Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.

Assets are renewed at end of useful life	Completion of renewals programme		Replace culvert B18.	Replace culvert B23.
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Replace floodgates on culvert No's B38 and M2. Replace culvert B9.
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<b>MANGATAINOKA SCHEME</b>				
<b>Objective</b>	<b>Measure</b>	<b>Actual 2014-15</b>	<b>Long-term Plan 2015-16</b>	<b>Long-term Plan 2016-17</b>
		<b>Year 3</b>	<b>Target Year 1</b>	<b>Target Year 2</b>
Flood and erosion protection assets and systems are maintained	Completion of agreed maintenance programme	Achieved	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the Mangatainoka Asset Management Plan.	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the Mangatainoka Asset Management Plan.
	System performance design standard		Maintain the Burmeister, Kamo and Hamua stopbanks to 20%, 10% and 5% AEPs respectively.	Maintain the Burmeister, Kamo and Hamua stopbanks to 20%, 10% and 5% AEPs respectively while also undertaking survey to confirm crest height.
Flood and erosion protection assets and systems are repaired	Response to flood event or damage		Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.	Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.
New assets are constructed	Completion of capital works programme		Complete all capital works as outlined in the Mangatainoka Asset Management Plan.	Complete all capital works as outlined in the Mangatainoka Asset Management Plan.

<b>Annual Plan 2016-17</b>
<b>Target Year 2</b>
The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the Mangatainoka Asset Management Plan.
Maintain the Burmeister, Kamo and Hamua stopbanks to 20%, 10% and 5% AEPs respectively while also undertaking survey to confirm crest height.
Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.
Complete all capital works as outlined in the Mangatainoka Asset Management Plan.

<b>SOUTH EASTERN RUAHINE SCHEME</b>					
<b>Objective</b>	<b>Measure</b>	<b>Actual 2014-15</b>	<b>Long-term Plan 2015-16</b>	<b>Long-term Plan 2016-17</b>	<b>Annual Plan 2016-17</b>
		<b>Year 3</b>	<b>Target Year 1</b>	<b>Target Year 2</b>	<b>Target Year 2</b>
Flood and erosion protection assets and systems are maintained	Completion of agreed maintenance programme	Achieved	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the SER Asset Management Plan.	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the SER Asset Management Plan.	The scheme is to be maintained to its full service potential in accordance with the condition ratings specified in the SER Asset Management Plan.
	System performance design standard		Stopbanks are maintained to the 20% AEP standard.	Stopbanks are maintained to the 20% AEP standard.	Stopbanks are maintained to the 20% AEP standard.
Flood and erosion protection assets and systems are repaired	Response to flood event or damage		Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.	Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.	Following a flood event, damage is identified and programmed for repair in consultation with the scheme liaison committee. High priority works are completed within 6 months.
New assets are constructed	Completion of capital works programme		Complete all capital works as outlined in the SER Asset Management Plan.	Complete all capital works as outlined in the SER Asset Management Plan.	Complete all capital works as outlined in the SER Asset Management Plan.

<b>ALL OTHER SCHEMES (NON-MANDATORY REPORTING)</b>					
<b>Level of Service Statement</b>	<b>Level of Service Measure</b>	<b>Actual 2014-15</b>	<b>Long-term Plan 2015-16</b>	<b>Long-term Plan 2016-17</b>	<b>Annual Plan 2016-17</b>
		<b>Year 3</b>	<b>Target Year 1</b>	<b>Target Year 2</b>	<b>Target Year 2</b>
Flood control, channel management and drainage schemes are maintained so as to provide communities with protection from flooding and erosion, and with drainage benefits to productive land within scheme areas	<ol style="list-style-type: none"> <li>1. Prescribed asset condition ratings are achieved</li> <li>2. Scheduled audits are completed</li> </ol>	Achieved	<p>Manage scheme and maintain scheme assets in accordance with relevant asset management plan (July 2015) and most recent scheme audit recommendations.</p> <p>Complete audits for Ohau-Manakau, Lower Kiwitea and Tutaenui Schemes.</p>	<p>Manage scheme and maintain scheme assets in accordance with relevant asset management plan (July 2015) and most recent scheme audit recommendations.</p> <p>Complete audits for Lower Manawatu (part only), Lower Whanganui and Makirikiri Schemes.</p>	<p>Manage scheme and maintain scheme assets in accordance with relevant asset management plan (July 2015) and most recent scheme audit recommendations.</p> <p>Complete audits for Lower Manawatu (part only), Lower Whanganui and Makirikiri Schemes</p>

## River and Drainage (Schemes) – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Akitio	20	7	7	7
Ashhurst Drainage Scheme	31	30	31	30
Eastern Manawatu Flood Control Scheme	35	52	53	52
Forest Road Drainage Scheme	9	10	10	12
Foxton East Drainage Scheme	18	21	21	36
Haunui Drainage Scheme	10	9	9	10
Himatangi Drainage Scheme	31	20	19	19
Hokio Drainage Scheme	33	62	62	63
Ihuraua Stream Flood Control Scheme	5	7	7	7
Kahuterawa	16	15	15	16
Koputaroa Drainage Scheme	392	310	314	316
LMS Scheme	3,851	3,507	3,806	3,808
Lower Kiwitea Scheme	178	133	112	110
Lower Manawatu Scheme Special Projects	490	568	584	545
Lower Whanganui River Scheme	362	387	409	405
Makerua Drainage Scheme	615	532	539	544
Makirikiri Flood Control Scheme	28	21	35	37
Manawatu Drainage Scheme	638	681	692	701
Mangatainoka River Scheme	475	498	506	510
Matarawa Flood Control Scheme	78	64	64	73
Moutoa Drainage Scheme	371	371	376	383
Ohau-Manakau Scheme	292	349	333	326
Pakihi Flood Control Scheme	3	3	2	2
Pohangina Oroua Catchment Scheme	430	313	316	314
Porewa Valley Flood Control Scheme	63	59	76	74
Rangitikei River Control Scheme	558	797	822	812
SE Ruahines Scheme	367	349	356	369
Taringamotu	64	73	74	74
Tawataia-Mangaone Scheme	7	10	10	10
Te Kawanui Drainage Scheme	277	226	232	231
Turakina River Scheme	38	38	39	39

Tutaenui Flood Control Scheme	76	90	69	71
Upper Manawatu-Lower Mangahao Rivers Scheme	199	191	199	197
Upper Whanganui River Scheme	192	191	196	191
Whangaehu-Mangawhero River Scheme	84	79	79	77
Whirokino Drainage Scheme	18	24	24	25
<b>Grand Total</b>	<b>10,354</b>	<b>10,097</b>	<b>10,498</b>	<b>10,497</b>



## What this work will cost (Financial Summary \$000)

### This activity is funded by:

#### User Fees and Other Revenue

- Land Rentals
- Gravel Charges
- Forestry Income

#### Individual Rates

- Scheme Rates (Mixed)

#### Common Rates

- River and Drainage (EQCV)

Percentage of total expenditure  
for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	1,707	1,756	1,851	1,723
Individual Rates	9,899	9,357	9,541	9,493
Common Rates	2,861	2,745	2,866	2,873
<b>Total Income</b>	<b>14,467</b>	<b>13,858</b>	<b>14,258</b>	<b>14,089</b>
Operating Expenditure	10,354	10,095	10,497	10,497
<b>Operating Surplus/(Deficit)</b>	<b>4,113</b>	<b>3,763</b>	<b>3,761</b>	<b>3,592</b>
Capital Expenditure	7,892	6,904	5,843	5,992
Loan Repayments	2,535	1,922	2,068	2,090
<b>Total To Be Funded</b>	<b>6,314</b>	<b>5,063</b>	<b>4,150</b>	<b>4,490</b>
Reserve Funding/(Repayments)	636	(128)	89	340
Net Loan Funding	5,678	5,191	4,061	4,150
<b>Total Funded</b>	<b>6,314</b>	<b>5,063</b>	<b>4,150</b>	<b>4,490</b>



## Introducing the Biosecurity and Biodiversity Group of Activities

### What is included in this group?

Biosecurity and biodiversity management is a key role of regional councils that adds significantly to the environmental, economic, social and cultural goals of the region.

This group of activities covers Horizons' (1) Biosecurity (or species-led pest plant and pest animal control) and (2) Living Heritage (or biodiversity protection of bush and wetlands on a site by site basis), as well as the support of community biodiversity projects/programmes.

### Why does Council deliver this group of activities?

We undertake this group of activities as it strongly contributes to the following community outcomes:

- Managing Indigenous Biodiversity
- Control of Plant and Animal Pests

In addition the group also contributes to the following community outcomes:

- Water Quality
- Coastal Environmental Management

The two activities in this group contribute directly to Council's fauna and flora outcomes of managing indigenous biodiversity and control of pest plants and animals. There are significant synergies between these activities. For example, a possum killed to protect farm production often helps indigenous biodiversity in the neighbouring reserve. Similarly a weed eliminated in an important bush remnant prevents the spread of that weed into surrounding farm land.

### Significant negative effects on the community goals

There are no significant negative effects on the community goals from this group of activities.

### Highlights

#### Biosecurity

We are proposing to complete the 10-year Plan (adopted in 2006) to expand the area covered by a sustainably managed possum-control programme to 1.14 million hectares by 2015-16. We are also proposing to review our Regional Pest Management Strategy by aligning this with legislative changes to the Biosecurity Act and preparing a consolidated (ie. animal and plant) Regional Pest Management Plan.

#### Living Heritage

We are proposing to continue to fund our wetland and bush remnant programmes and continue to improve our understanding of the Region's biodiversity through research.

Due to increasing demand, we are increasing our support for community biodiversity projects and will increase funding and labour in this area.

#### OSPRI Formerly Animal Health Board (AHB) Tb Vector

Consistent with the regional sector and findings of a review and report commissioned by OSPRI and local government, regional councils will no longer be involved as a funding partner.

## Biosecurity and Biodiversity Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Biosecurity	5,769	5,493	5,445	5,439
Living Heritage	1,715	1,817	1,844	1,804
Total Operating Expenditure	7,483	7,310	7,289	7,242
Capital Expenditure	-	100	30	30
Total Funding Required	7,483	7,410	7,319	7,272
<b>Funded By</b>				
User Fees and Other Revenue	499	6	7	52
Individual Rates	2,312	2,044	1,943	1,888
Common Rates	4,854	5,084	5,188	5,152
Loans and Reserves	(182)	275	180	180
<b>Total Funded</b>	<b>7,483</b>	<b>7,409</b>	<b>7,318</b>	<b>7,272</b>

Capital Expenditure	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Meet Additional Demand	-	-	-	-
Improve Level of Service	-	-	-	-
Replace Existing Assets	-	100	30	30
<b>Total Capital Expenditure</b>	<b>-</b>	<b>100</b>	<b>30</b>	<b>30</b>

## Prospective Funding Impact Statement for the Biosecurity and Biodiversity Management Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	4,854	5,084	5,188	5,152
Targeted rates	2,312	2,044	1,943	1,888
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	499	6	7	52
Internal charges and overheads recovered	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>7,665</b>	<b>7,134</b>	<b>7,138</b>	<b>7,092</b>
Applications of Operating Funding				
Payments to staff and suppliers	4,031	3,549	3,494	3,446
Finance costs	-	-	-	-
Internal charges and overheads applied	3,402	3,673	3,723	3,725
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>7,433</b>	<b>7,222</b>	<b>7,217</b>	<b>7,171</b>
<b>Surplus (Deficit) of Operating Funding (A-B)</b>	<b>232</b>	<b>(88)</b>	<b>(79)</b>	<b>(79)</b>
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	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Applications of Capital Funding				
Capital expenditure:				
· to meet additional demand	-	-	-	-
· to improve the level of service	-	-	-	-
· to replace existing assets	-	100	30	30
Increase (decrease) in reserves	232	(187)	(109)	(109)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>232</b>	<b>(87)</b>	<b>(79)</b>	<b>(79)</b>
<b>Surplus (Deficit) of Capital Funding (C-D)</b>	<b>(232)</b>	<b>87</b>	<b>79</b>	<b>79</b>
<b>Funding Balance</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
Depreciation	50	88	71	71





## Biosecurity Activity

### Overview

Regional biosecurity is focused on the control of pests, post border (pests that have established in New Zealand), and pose a threat to our regional economic, cultural or biodiversity values.

How pests are controlled and managed within the Region is set out in the Regional Pest Management Strategies (Regional Pest Management Plan from 2016). The Strategies/Plans are supported in legislation by the Biosecurity Act 1993 and Biosecurity Law Reform Act 2012.

### What we will do in 2016-17

#### Pest Animal Management

Pest animal control covers control work in three main categories:

- Work necessary to maintain the objectives of the Pest Animal Management Strategy/Plan (that includes substantial programmes such as the Possum Control Operations (PCO) and Rooks);
- Advice and information to support stakeholder pest management; and
- Pest control works to protect valued sites.

Horizons Regional Council provides effective animal pest control programmes to protect and enhance the nominated values at each selected site.

#### Pest Plant Management

Pest plant activity focuses on implementation of the Regional Pest Plant Management Strategy and supporting national initiatives at the regional level, i.e. Clean Check Dry for aquatic issues and the National Pest Plant Accord for prevention of illegal distribution and sale of nationally banned plants. Supporting research into the control of new pest plants and managing their spread (pathway management) is a growing activity.

Horizons Regional Council provides effective plant pest control programmes to protect and enhance the nominated values at each selected site.



## Biosecurity – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>PEST ANIMAL MANAGEMENT</b>				
Possum densities are maintained at/below 10% residual trap-catch (RTC) in existing/new possum control operation (PCO) areas. This is to enhance production, biodiversity, disease protection and amenity values	2.76%	<10% RTC	<10% RTC	<10% RTC
Additional hectares included in control programme	Partially complete	116,000	N/A* <sup>1</sup>	N/A* <sup>1</sup>
Possum densities are maintained at/below 5% RTC for all maintenance control programmes	1.85%	<5% RTC	<5% RTC	<5% RTC
All known rookeries are treated annually to reduce crop losses and damage	Complete	100%	100%	100%
Provide an urban/peri-urban animal pest management service to assist urban ratepayers with specialist advice and equipment	766 responses	>300 responses per year	>300 responses per year	>300 responses per year
Animal pest control assistance/enquiries are responded to within 48 hours	99.4%	100%	100%	100%
<b>PEST PLANT MANAGEMENT</b>				
Number of listed pest plants controlled to zero density/containments increases as per RPPMS	6 plant species	6 plant species	6 plant species	6 plant species
No new listed pest plants established in the Region	Achieved	100%	100%	100%
Financially support the national biocontrol agent development programme	Complete	✓	✓	✓
Frontline inquiries for plant pest control assistance are responded to within 48 hours	100%	100%	100%	100%



## Biosecurity – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Pest Animal Biosecurity	3,537	3,871	3,981	3,985
Pest Plant (Includes old man's beard)	1,532	1,447	1,463	1,453
Animal Health Board (AHB)	700	175	-	-
<b>Total</b>	<b>5,769</b>	<b>5,493</b>	<b>5,444</b>	<b>5,438</b>

Note\*1: Initial control programme completed in 2016-17.

## What this work will cost (Financial Summary \$'000)

### This activity is funded by:

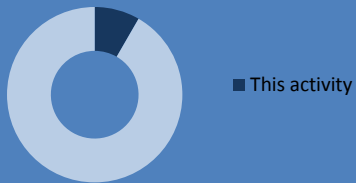
#### Individual Rates

- Targeted Production Pest Animal (Ha)
- Targeted Production Pest Rook (Ha)
- Targeted Production Pest Plant (UAC)
- Targeted Production Pest Plant (Ha)

#### Common Rates

- Biosecurity (EQCV)
- Environmental Initiatives Rate (UAC)

Percentage of total expenditure  
for 10-year Plan



	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	137	6	7	6
Individual Rates	2,025	1,736	1,627	1,620
Common Rates	3,557	3,576	3,661	3,663
<b>Total Income</b>	<b>5,719</b>	<b>5,318</b>	<b>5,295</b>	<b>5,289</b>
Operating Expenditure	5,769	5,493	5,445	5,439
<b>Operating Surplus/(Deficit)</b>	<b>(50)</b>	<b>(175)</b>	<b>(150)</b>	<b>(150)</b>
Capital Expenditure	-	100	30	30
<b>Total To Be Funded</b>	<b>(50)</b>	<b>(275)</b>	<b>(180)</b>	<b>(180)</b>
Reserve Funding	(50)	(275)	(180)	(180)
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>(50)</b>	<b>(275)</b>	<b>(180)</b>	<b>(180)</b>



## Living Heritage Activity

### Overview

Living Heritage is the work Horizons undertakes to assist landowners and community groups to protect and enhance native habitats. The activity also includes a research and monitoring component to track changes in the Region's native habitats and to inform their management.

The Living Heritage Activity is helping to ensure that our valuable native habitats are able to be appreciated and enjoyed by future generations. The State of Environment Report in 2013 reported that 22 per cent of the Region's original native forest cover remains and 3 per cent of the original wetlands remain. Horizons has surveyed 706 bush remnants in the Region and 43 per cent of these were considered in a good or excellent state and a further 50 per cent considered in a fair state. Of the 373 surveyed wetlands, 36 per cent of these were considered in a good or excellent state and a further 32 per cent considered in a fair state.

To protect the Region's living heritage, Horizons is working towards managing 200 of the highest priority bush remnant sites and 100 of the highest priority wetland sites in the Region. Other projects are able to take advantage of our free, non-regulatory advisory service and some receive financial assistance by way of our Biodiversity Environmental Grant.

### What we will do in 2016-17

#### Protect/Enhance Priority Habitat Remnants (Private Habitat Protection)

Priority habitat protection involves working with landowners to identify bush and wetland sites of value and potential benefit to our regional biodiversity. The sites are then managed by activities such as fencing, pest control and restoration work, like planting.

#### Support Community Involvement in Biodiversity Protection (Public Habitat Protection)

Community biodiversity projects can operate similarly to those involving individual landowners but with community groups or multiple organisations in partnership with Horizons. Examples include the Totara Reserve Regional Park and the Manawatu Gorge project. Alternatively, the projects may have a narrower focus, sometimes limited to a single activity like animal pest control.

#### Provide Environmental Grant Funding to Communities and Individuals for Biodiversity Projects

Environmental Grant is the financial assistance Horizons gives to help people with the costs associated with their biodiversity projects. Most of this funding goes towards fencing and planting activities.

#### Improve Knowledge and Understanding of the Region's Biodiversity

Research and monitoring provides key information around priorities for the work programmes, best practice as part of the work programmes, and the effectiveness of the work programmes. This includes providing advice to landowners and the community about the living heritage components of the One Plan. A key focus over the period of this Plan will be tracking the changes in the Region's living heritage and aligning methodologies with other regional councils and supporting of joint science projects with external agencies. This research and monitoring programme also provides support to the Biosecurity Activity of the Plan.

## Living Heritage – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>PROTECT/ENHANCE PRIORITY HABITAT REMNANTS</b>				
Additional top 100 wetlands actively managed	3	3	3	3
Additional top 200 bush remnants actively managed	10	6	6	6
<b>SUPPORT COMMUNITY INVOLVEMENT IN BIODIVERSITY PROTECTION</b>				
Continue to support existing community-based biodiversity improvement projects	13	10	10	10
<b>PROVIDE ENVIRONMENTAL GRANT FUNDING TO COMMUNITIES AND INDIVIDUALS FOR BIODIVERSITY PROJECTS</b>				
Biodiversity projects supported	22	30	30	30
<b>IMPROVE KNOWLEDGE AND UNDERSTANDING OF THE REGION'S BIODIVERSITY</b>				
Undertake research and monitoring to: <ul style="list-style-type: none"> <li>Track changes in the health of the Region's living heritage;</li> <li>Inform policy, habitat protection and biosecurity programme development; and</li> <li>Assess policy and implementation effectiveness.</li> </ul>		Report to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year
<b>TOTARA RESERVE REGIONAL PARK</b>				
Operate a regional park and camping facility that is appreciated by the community, responding to all enquiries and complaints within 48 hours. Track and report the number of campers to the park and the number of complaints/queries as a % of this figure	100%	100%	100%	100%

## Living Heritage – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Biodiversity Research	173	175	176	158
Bush Remnants and Wetlands	498	590	610	602
Regional Parks	246	230	235	231
Environmental Initiatives	799	821	823	814
<b>Total</b>	<b>1,716</b>	<b>1,816</b>	<b>1,844</b>	<b>1,804</b>

## What this work will cost

(Financial Summary \$'000)

### This activity is funded by:

#### Individual Rates

- Rangitikei Eradication (Differentiated UAC)
- Regional Park (UAC)
- Waitarere Beach Community (UAC)

#### Common Rates

- General Rate (EQCV)
- Environmental Initiatives Rate (UAC)

Percentage of total expenditure for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	363	-	-	46
Individual Rates	286	309	316	269
Common Rates	1,297	1,508	1,527	1,489
<b>Total Income</b>	<b>1,946</b>	<b>1,817</b>	<b>1,843</b>	<b>1,804</b>
Operating Expenditure	1,715	1,817	1,844	1,804
<b>Operating Surplus/(Deficit)</b>	<b>231</b>	<b>-</b>	<b>(1)</b>	<b>-</b>
Capital Expenditure	-	-	-	-
<b>Total To Be Funded</b>	<b>231</b>	<b>-</b>	<b>(1)</b>	<b>-</b>
Reserve Funding	231	-	(1)	-
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>231</b>	<b>-</b>	<b>(1)</b>	<b>-</b>

## Introducing the Regional Leadership and Governance Group of Activities

### What is included in this group?

This group of activities brings together a range of activities that, while not directly involved in our environmental operations, encompass important aspects of what we are as a Council. These activities are: Community Relationships, Environmental Reporting, Emergency Management, Governance, Information, Hapū and Iwi, and Strategic Management.

Our Emergency Management activities, which are part of this group, focus on keeping people and property in our Region safe, and meeting our statutory obligations as the administering authority of the Manawatu-Wanganui Civil Defence Emergency Management (CDEM) Group as required by the CDEM Act 2002. This requires maintaining a CDEM Group Plan and developing and maintaining a high state of preparedness and being ready to respond promptly and efficiently when an emergency arises.

Our Information activities ensure that we are equipped with reliable and useful information about natural processes that are happening in our Region, and make that information readily available both within Horizons and to our wider public and stakeholders.

The Governance Activity is a cornerstone of our mandate to ensure democratic local decision-making, by meeting the needs of our elected representatives and working with them to ensure the smooth functioning of key planning and public consultation processes, including preparation of community and annual plans. Community relationships contribute to this and help build and maintain public awareness of and support for our activities.

The Hapū and Iwi Activity is focused on developing and nurturing positive working relationships with Māori represented by our Region's 16 iwi.

Strategic Management ensures we look to the future as an organisation. It oversees the One Plan process, deals with policy development and relationships with Central Government, and drives strategy reviews.

### Why does Council deliver this group of activities?

We undertake this group of activities as it strongly contributes to the following community outcomes:

- Flood Protection
- Natural Hazards
- Air Quality

In addition the group also contributes to the following community outcomes:

- Land Management
- Water Quality
- Water Quantity
- Managing Indigenous Biodiversity
- Control of Plant and Animal Pests
- Coastal Environmental Management
- Transport

These activities are grouped together as they represent various aspects of our community leadership role for our Region.

### Significant negative effects on the community goals

There are no significant negative effects on the community goals from this group of activities.

## Highlights

### Community Relationships

We will continue to work with the community to achieve our aims and goals. In terms of rural advice we will focus on working with farmers to help the success of the nutrient management provisions of the One Plan. We will spend almost \$2 million during 2016-17 on the Community Relations Activity, most of which will be funded by the Region's ratepayers.

### Environmental Reporting

In the Long-term Plan we increased the budget for the 2016-17 year for State of the Environment Reporting as well as continuing existing environmental monitoring and reporting. We will spend almost \$300,000 for the 2016-17 year on this activity, which will be funded by the Region's ratepayers.

### Emergency Management

We will have similar levels of service and cost in 2016-17 for this activity. We will achieve targets as set out in the CDEM Business Plan. In total we will spend \$2.13 million for the 2016-17 year on this activity, of which \$1.46 million will be funded by the Region's ratepayers.

### Governance

We will have similar levels of service and cost in 2016-17 for this activity. We will spend \$2.57 million for the 2016-17 year on this activity, all of which will be funded by the Region's ratepayers.

### Information

We will have similar levels of service and cost in 2016-17 for this activity. We will keep improving our data acquisition rates and performance of our environmental network as well as work with other councils and the community to facilitate exchange of environmental information. We will spend \$3.77 million in 2016-17 on this activity, all of which will be funded by the Region's ratepayers.

### Hapū and Iwi Relationships

We will continue to work with hapū and iwi on environmental projects as well as maintaining involvement in Treaty settlement processes. We will spend \$214,000 in 2016-17 on this activity, all of which will be funded by the Region's ratepayers.

### Strategic Management

As well as continuing to implement the One Plan and maintaining capacity to deal with emerging issues, we will work with other stakeholders to facilitate sustainable growth in the Region. We will spend \$1.27 million in 2016-17 on this activity, all of which will be funded by the Region's ratepayers.



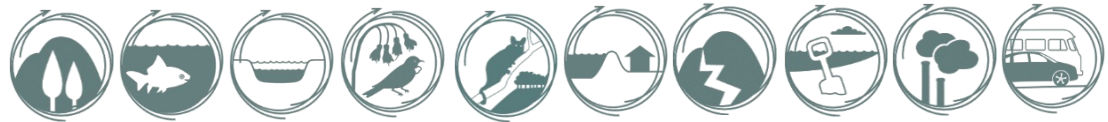
## Regional Leadership and Governance Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
COMMUNITY RELATIONSHIPS	1,706	1,996	2,073	1,995
ENVIRONMENTAL REPORTING	259	265	298	289
EMERGENCY MANAGEMENT	2,569	2,133	2,110	2,126
GOVERNANCE	2,368	2,336	2,579	2,565
INFORMATION	3,827	3,675	3,883	3,759
HAPŪ AND IWI	174	224	229	214
STRATEGIC MANAGEMENT	1,312	1,259	1,167	1,267
Total Operating Expenditure	12,215	11,887	12,339	12,215
Capital Expenditure	642	1,542	1,136	1,125
<b>Total Funding Required</b>	<b>12,857</b>	<b>13,429</b>	<b>13,475</b>	<b>13,340</b>
<b>Funded By</b>				
User Fees and Other Revenue	4,205	3,029	3,165	3,179
Individual Rates	-	-	-	-
Common Rates	8,629	9,164	9,261	9,222
Loans and Reserves	25	1,236	1,050	939
<b>Total Funded</b>	<b>12,859</b>	<b>13,429</b>	<b>13,476</b>	<b>13,340</b>

Capital Expenditure	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Meet Additional Demand	-	-	-	-
Improve Level of Service	-	-	-	-
Replace Existing Assets	642	1,542	1,136	1,125
<b>Total Capital Expenditure</b>	<b>871</b>	<b>1,542</b>	<b>1,136</b>	<b>1,125</b>

## Prospective Funding Impact Statement for the Regional Leadership and Governance Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	8,629	9,164	9,261	9,222
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	1,945	696	711	709
Internal charges and overheads recovered	2,260	2,333	2,454	2,470
Interest and dividends from investments	-	-	-	-
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>12,834</b>	<b>12,193</b>	<b>12,426</b>	<b>12,401</b>
Applications of Operating Funding				
Payments to staff and suppliers	3,277	3,293	3,548	3,581
Finance costs	-	-	-	-
Internal charges and overheads applied	8,323	7,795	7,998	7,837
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>11,600</b>	<b>11,088</b>	<b>11,546</b>	<b>11,417</b>
<b>Surplus (Deficit) of Operating Funding (A-B)</b>	<b>1,234</b>	<b>1,105</b>	<b>880</b>	<b>984</b>
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	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Applications of Capital Funding				
Capital expenditure:				
· to meet additional demand	-	-	-	-
· to improve the level of service	-	-	-	-
· to replace existing assets	642	1,542	1,136	1,125
Increase (decrease) in reserves	592	(437)	(257)	(142)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,234</b>	<b>1,105</b>	<b>879</b>	<b>984</b>
<b>Surplus (Deficit) of Capital Funding (C -D)</b>	<b>(1,234)</b>	<b>(1,105)</b>	<b>(879)</b>	<b>(984)</b>
<b>Funding Balance</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>-</b>
Depreciation	700	799	793	798



## Community Relationships Activity

### Overview

Strong relationships with our communities help people understand what Horizons does and how we do it.

Community Relationships focus on providing effective communications, accessible information and accurate advice. As we engage with our regional communities, we increase public understanding of Horizons' role and encourage community participation in action and decision-making.

Public awareness of and support for our activities is essential if we are to achieve our goals. Strong relationships enhance the impact of our work and help us make this Region a great place to live, work and play.

### What we will do in 2016-17

#### Communications

Our communications team plans external and internal communications to generate accessible, user-friendly information in a variety of ways; develops and maintains stakeholder relationships; and supports the delivery of all Horizons' work. They ensure communication is proactive and transparent, which helps develop a positive community profile and increase public understanding of Horizons' function.

#### District Liaison

District Liaison provides free, non-regulatory information and advice to members of the public regarding natural hazard risk and Horizons' One Plan requirements for specific properties and proposed developments. District Liaison also provides information and recommendations to territorial authorities to assist them in their decision-making with respect to Building, Subdivision and Land Use Consent Applications. District Liaison also helps coordinate Horizons' response to District Plan Changes and Private Plan Change requests.

District Liaison also manages the legislative requirements of the Building Act 2004 for dams throughout the Region. Horizons has delegated its Building Consent functions for consenting Large Dams to Waikato Regional Council, however via the District Liaison output, remains responsible for issuing Project

Information Memorandum (PIMs) for Large Dams. A PIM is a legal requirement of the Building Consent process for the modification and/or construction of Large Dams.

#### Rural Advice

Operating similarly to District Liaison, the rural advice team provides free, non-regulatory advice with a rural focus. Again this is general advice, not the specific full professional advice required by a person making a consent application. Through the provision of day-to-day on-call support for a variety of farming operations, our rural advice team helps ensure significant businesses achieve and maintain required standards to reduce regulatory issues. There will be a significant focus on working with farmers to help the success of the nutrient management provisions of the One Plan.

#### Customer Service

Customer Service is the first port of call for all general Horizons enquiries via telephone and in person. By providing friendly, efficient service and advice 24/7, this team aids the development of positive relationships with our communities.

#### Environmental Education

Horizons has a long history in supporting school-based environmental education through nationally recognised programmes such as Waiora, Trees for Survival and EnviroSchools. We plan to work closely with EnviroSchools to increase the number of schools in our Region involved in this programme over the life of this Plan.

## Community Relationships – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>PLAN AND IMPLEMENT LONG-TERM, STRATEGIC AND MEASURABLE COMMUNICATIONS</b>				
Awareness and understanding of Horizons is maintained through a variety of channels (eg. print, media, online, events and sponsorship)	>90%	>90%	>90%	>90%
Increase awareness and use of the website	189,622	Increase users by 10,000	Increase users by 10,000	Increase users by 10,000
<b>DISTRICT LIAISON</b>				
All information requests are met within timeframe (approximately 200 formal and 450 informal requests received per year, with approximately 20 plan change proposals assessed per year)	20 days	20 days	20 days	20 days
Meet Building Act 2004 legislative requirements	100%	100%	100%	100%
<b>RURAL ADVISORY</b>				
Deliver advisory services to the rural community (number of requests)	140+	200	200	200
<b>CUSTOMER SERVICE</b>				
Maintain 24-hour, seven days a week access to Horizons via internal and external call centre support	100%	100%	100%	100%
95% of all calls received on a 24/7 basis are answered	95%	95%	95%	95%
The Council provides a friendly, professional and knowledgeable service to its customers. Ninety per cent of customers are satisfied with the friendliness, professionalism and knowledge of the service	90%	90%	90%	90%
<b>ENVIRONMENTAL EDUCATION</b>				
Increase participation levels in the EnviroSchools and Waiora programmes at a manageable rate.	35 EnviroSchools 2 Trees for Survival Schools 42 Waiora sessions per year	34 EnviroSchools 2 Trees for Survival Schools 31 Waiora sessions per year	36 EnviroSchools 2 Trees for Survival Schools 32 Waiora sessions per year	36 EnviroSchools 2 Trees for Survival Schools 32 Waiora sessions per year

### Community Relationships – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Community Communications	638	710	755	738
District Liaison	262	346	369	359
Customer Services	350	407	412	377
Rural Advisor	455	532	538	521
<b>Total</b>	<b>1,706</b>	<b>1,995</b>	<b>2,074</b>	<b>1,995</b>

## What this work will cost (Financial Summary \$000)

### This activity is funded by:

#### Common Rates

- General Rate (EQCV)
- Uniform Annual General Charge (UAC)

Percentage of total expenditure  
for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	38	5	6	6
Individual Rates	-	-	-	-
Common Rates	1,916	1,991	2,068	1,990
Total Income	<b>1,954</b>	<b>1,996</b>	<b>2,074</b>	<b>1,995</b>
Operating Expenditure	1,706	1,996	2,073	1,995
Operating Surplus/(Deficit)	<b>249</b>	-	<b>1</b>	-
Capital Expenditure	-	-	-	-
Total To Be Funded	<b>249</b>	-	<b>1</b>	-
Reserve Funding	249	-	1	-
Loan Funding	-	-	-	-
Total Funded	<b>249</b>	-	<b>1</b>	-



## Environmental Reporting and Air Quality Monitoring Activity

### Overview

Effective management of the Region's natural resources is dependent on accurate and timely information about the environment and its health, ready access to this information, and having this information packaged in a way that is understandable to the intended audience.

Horizons has responded to the demand for information about the Region's natural resources through the Environmental Reporting Activity. The activity includes the core monitoring and reporting function and the work to raise the community's awareness of the environment – how it works, how it is changing and the drivers of change.

### What we will do in 2016-17

#### Environmental Monitoring and Reporting

Environment Monitoring and Reporting is critical for effective management as it provides knowledge of the state of the resource and allows the early detection of changes and trends. Further, it enables the effectiveness of policies, approaches and management to be determined. Reporting provides a summary of the information in a way that can inform decision-making. The 2016-17 year includes an increased budget for state of environment reporting to enable further state of environment information to be compiled and communicated.

#### Air Quality Monitoring

The air quality monitoring programme will continue to monitor and report on air quality in the two air-sheds designated under the National Environmental Standard for Air Quality (Taihape and Taumarunui). Air quality modelling information completed as a part of this activity, predicts the two designated air sheds will become compliant with the requirements of the National Environmental Standard as older wood burners are slowly replaced with more

efficient burners. A key recommendation of the various air quality studies has been to complete public awareness campaigns to provide guidance around ways to improve air quality in these air sheds. The Plan contains a small budget to undertake such work.

## Environmental Reporting and Air Quality Monitoring – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>ENVIRONMENTAL MONITORING AND REPORTING</b>				
Complete State of the Environment reporting including reviewing and updating environmental indicators	Reported to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year
Undertake policy and programme implementation effectiveness monitoring and provide input into programmes and policies that are in development	Reported to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year
Environmental information is made available to the public via Horizons' website, Environment Committee reporting and on request, including contributions to national level reporting	100%	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year
Monitor and report on air quality		Report to Council on progress 5 times per year	Report to Council on progress 5 times per year	Report to Council on progress 5 times per year

## Environmental Reporting and Air Quality Monitoring – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
SOE Policy and Performance Monitoring	208	209	241	232
Air Monitoring	51	56	57	56
<b>Total</b>	<b>259</b>	<b>265</b>	<b>298</b>	<b>288</b>



## What this work will cost

(Financial Summary \$000)

This activity is funded by:

Common Rates

- General Rate (EQCV)

Percentage of total expenditure  
for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	4	-	-	-
Individual Rates	-	-	-	-
Common Rates	253	265	298	288
<b>Total Income</b>	<b>257</b>	<b>265</b>	<b>298</b>	<b>288</b>
Operating Expenditure	259	265	298	288
<b>Operating Surplus/(Deficit)</b>	<b>(2)</b>	-	-	-
Capital Expenditure	-	-	-	-
<b>Total To Be Funded</b>	<b>(2)</b>	-	-	-
Reserve Funding	(2)	-	-	-
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>(2)</b>	-	-	-





## Emergency Management Activity

### Overview

The Emergency Management Office delivers a range of emergency related services to assist in keeping our communities safe, ensuring the continuity of critical services, and the coordination of emergency planning, response and recovery. The activity includes:

- Our response to natural and technological events such as floods, storms, earthquakes, lifeline infrastructure failure and major pollution incidents;
- Coordination of the Civil Defence Emergency Management (CDEM) Group;
- Flood plain mapping, modelling and flood forecasting;
- River navigation safety functions;
- In-house health and safety responsibilities; and
- Contracted services for marine oil spill response and local emergency management services.

### What we will do in 2016-17

#### Achieve Targets as Set Out in CDEM Business Plan

Horizons Regional Council is the administering authority of the Manawatu-Wanganui Civil Defence Emergency Management Group as required by the Civil Defence Emergency Management Act 2002. The CDEM Group is a consortium of the local authorities in the Region working in partnership with emergency services, lifeline utilities and others to deliver CDEM at the local level. The Group maintains a CDEM Plan in accordance with legislative requirements that considers all phases of the emergency continuum (reduction, readiness, response and recovery).

A business plan is also managed by the Group with each of the member councils contributing to achieving the goals of the Group. A review of the CDEM Group Plan began in January 2015; it is intended that the Plan will be approved as operative in June 2016 as part of the Business Plan outputs.

On 1 December 2015 the National CDEM Plan 2015 came into effect, which increased the responsibilities of Civil Defence Welfare Services for CDEM Groups.

To assist with this increased responsibility, the CDEM Group will be looking to engage a 0.4 FTE resource as group welfare manager. This resource will be funded via savings in other operational areas.

### Horizons' Response Capability

Under this activity we:

- Prepare plans and procedures for emergency response;
- Maintain an emergency management duty officer capability 24/7/365;
- Deliver automated river height information to subscribers;
- Manage the Manawatu River & Tributaries Navigation Safety bylaw;
- Facilitate and coordinate navigation and water safety initiatives in Wanganui in conjunction with the Whanganui River Navigation & Safety Group;
- Maintain teams for flood gate operation and flood barrier deployment;
- Coordinate Council health and safety services;
- Undertake flood plain mapping, modelling and forecasting; and
- Maintain a cadre of trained staff to manage and operate an Emergency Operations Centre for Horizons response activities and an Emergency Coordination Centre for the CDEM Group.

### Contracted Services

Local level emergency management services are provided under contract to the Rangitikei, Manawatu and Horowhenua District Councils for the provision of coordinated Civil Defence and Rural Fire capability. These services are provided as a fixed price contract and have been in place since 2008 and 2009.

We intend to maintain the current levels of service provided via the contract arrangements to ensure that the contracted local authorities continue to meet their respective legislative Civil Defence and Rural Fire requirements.

Services are provided to Maritime New Zealand (MNZ) to ensure a regional response capability for marine oil spill response within Horizons' area of jurisdiction. This output is 100 per cent funded by MNZ via the provision of training and equipment commensurate to our regional risk, as determined by MNZ.

## Emergency Management – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>ACHIEVE TARGETS AS SET OUT IN CDEM BUSINESS PLAN</b>				
Critical outputs pertaining to Operational Capability, Community Resilience and Riskscape are monitored and reviewed		100%	100%	100%
Emergency Coordination Centre (ECC) systems and procedures developed and maintained	100%	100%	100%	100%
CDEM targets are reported to both the Joint Standing Committee and Coordinating Executive Group	9	4 per year	4 per year	4 per year
<b>HORIZONS' RESPONSE CAPABILITY</b>				
Emergency Operations Centre staff are trained (min. of 4 training activities per year) and ready to respond; emergency management duty officer available 24/7/365; response manuals, flood action plans and procedures available and reviewed at least annually	100%	100%	100%	100%
Hazard information update project carried out to update LIDAR information; indicative and modelled flood layers and selected seismic data layers updated as per approved project plan		100%	100%	100%
Procedures in flood plain mapping, modelling and flood forecasting in place	1	1	1	1
Manage and promote business continuity planning arrangements (BC Plans)	2	1 per year	1 per year	1 per year
Manage and promote navigation safety	100%	100%	100%	100%
Install a new river height recording site near the settlement of Herbertville – 2014-15 only	90%			
<b>CONTRACTED SERVICES</b>				
Maritime New Zealand (MNZ) oil spill response capability maintained to MNZ audit standards	100%	100%	100%	100%
Emergency Management contracts for Civil Defence and Rural Fire services completed to the satisfaction of Rangitikei, Manawatu and Horowhenua District Councils	100%	100%	100%	100%

## Emergency Management – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Horizons' Emergency Management	1,351	1,154	1,157	1,139
Contracted Services	957	653	664	651
CDEM Group	261	326	289	336
<b>Total</b>	<b>2,569</b>	<b>2,133</b>	<b>2,110</b>	<b>2,126</b>

## What this work will cost

(Financial Summary \$'000)

### This activity is funded by:

User Fees and Other Revenue

- Territorial Authority Contract Income

Common Rates

- Emergency Management Rate (EQCV)

Percentage of total expenditure for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	1,007	651	666	666
Individual Rates	-	-	-	-
Common Rates	1,337	1,483	1,444	1,461
<b>Total Income</b>	<b>2,344</b>	<b>2,134</b>	<b>2,110</b>	<b>2,127</b>
Operating Expenditure	2,569	2,133	2,110	2,126
<b>Operating Surplus/(Deficit)</b>	<b>(225)</b>	<b>1</b>	<b>-</b>	<b>1</b>
Capital Expenditure	39	593	260	259
<b>Total To Be Funded</b>	<b>(265)</b>	<b>(592)</b>	<b>(260)</b>	<b>(258)</b>
Reserve Funding	(265)	(592)	(260)	(258)
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>(265)</b>	<b>(592)</b>	<b>(260)</b>	<b>(258)</b>

# Governance Activity

## Overview

Horizons covers a wide geographical area and its ratepayers and residents are represented by 12 elected members. Through their locally elected councillors, the people of the Region have the opportunity to become involved in decisions about local and regional issues. Our elected representatives provide a vital link to our communities and they are ultimately accountable through the triennial election process to the people of our Region.

Horizons' role is to meet the current and future needs of communities for good quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses. To be successful we need to identify opportunities, and respond to any changes that may impact on our business.

## What we will do in 2016-17

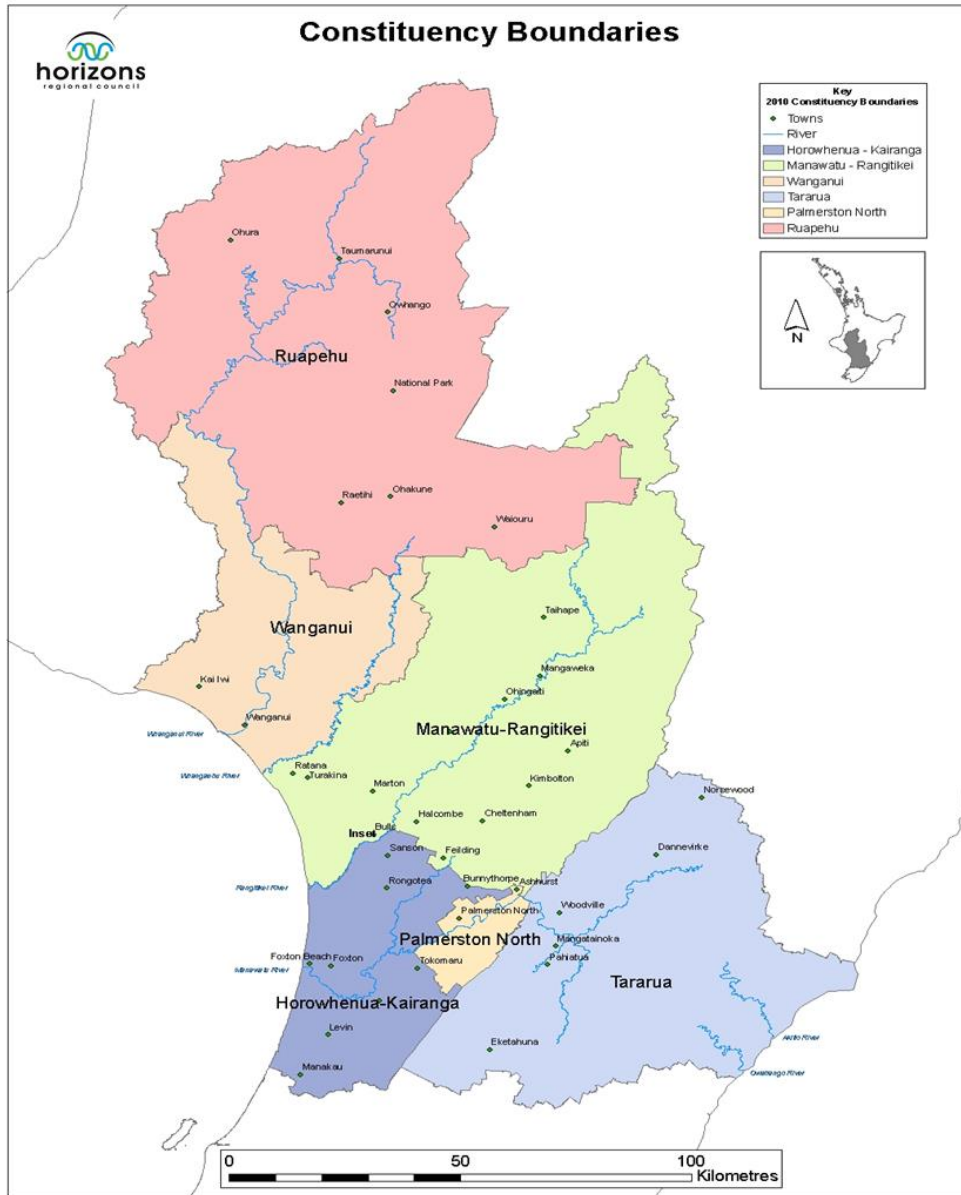
### Governance

The councillors provide governance for the organisation through regular Council and committee meetings. In addition to setting and monitoring policy, the Council keeps abreast of local, regional, national and international matters, so that emerging issues of relevance for the Region can be investigated and planned for.

Changes in Central Government policy can impact on our business and these changes need to be assessed and responded to.

As mentioned in the Long-term Plan, local body elections will take place in October 2016. In order to avoid a spike in the rates in the year of the election, we will fund most of the additional cost of this election over the 2016-17 to 2018-19 years. This amount will be recovered in equal instalments of \$106,000 in the 2017-18 and 2018-19 financial years.

In the 2016-17 year we will also undertake the normal statutory requirements of planning, reporting and administering prompt payment discounts, rate penalties and remissions.



Constituency	No. of Members	Estimated Population
Horowhenua-Kairanga	2	38,600
Manawatu-Rangitikei	2	35,550
Palmerston North	4	83,440
Ruapehu	1	12,640
Tararua	1	17,420
Wanganui	2	43,530
	<b>12</b>	<b>231,180</b>

### The Horizons Region

- Covers 10 local authorities, 7 completely within its boundaries
- Horizons' jurisdiction extends 12 nautical miles out to sea
- Covers 22,212 sq km of land, 8.1 per cent of New Zealand's land area
- Has 160 km of coastline, with the Tasman Sea to the west and Pacific Ocean to the east
- Is home to approximately 231,180 people



## Governance – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>GOVERNANCE</b>				
Undertake the triennial election process in accordance with the Local Electoral Act 2001 (October 2016)			✓	✓
Conduct Horizons' meetings and hearings in accordance with Horizons Regional Council Standing Orders	100%	100%	100%	100%
<b>LONG-TERM PLAN (LTP)</b>				
Adoption of this and subsequent annual plans, long-term plans and amendments, and annual reports by Council within statutory timeframes	100%	100%	100%	100%

## Governance – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Representation	2,031	2,150	2,390	2,400
Community and Annual Plan	338	186	189	165
<b>Total</b>	<b>2,368</b>	<b>2,336</b>	<b>2,579</b>	<b>2,565</b>

## What this work will cost

(Financial Summary \$000)

This activity is funded by:

Common Rates

- Uniform Annual General Charge (UAC)

Percentage of total expenditure for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	1	-	-	-
Individual Rates	-	-	-	-
Common Rates	2,447	2,464	2,473	2,459
<b>Total Income</b>	<b>2,448</b>	<b>2,464</b>	<b>2,473</b>	<b>2,459</b>
Operating Expenditure	2,368	2,336	2,579	2,565
<b>Operating Surplus/(Deficit)</b>	<b>79</b>	<b>128</b>	<b>(106)</b>	<b>(106)</b>
Capital Expenditure	-	-	-	-
<b>Total To Be Funded</b>	<b>79</b>	<b>128</b>	<b>(106)</b>	<b>(106)</b>
Reserve Funding	79	128	(106)	(106)
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>79</b>	<b>128</b>	<b>(106)</b>	<b>(106)</b>



## Information Activity

### Overview

Along with its people, information is a key strategic asset of any organisation. We put high value on having good, reliable information and the means to access and share it both within the Council and with our communities and other stakeholders in order to inform decision making.

The Information Activity puts an emphasis on integration of systems within the Council and on increasing standardisation of underlying technologies to future-proof our information collection and storage. It also provides opportunities and supports initiatives to share data and information with our communities, and other interested groups like iwi, other regional and territorial councils, and Central Government.

### What we will do in 2016-17

#### Catchment Data

A large quantity of environmental data is collected by Horizons via a comprehensive network of physical sites throughout the Region. This data is utilised by a range of internal customers for river scheme design and operation, emergency management and science related activities. In addition, significant use is made of this data by external agencies and ratepayers. Data collection programmes for river level, flow, dissolved oxygen, water temperature, suspended sediment and nutrients for our Region's rivers, as an example, have been established. Data is also collected in relation to groundwater levels and quality, air quality, rainfall and soil moisture. Key services provided for emergency management purposes are flood warning and automated flood forecasting for the Region's major rivers. For Horizons' science output, data provision is primarily in relation to real-time data for water allocation/management and for the establishment and maintenance of a long-term archive of environmental data for decision making.

The team responsible for the data that is collected maintains ISO certification. This ensures independent review of processes, and so ensures the reliability of data collected and archived within Horizons' systems. The Information Activity is looking to continue to improve access to this information resource by our

Region's communities and ratepayers, thus allowing decision makers access to timely and current environmental information.

#### Catchment Information

With a large quantity of environmental data coming in, alongside other operational and financial information generated by the wider organisation, there is a need to define, implement and/or support systems that store, analyse and report on this data to meet current and evolving operational requirements. This work is guided by the underlying principles of Council's Information Strategy, namely that systems should be integrated, efficient and provide accurate and audited information, along with ensuring systems implemented are supported adequately externally and internally, that information is protected and secured, and that appropriate governance processes are followed for product development, purchase or review.

To this end, and supporting the work of Catchment Data and other teams throughout Horizons to deliver this information to the external agencies and ratepayers, the Catchment Information team provides the technical expertise to create and maintain specialised reporting and mapping systems and portals, supporting internal project teams and staff, along with delivering products to the external agencies and ratepayers. These systems build on, or integrate with, existing business system architectures.

As an outcome of this work, the reliability of data holdings are progressively improved, with concurrent impacts on decision making; the technical capacity and capability of the wider organisation is maintained into the long term; and progressive improvements delivered to overall business processes.

## Information – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>CATCHMENT DATA</b>				
Collection of 98.5% water level, rainfall, soil moisture, wind and water temperature data (approx. 15.2 million data-points p.a.)	99.1%	98.5%	98.5%	98.5%
Collection of 92.0% of continuous data relating to other water quality parameters (approx. 2.0 million data-points p.a.)	97.1%	90.0%	90.0%	94.0%
<b>CATCHMENT INFORMATION</b>				
Information requests received from the public and external agencies are processed and delivered according to agreed timeframes	95%	95.0%	95.0%	95.0%

## Information – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Catchment Information	1,422	1,273	1,361	1,251
Catchment Data	2,406	2,374	2,493	2,480
Hydro Contracting Works	-	28	29	28
<b>Total</b>	<b>3,828</b>	<b>3,675</b>	<b>3,883</b>	<b>3,759</b>

## What this work will cost (Financial Summary \$'000)

### This activity is funded by:

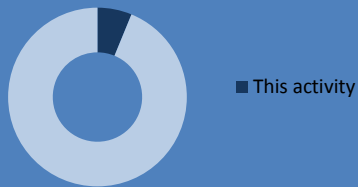
User Fees and Other Revenue

- Catchment Data Recharge

Common Rates

- Information (EQCV)

Percentage of total expenditure  
for 10-year Plan



	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	2,750	2,374	2,493	2,508
Individual Rates	-	-	-	-
Common Rates	1,218	1,301	1,390	1,251
<b>Total Income</b>	<b>3,968</b>	<b>3,675</b>	<b>3,883</b>	<b>3,759</b>
Operating Expenditure	3,827	3,675	3,883	3,759
<b>Operating Surplus/(Deficit)</b>	<b>141</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capital Expenditure	602	949	877	866
<b>Total To Be Funded</b>	<b>(461)</b>	<b>(949)</b>	<b>(877)</b>	<b>(866)</b>
Reserve Funding	(461)	(949)	(877)	(866)
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>(461)</b>	<b>(949)</b>	<b>(877)</b>	<b>(866)</b>





## Hapū and Iwi Relationships Activity

### Overview

Horizons values its positive working relationships with the Region's hapū and iwi. These relationships are important for Treaty of Waitangi settlement processes, to encourage iwi participation during decision-making processes, recognise iwi interests, and progress initiatives that enhance iwi capacity to participate in resource management.

### What we will do in 2016-17

#### Treaty Settlement Participation

The Regional Council sees the Treaty settlement process as an opportunity to build enduring relationships with iwi. We will work collaboratively and in good faith during Treaty of Waitangi settlement processes, and implement with iwi the settlement matters for which we are responsible.

Council continues to work with Whanganui River iwi and Rangitaane o Manawatu and looks forward to the enactment of these settlements. Council is also currently engaged with other settlement negotiations throughout the Region – Ngati Rangi, Rangitane ki Tamaki Nui a Rua, Ngati Kahungunu ki Wairarapa Tamaki Nui a Rua and Muaupoko – and looks forward to further developing relationships and supporting these settlements in areas of shared mutual interest.

#### Resource Management Projects

The Māori worldview is integral to Council's business, in particular during implementation, monitoring and review of the One Plan. Methods in Chapter 2: Te Ao Māori focus on improving working relationships with hapū and iwi to achieve mutually satisfactory outcomes. Initiatives include:

- Treaty settlement participation;
- Investigating options for joint management agreements;
- Memoranda of partnership;
- Identification of cultural sites of significance;
- Development of a wāhi tapu and wāhi tūpuna protection and discovery code of practice;

- Habitat restoration;
- Resource management capacity building;
- Iwi involvement in consent decision-making at an early stage;
- Support for iwi and hapū resource management plans;
- Development and implementation of a cultural monitoring framework; and
- Other projects such as accords and wider community environmental projects.

## Hapū and Iwi Relationships – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>JOINT REGIONAL RESOURCE MANAGEMENT PROJECTS</b>				
Implement One Plan Te Ao Māori methods	On-going	Method targets met	Method targets met	Method targets met
<b>IWI RELATIONS/TREATY SETTLEMENT</b>				
Treaty Settlement and Memorandum of Partnership projects	As required	Deliverables met	Deliverables met	Deliverables met

## Hapū and Iwi Relationships – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Iwi	174	224	229	214
<b>Total</b>	<b>174</b>	<b>224</b>	<b>229</b>	<b>214</b>



## What this work will cost (Financial Summary \$000)

This activity is funded by:

Common Rates

- Uniform Annual General Charge (UAC)

Percentage of total expenditure  
for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	-	-	-	-
Individual Rates	-	-	-	-
Common Rates	181	224	229	214
<b>Total Income</b>	<b>181</b>	<b>224</b>	<b>229</b>	<b>214</b>
Operating Expenditure	174	224	229	214
<b>Operating Surplus/(Deficit)</b>	<b>7</b>	-	-	-
Capital Expenditure	-	-	-	-
<b>Total To Be Funded</b>	<b>7</b>	-	-	-
Reserve Funding	7	-	-	-
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>7</b>	-	-	-





## Strategic Management Activity

### Overview

The focus of this activity is planning for the future and working with others, both within and external to Horizons, to ensure our plans and strategies are implemented. The activity also provides for monitoring how successful the plans are at achieving objectives so we can identify and make improvements where necessary. This activity covers our participation in development and implementation of Central Government policy and working with territorial authorities where this helps integrate regional and district plans.

### What we will do in 2016-17

#### One Plan Implementation and Monitoring

The One Plan became fully operative in December 2014. All rules have been implemented; work is continuing to implement non-regulatory methods laid out in the One Plan. The focus during 2016-17 will continue to be on monitoring progress of implementation of the One Plan and evaluating policy effectiveness.

If improvements to the Plan are identified, a plan change may be initiated. A plan change may also be triggered by national policy requirements in national policy statements (NPS) or national environmental standards (NES). A revised NPS for Freshwater Management came into effect on 1 August 2014. The One Plan is largely consistent with its requirements.

#### Maintain Emerging Issues Capacity

The Regional Council participates in the planning cycles of government and territorial authorities. This involves advocating for the interests of the Region during development of law changes, NPS and NES, and encouraging integration of work streams with territorial authorities during their district plan reviews and annual planning processes. From time to time issues and opportunities arise where Horizons takes a leadership role on behalf of the Region. Council will further consider the issue of climate change during 2016-17.

Several national policy instruments are at varying stages of development and may require Regional Council involvement during 2016-17, including NPS on Indigenous Biodiversity and on Urban Development, and NES on Plantation

Forestry and for Air Quality. Further reform to the Resource Management Act is also being progressed and will require Horizons' consideration, along with proposals to reform the regulatory framework around pest management and eradication.

### Regional Prosperity

One of the key issues for the Manawatu-Wanganui Region is its future prosperity. Over the last 24 months, in collaboration with the Region's mayors, ministers, iwi and business, Horizons has played a pivotal role in facilitating the production by government of a Regional Growth Study. We are now focused on the Regional Council's role in the Accelerate25 programme, which is implementing the growth study. This programme's purpose is to realise opportunities in the Region around key business areas including: tourism and visitor services, sheep and beef production and processing, fresh vegetables, and manuka honey.

Government has highlighted the importance of councils collaborating with each other and with industry and iwi to facilitate growth. Horizons' contribution to achieving sustainable growth in the Region may include finding ways to better use the information it holds on the Region's resources, bringing key parties together, and utilising Horizons' existing connection with Central Government.

In this Annual Plan, Horizons' work in this area is covered through the Emerging Issues Activity.

## Strategic Management – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>ONE PLAN IMPLEMENTATION</b>				
One Plan implementation programme	On-going	Method targets met	Method targets met	Method targets met
Monitoring and evaluation of the One Plan	Further framework development	Monitoring programme implemented	Evaluation programme implemented	Evaluation programme implemented
National policies and standards incorporated into the Plan within statutory deadlines	Not required	100% as required	100% as required	100% as required

## Strategic Management – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
New Projects/Emerging Issues	620	511	516	509
Strategy Reviews	7	-	-	-
One Plan	685	748	651	757
<b>Total</b>	<b>1,312</b>	<b>1,259</b>	<b>1,167</b>	<b>1,267</b>

## What this work will cost

(Financial Summary \$000)

This activity is funded by:

Common Rates

- Strategic Management Rate (EQCV)

Percentage of total expenditure for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	406	-	-	-
Individual Rates	-	-	-	-
Common Rates	1,277	1,437	1,359	1,559
<b>Total Income</b>	<b>1,683</b>	<b>1,437</b>	<b>1,359</b>	<b>1,559</b>
Operating Expenditure	1,312	1,259	1,167	1,267
<b>Operating Surplus/(Deficit)</b>	<b>370</b>	<b>178</b>	<b>192</b>	<b>292</b>
Capital Expenditure	1	-	-	-
<b>Total To Be Funded</b>	<b>369</b>	<b>178</b>	<b>192</b>	<b>292</b>
Reserve Funding	369	178	192	292
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>369</b>	<b>178</b>	<b>192</b>	<b>292</b>



## Introducing the Transport Group of Activities

### What is included in this group?

Transport plays a vital role in our communities and contributes to the social and economic goals of our Region.

This group of activities includes three activities – Transport Planning, Road Safety and Public Transport. Our role is to coordinate land transport planning within the Region, plan and implement public passenger transport services, and coordinate and implement a programme of community road safety education. These transport activities receive varying amounts of funding from Central Government via the National Land Transport Fund (this funding is shown as ‘User Fees and Other Revenue’ in the financial information below).

### Why does Council deliver this group of activities?

We undertake this group of activities as it strongly contributes to the following community outcome:

Transport

These activities are grouped together as they contribute towards well-planned and integrated transport networks that encourage walking, cycling and public transport (including specialised services for people with disabilities), as well as catering for commercial and private vehicle needs. This ensures that all those in our Region can access services and do business safely and easily.

### Significant negative effects on the community goals

While the use of fossil-fuelled vehicles in all forms could be considered a negative effect on environmental goals, this group of activities seeks to minimise this impact through efficient use of transport.

### Highlights

#### Transport Planning

We will hold constant the levels of service for this activity with the majority of effort going into monitoring the effectiveness of the Regional Land Transport Plan. During this year we will continue with implementation of the Regional Land Transport Plan and commence work on the revision of this document for the 2018-21 period. Implementation will focus on delivery of the identified programme of works and other works that will help enable regional economic growth.

#### Passenger Transport

Generally existing levels of service will be maintained (including the Total Mobility scheme) with a number of new and improved services being trialled to improve connectedness between centres. New services to be operated include:

- A weekday service between Ashhurst and Palmerston North;
- A two-year trial service of increased peak frequency on the Milson/Cloverlea route in Palmerston North to 10 minutes, subject to NZTA business case approval;
- Increased frequency on the Palmerston North Fernlea Heights route to 20 minutes during peak times;
- A Whanganui to Palmerston North commuter service;
- Increased levels of service to Palmerston North’s Summerhill suburb;
- A Levin to Waikanae weekday service; and
- A day out in Horowhenua loop bus service.

Most of these new services will be funded from reserves, and later years funded from rates. We will spend approximately \$6.36 million this year, which will be funded by Central Government and other contributors (\$4.29 million per year) and the Transport Scheme ratepayers (\$1.87 million per year).

## **Road Safety**

The New Zealand Transport Agency have confirmed that road safety education is a core function of a regional council's Regional Transport Committee. In the 2015-25 LTP Council chose to reinstate the Road Safety Activity in Year 2 and onwards. The delivery of road safety education programmes will be funded at an NZTA Funding Assistance Rate of 64 per cent equating to \$170,000 local share of which \$25,000 will come from reserves.



## Transport Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
TRANSPORT PLANNING	179	214	166	179
PASSENGER SERVICES	4,784	5,485	6,434	6,324
ROAD SAFETY	661	670	661	652
Total Operating Expenditure	5,623	6,369	7,261	7,154
Capital Expenditure	-	500	-	-
Total Funding Required	5,623	6,869	7,261	7,154
<b>Funded By</b>				
User Fees and Other Revenue	3,917	4,310	4,850	4,730
Individual Rates	1,408	1,422	1,736	1,704
Common Rates	232	231	190	221
Loans and Reserves	66	905	485	497
<b>Total Funded</b>	<b>5,623</b>	<b>6,868</b>	<b>7,261</b>	<b>7,154</b>

Capital Expenditure	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Meet Additional Demand	-	-	-	-
Improve Level of Service	-	-	-	-
Replace Existing Assets	-	500	-	-
<b>Total Capital Expenditure</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>

## Prospective Funding Impact Statement for the Transport Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	232	231	190	221
Targeted rates	1,408	1,422	1,736	1,704
Subsidies and grants for operating purposes	3,306	3,370	3,824	3,750
Fees and charges	611	559	583	566
Internal charges and overheads recovered	-	382	443	413
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>5,558</b>	<b>5,964</b>	<b>6,776</b>	<b>6,655</b>
Applications of Operating Funding				
Payments to staff and suppliers	4,594	4,979	5,797	5,705
Finance costs	-	-	-	-
Internal charges and overheads applied	1,029	1,341	1,413	1,399
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>5,623</b>	<b>6,320</b>	<b>7,210</b>	<b>7,104</b>
<b>Surplus (Deficit) of Operating Funding (A-B)</b>	<b>(66)</b>	<b>(356)</b>	<b>(434)</b>	<b>(449)</b>
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	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Applications of Capital Funding				
Capital expenditure:				
· to meet additional demand	-	-	-	-
· to improve the level of service	-	-	-	-
· to replace existing assets	-	500	-	-
Increase (decrease) in reserves	(66)	(855)	(435)	(449)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>(66)</b>	<b>(355)</b>	<b>(435)</b>	<b>(449)</b>
<b>Surplus (Deficit) of Capital Funding (C-D)</b>	<b>66</b>	<b>355</b>	<b>435</b>	<b>449</b>
<b>Funding Balance</b>	<b>-</b>	<b>(1)</b>	<b>1</b>	<b>-</b>
Depreciation	-	50	50	50



## Transport Planning Activity

### Overview

The Transport Planning Activity carries out our statutory responsibilities by coordinating the planning of all modes of land transport in the Region.

We do this through the Regional Transport Committee, which brings together the main transport stakeholders in the Region. A key output of the committee is to prepare and implement a Regional Land Transport Plan (RLTP). This identifies the Region's key land transport issues, the strategic priorities and objectives the Region wants to achieve, and the policies that set out how they will be achieved. It also includes the capital and maintenance projects identified as being a priority for the Region, which once completed will give effect to the objectives of the RLTP.

### What we will do in 2016-17

#### Coordinate and Service the Regional Transport Committee

The Regional Transport Committee (RTC) is made up of political representatives from Horizons, the seven territorial local authorities in our Region, the New Zealand Transport Agency (Transport Agency) and representatives from external agencies involved in transport. The committee is responsible for preparing a new Regional Land Transport Plan every six years, with a three-yearly review scheduled in between. With the current plan being completed in 2015, the focus for the committee during 2016-17 will be implementation of that plan and delivery of its outcomes. The RTC will meet four times a year to receive reports on and make decisions on land transport matters.

#### Implement, Monitor and Report on the Regional Land Transport Plan (RLTP)

The plan has been developed under the Government Policy Statement that focuses largely on economic growth, productivity and freight efficiency. This will key into other work being carried out in the Region, specifically the Regional Growth Study and the Central New Zealand Agribusiness Strategy. The aim of this work is to identify economic growth opportunities within the Region. Providing integrated transport linkages within the Region and across regional

boundaries to maximise the efficient movement of product will be a key focus of the RLTP implementation.

Other work streams will include working with territorial authorities and the Transport Agency to ensure funds are being spent on key projects. Work will also involve advocating for additional funds, specifically from the regional land development fund where opportunities for integral capital projects arise.

Work will also involve advocating to Central Government via submissions on policy changes. Monitoring of the Plan will be reported on once a year, with the annual report on its implementation to be prepared in early 2017.

During the later half of the year, work will commence on the three-yearly review of the RLTP.

## Transport Planning – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>PREPARE, IMPLEMENT, MONITOR AND REPORT ON THE REGIONAL LAND TRANSPORT PLAN</b>	Achieved			
Implement the Regional Land Transport Plan		✓	✓	✓
Prepare monitoring report on the Regional Land Transport Plan		✓	✓	✓
Prepare submissions on Central Government policy		✓	✓	✓

## Transport Planning – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Transport Planning	179	214	166	179
<b>Total</b>	<b>179</b>	<b>214</b>	<b>166</b>	<b>179</b>

## What this work will cost (Financial Summary \$'000)

### This activity is funded by:

User Fees and Other Revenue

- Government Support

Common Rates

- Transport Planning and Road Safety (EQCV)

Percentage of total expenditure  
for 10-year Plan



■ This activity

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	117	71	78	83
Individual Rates	-	-	-	-
Common Rates	62	63	70	77
<b>Total Income</b>	<b>179</b>	<b>134</b>	<b>148</b>	<b>160</b>
Operating Expenditure	179	214	166	179
<b>Operating Surplus/(Deficit)</b>	<b>-</b>	<b>(80)</b>	<b>(18)</b>	<b>(19)</b>
Capital Expenditure	-	-	-	-
<b>Total To Be Funded</b>	<b>-</b>	<b>(80)</b>	<b>(18)</b>	<b>(19)</b>
Reserve Funding	-	(80)	(18)	(19)
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>-</b>	<b>(80)</b>	<b>(18)</b>	<b>(19)</b>





# Passenger Services Activity

## Overview

We support and provide passenger transport services to improve access and mobility for the Region's residents. Buses, Total Mobility (a taxi service for people with disabilities) and community van services provide a cheap and environmentally friendly way to get around, whether for daily commuting to work and education, or shopping, medical visits and social activities.

To support the subsidised services, we provide timetable information, bus shelters and seating facilities, and carry out marketing campaigns and promotions to encourage people to travel by public transport.

All services operated in the Region are included in the Regional Public Transport Plan adopted in 2015.

## What we will do in 2016-17

### Existing Services

The existing services provided in each district are as follows:

#### Contract and Support Palmerston North Passenger Transport Services

- A city-wide bus service consisting of six urban routes and six bus routes servicing Massey University; and
- Total Mobility services for 2,700 people with disabilities that prevent them using regular public transport.

#### Contract and Support Wanganui Passenger Transport Services

- An urban bus service on four routes between 7.00 am and 5.10 pm, with some weekend services, and weekday services between Castlecliff and various high schools in Wanganui; and
- Total Mobility for 1,900 people with disabilities that prevent them using regular public transport.

#### Contract and Support Horowhenua Passenger Transport Services

- A weekday commuter bus service between Levin and Palmerston North, via Foxton;
- Total Mobility for 1,350 people with disabilities;
- Support for the Horowhenua Health Shuttle, which brings outpatients and visitors to Palmerston North Hospital and other health-related destinations; and
- Support for the Foxton Beach Community Van and the Foxton-Foxton Beach Bus.

#### Contract and Support Manawatu Transport Services

- A bus service around Feilding, and between Feilding and Palmerston North, via Bunnythorpe;
- Total Mobility for 750 people with disabilities; and
- Support for the Feilding St John health shuttle, which brings outpatients and visitors to Palmerston North Hospital and other health-related destinations.

#### Contract and Support Ruapehu Transport Services

- Total Mobility for 260 people with disabilities;
- Support for the Taumarunui Mobility Van; and
- A Raetihi to Ohakune fortnightly bus service.

#### Contract and Support Rangitikei Transport Services

- A Marton to Palmerston North commuter bus service; and
- Total Mobility for 200 people with disabilities.

#### Contract and Support Tararua Transport Services

- Support for the Dannevirke and Pahiatua health shuttles, which bring outpatients and visitors to Palmerston North Hospital and other health-related destinations; and
- Support for the Danniverke Vehicle Trust.

## Passenger Rail

We will continue to support the Capital Connection passenger rail service by subsidising \$175,000 this financial year.

## Provide Public Transport Information and Infrastructure

We provide bus seats, shelters, timetable information at bus stops and terminals, and printed timetables for bus users. We also regularly run promotional campaigns for our bus services.

## Additional Services

Given the feedback received on the Palmerston North urban bus service review and demand surveys for Whanganui to Palmerston North and Levin to Waikanae, we will introduce the following additional services:

- Ashhurst to Palmerston North daily bus service. This will be funded via reserves during 2016-17 (\$50,000 per year);
- A two-year trial of increased peak frequency on the Milson/Cloverlea route in Palmerston North to 10 mins, to gauge whether there is demand for increased peak frequency across the network (\$77,500);
- Increased frequency on the Fernlea Heights route to 20 mins during peak times (\$44,500);
- A project to collect people movement data to gauge demand opportunity in Palmerston North (\$8,000);
- A project to improve timetable information in Palmerston North (\$8,000);
- A two-year trial of increased services for the Summerhill area in Palmerston North (\$69,500);
- A Levin to Waikanae bus service (\$12,000);<sup>1</sup>
- Whanganui to Palmerston North daily commuter service. This will be funded via reserves in 2016-17 (\$30,000);
- A day out in town Horowhenua loop bus service (\$10,000); and
- Support for the Pahiatua Vehicle Trust (\$2,400 via reserves).

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<sup>1</sup> This was to commence in the 2017-18 financial year however it is now proposed to bring this forward.



## Passenger Services – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
100% of all scheduled bus trips are operated		✓	✓	✓
Achieve 1.7 million trips on public transport in the Region by 2018-19	1.63 million	1.72 million	1.74 million	1.68 million <sup>2</sup>
Install six new shelters each year on our urban bus routes		✓	✓	✓
Achieve 45-50% fare box recovery across all bus services (averaged)		✓	✓	✓
Achieve 90% satisfaction with Total Mobility provision in the Region – as measured by survey	95%	90%	90%	90%

## Passenger Services – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Implementation of Services	4,425	5,104	6,011	5,910
Planning and Development	359	381	423	414
<b>Total</b>	<b>4,784</b>	<b>5,485</b>	<b>6,434</b>	<b>6,324</b>

<sup>2</sup> This figure has been reduced due to a declining trend in passenger number trips. This trend has been observed nationally and it attributed to the significant drop in fuel prices resulting in fewer persons using public transport as they are now choosing to drive. The figure was amended down to provide a more realistic and attainable target.

## What this work will cost (Financial Summary \$000)

### This activity is funded by:

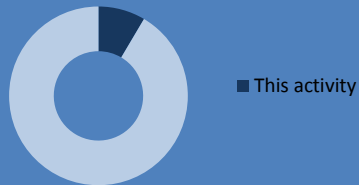
User Fees and Other Revenue

- Government Support

Individual Rates

- Passenger Services Rates (By District, CV)

Percentage of total expenditure  
for 10-year Plan



	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	3,289	3,738	4,276	4,163
Individual Rates	1,408	1,422	1,736	1,704
Common Rates	-	-	(20)	-
<b>Total Income</b>	<b>4,697</b>	<b>5,160</b>	<b>5,992</b>	<b>5,867</b>
Operating Expenditure	4,784	5,485	6,434	6,324
<b>Operating Surplus/(Deficit)</b>	<b>(87)</b>	<b>(325)</b>	<b>(442)</b>	<b>(457)</b>
Capital Expenditure	-	500	-	-
<b>Total To Be Funded</b>	<b>(87)</b>	<b>(825)</b>	<b>(442)</b>	<b>(457)</b>
Reserve Funding	(87)	(825)	(442)	(457)
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>(87)</b>	<b>(825)</b>	<b>(442)</b>	<b>(457)</b>



## Road Safety Activity

### Overview

Every year hundreds of New Zealanders are killed and thousands seriously injured in crashes. In the Horizons Region over the last five years, 129<sup>3</sup> people have been killed on the Region's roads. Although this number is declining, the social cost to individuals, families and communities from the number of deaths and injuries continues to be a significant issue.

Road crashes place a substantial burden on the economy and health sector. The current social cost of road injuries is approximately \$3.14 billion per annum<sup>4</sup>. These costs include the cost of the loss of life and life quality, loss of output due to temporary incapacitation, medical costs, legal costs and property damage costs.

The road safety education programme aims to contribute to the reduction of the road toll and serious injuries by educating and providing information to drivers.

The key causes of crashes in our Region include driver fatigue, speed, drink driving and driver distraction. The Region has an aging population, which will increase the risk of a growing number of crashes. Young drivers (between 15 and 24 years) and motorcyclists are particularly at risk, while increased pedestrian and cycling trips have considerable risks also.

### What we will do in 2016-17

#### Community Road Safety Education Activities

Horizons employs three road safety coordinators who will work in partnership with district council transport staff, ACC, Police, Plunket, district health boards and other road safety stakeholders. They will coordinate a series of education programmes on behalf of the Region's districts to achieve an integrated and holistic approach to road safety education. The territorial authorities will contribute funding to assist with these programmes.

The programmes will focus mainly on drink driving, older drivers, heavy motor vehicle crashes, driver distraction, motorcycle crashes, intersection crashes, high risk drivers, driver fatigue, car restraint use and driver licensing, as these have been problem issues in previous years.

The programmes will involve meeting drivers, influencing driver behaviour, and raising awareness of issues that increase the risk of injury and death. Programmes vary between districts according to the issues to be addressed, but will include:

- School presentations and activities;
- Advertising and competitions via media to raise awareness of road safety issues;
- Road safety presentations at public events such as Central Districts Field Days, A and P shows, motorcycle rallies, car jamborees etc;
- Fatigue stops on highways at holiday weekends;
- Other educational activities run in conjunction with police stops such as drink-driving checks;
- Driver licencing programmes;
- Car restraint educational activities and checks;
- Host responsibility workshops; and
- Adult and school cycle training in conjunction with police education officers and others.

On behalf of external programme providers and community groups (i.e. Age Concern Wanganui, Age Concern Horowhenua, Woodville Lions and Plunket) we will attract Central Government funding for additional education programmes. This will allow for the road safety education programme to involve a greater number of providers and reach a wider audience. As Horizons does not contribute to the local share of external programme providers there will be no additional cost to the ratepayers.

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<sup>3</sup> [www.transport.govt.nz](http://www.transport.govt.nz) to 21 December 2015.

<sup>4</sup> [www.transport.govt.nz](http://www.transport.govt.nz) – 2014 data.

## **Funding**

In 2016-17 the Funding Assistance Rate (FAR) from NZTA will be at 64 per cent or \$459,000 of the programme budget. Ratepayers will contribute \$144,000 with an additional \$25,000 committed from reserves. Additionally the Region's territorial authorities will contribute \$24,000 to the programme.

## Road Safety – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>COMMUNITY ROAD SAFETY EDUCATION ACTIVITIES – DISTRICT FOCUSED</b>				
Deliver a number of programmes to address the following issues across the Region including: <ul style="list-style-type: none"> <li>• Drink driving;</li> <li>• Crashes caused by driver fatigue;</li> <li>• Intersection crashes;</li> <li>• Cyclist and pedestrian safety;</li> <li>• Driver distraction;</li> <li>• Motorcycle crashes;</li> <li>• Crashes by high risk and older drivers; and</li> <li>• Seat belt and child restraint use rates.</li> </ul>	Achieved	20	20	20

## Road Safety – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Road Safety	661	670	661	652
<b>Total</b>	<b>661</b>	<b>670</b>	<b>661</b>	<b>652</b>

## What this work will cost (Financial Summary \$000)

### This activity is funded by:

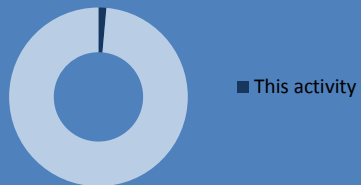
User Fees and Other Revenue

- Government Support

Common Rates

- Transport Planning and Road Safety (EQCV)

Percentage of total expenditure  
for 10-year Plan



	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	510	501	495	483
Individual Rates	-	-	-	-
Common Rates	171	169	140	144
<b>Total Income</b>	<b>681</b>	<b>670</b>	<b>635</b>	<b>627</b>
Operating Expenditure	661	670	661	652
<b>Operating Surplus/(Deficit)</b>	<b>20</b>	<b>-</b>	<b>(26)</b>	<b>(25)</b>
Capital Expenditure	-	-	-	-
<b>Total To Be Funded</b>	<b>20</b>	<b>-</b>	<b>(26)</b>	<b>(25)</b>
Reserve Funding	20	-	(26)	(25)
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>20</b>	<b>-</b>	<b>(26)</b>	<b>(25)</b>

## **Introducing the Investment Group of Activities**

### **What is included in this group?**

This group only contains our Investment Activity.

### **Why does Council deliver this group of activities?**

We undertake this group of activities as it indirectly contributes to all of the community outcomes by ensuring funds are available to undertake all of our activities.

Our Investment Activity generates income and reduces borrowing costs to offset rates rather than producing activities that contribute to the Region's outcomes. This means it stands aside from our other activities and needs its own group.

### **What we will do in 2016-17**

We will continue to manage Council's investments, debts and cashflows to maximise returns and minimise interest costs for the ratepayer. This management will balance returns and costs against potential risks such as investment and interest rate risks.

### **Significant negative effects on the community goals**

There are no significant negative effects on the community goals from this group of activities.

## Investment Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
INVESTMENT	2,922	2,993	3,217	2,891
Total Operating Expenditure	2,922	2,993	3,217	2,891
Capital Expenditure				
Total Funding Required	2,922	2,993	3,217	2,891
<b>Funded By</b>				
User Fees and Other Revenue	5,436	4,926	5,361	5,226
Individual Rates				
Common Rates	(1,013)	(1,513)	(1,669)	(1,815)
Loans and Reserves	(1,502)	(420)	(475)	(520)
<b>Total Funded</b>	<b>2,922</b>	<b>2,993</b>	<b>3,217</b>	<b>2,891</b>

Capital Expenditure \$000	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Meet Additional Demand	-	-	-	-
Improve Level of Service	-	-	-	-
Replace Existing Assets	-	-	-	-
<b>Total Capital Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Prospective Funding Impact Statement for the Investment Group of Activities (\$000)

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Sources of Operating Funding				
General rates, uniform annual general charges, rates penalties	(1,013)	(1,513)	(1,669)	(1,815)
Targeted rates	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-
Fees and charges	-	772	806	806
Internal charges and overheads recovered	2,035	2,428	2,672	2,549
Interest and dividends from investments	2,370	1,726	1,883	1,872
Local authorities fuel tax, fines, infringement fees and other receipts	1,032	-	-	-
<b>Total sources of operating funding (A)</b>	<b>4,424</b>	<b>3,413</b>	<b>3,692</b>	<b>3,411</b>
Applications of Operating Funding				
Payments to suppliers	1,229	1,233	1,286	1,255
Payments to staff	-	-	-	-
Finance costs	1,254	1,220	1,295	1,200
Internal charges and overheads applied	439	541	636	436
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>2,922</b>	<b>2,994</b>	<b>3,217</b>	<b>2,891</b>
<b>Surplus (Deficit) of Operating Funding (A-B)</b>	<b>1,502</b>	<b>419</b>	<b>475</b>	<b>520</b>
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	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Applications of Capital Funding				
Capital expenditure:				
· to meet additional demand	-	-	-	-
· to improve the level of service	-	-	-	-
· to replace existing assets	-	-	-	-
Increase (decrease) in reserves	1,502	420	475	520
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,502</b>	<b>420</b>	<b>475</b>	<b>520</b>
<b>Surplus (Deficit) of Capital Funding (C-D)</b>	<b>(1,502)</b>	<b>(420)</b>	<b>(475)</b>	<b>(520)</b>
<b>Funding Balance</b>	<b>-</b>	<b>(1)</b>	<b>-</b>	<b>-</b>
Depreciation	-	-	-	-



# Investment Activity

## Overview

The Investment Activity encompasses Council's long-term income-generating assets such as port investments, the maximisation of Council's short-term cash investments, and the management of Council's long-term debt.

Our long-term investment portfolio is owned and managed by the Council's 100 per cent owned holding company, MWRC Holdings Limited. The external commercial director of this company provides expertise to improve the overall balance of risk and return of these investments.

In this activity we also run an internal treasury function that manages cash flow and long-term debt. This function seeks to balance the cash requirements of Council operations, with interest income, cost and interest rate risks.

## What we do

### Investment Activities

In this activity we own and manage, via MWRC Holdings, Council's long-term investments such as CentrePort Limited shares. This activity also manages the Council's cash flow to ensure Council operations are funded while short-term investment returns are maximised. In addition Council's long-term debt and the risk associated with that debt (eg. interest rate risk) are managed prudently.

### Rate Penalties

Council, in order to be fair to all ratepayers, has the responsibility to apply penalties in line with its policies and annual rating resolution. This activity manages compliance with Council's policies and resolutions.

### Rate Discount

Council has a policy to reward ratepayers who pay their rates on the due date. This activity ensures Council's prompt payment policy is fairly applied to all ratepayers.

## Investment – What We Will Deliver (\$000)

PERFORMANCE MEASURES FOR LEVELS OF SERVICE *The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years	Actual 2014-15	Long-term Plan 2015-16	Long-term Plan 2016-17	Annual Plan 2016-17
	Year 3	Target Year 1	Target Year 2	Target Year 2
<b>INVESTMENT ACTIVITIES (INC. PORTS)</b>				
MWRC dividends meet budget expectations and comply with CCTO Statements of Intent	x	✓	✓	✓
Monthly weighted average interest rate exceeds 90-day Bank Bill Rate (BKBM) by 50 basis points (0.50%). Note: targets based on current predicted interest rates, which will change over time	4.50%	>4.81%	>4.91%	>4.91%
<b>RATE PENALTIES</b>				
Apply penalties in accordance with the Local Government (Rating) Act 2002 and Horizons' policies	✓	✓	✓	✓
<b>RATE DISCOUNT</b>				
Apply prompt payment discount in accordance with Horizons' policies	✓	✓	✓	✓
<b>RATE REMISSIONS</b>				
Allow remissions according to Horizons' policies	✓	✓	✓	✓

## Investment – Operating Expenditure

	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
Income Investments	2,853	2,971	3,195	2,875
Strategic Investments	69	22	22	16
<b>Total</b>	<b>2,922</b>	<b>2,993</b>	<b>3,217</b>	<b>2,891</b>

## What this work will cost (Financial Summary \$000)

### This activity is funded by:

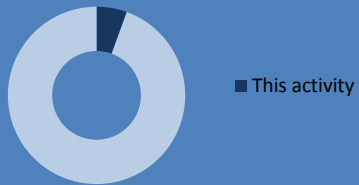
#### User Fees and Other Revenue

- Dividend
- Interest
- Penalties

#### Common Rates

- Investment Rate (EQCV)

Percentage of total expenditure  
for 10-year Plan



	Actual	Long-term Plan Year 1	Long-term Plan Year 2	Annual Plan
	2014-15	2015-16	2016-17	2016-17
User Fees and Other Revenue	5,436	4,926	5,361	5,226
Individual Rates	-	-	-	-
Common Rates	(1,013)	(1,513)	(1,669)	(1,815)
<b>Total Income</b>	<b>4,423</b>	<b>3,413</b>	<b>3,692</b>	<b>3,411</b>
Operating Expenditure	2,922	2,993	3,217	2,891
<b>Operating Surplus/(Deficit)</b>	<b>1,502</b>	<b>420</b>	<b>475</b>	<b>520</b>
Capital Expenditure	-	-	-	-
<b>Total To Be Funded</b>	<b>1,502</b>	<b>420</b>	<b>475</b>	<b>520</b>
Reserve Funding	1,502	420	475	520
Loan Funding	-	-	-	-
<b>Total Funded</b>	<b>1,502</b>	<b>420</b>	<b>475</b>	<b>520</b>



## Introducing the Finances

### Overview

Here we present 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 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 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 Annual Plan and its associated policies and documents, is 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 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 financial statements presented, including the assumptions underlying financial statements and all other disclosures. The Annual Plan is prospective and as such contains no actual operating results.

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

	Actual 2014-15	LTP Year 1 2015-16	LTP Year 2 2016-17	Annual Plan 2016-17
<b>Income</b>				
<b>Statement of Comprehensive Revenue and Expense</b>				
Total Exchange and Non-exchange Revenue	57,762	53,598	55,442	55,761
<b>Summary Funding Impact Statement</b>				
Total Sources of Operating Funding	57,762	53,598	55,442	55,761
<b>Expenditure</b>				
<b>Statement of Comprehensive Revenue and Expense</b>				
Total Operating Expenditure	49,866	49,202	51,563	51,918
<b>Summary Funding Impact Statement</b>				
Total Applications of Operating Funding	46,815	45,996	48,464	48,708
Depreciation and Amortisation Expense	3,052	3,206	3,099	3,209
Total Expenditure	49,867	49,202	51,563	51,917

All figures are exclusive of GST unless otherwise stated



## 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
<b>Government Support and Activity Revenues</b>				
Land and Water Management	6,749	4,833	4,845	5,283
Flood Protection and Control Works	1,803	1,764	1,859	1,728
Biosecurity and Biodiversity Management	499	6	7	52
Regional Leadership and Governance	4,205	3,029	3,165	3,179
Transport	3,917	4,310	4,850	4,730
Corporate Support	-	-	-	-
Investment	2,589	2,450	2,695	2,571
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)	(4,526)
<b>Total Activity Revenue</b>	<b>19,034</b>	<b>14,731</b>	<b>15,220</b>	<b>15,672</b>
Rating Revenues – River and Drainage Schemes	9,923	12,540	12,816	12,809
Rating Revenues – Other	28,805	26,327	27,407	27,279
<b>Rating Revenues</b>	<b>38,728</b>	<b>38,867</b>	<b>40,223</b>	<b>40,088</b>
<b>Total Activity and Rating Revenues</b>	<b>57,762</b>	<b>53,598</b>	<b>55,443</b>	<b>55,760</b>
<b>Expenses (\$000)</b>				
Land and Water Management	14,361	14,239	15,411	15,996
Flood Protection and Control Works	10,835	10,542	10,913	10,945
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	7,154
Investment and Other	2,922	2,993	3,217	2,891
Less Internal Expenditure	(3,574)	(4,137)	(4,867)	(4,526)
<b>Total Operating Expenditure</b>	<b>49,866</b>	<b>49,202</b>	<b>51,562</b>	<b>51,917</b>
<b>Operating Surplus (Deficit)</b>	<b>7,896</b>	<b>4,396</b>	<b>3,881</b>	<b>3,843</b>

All figures are exclusive of GST unless otherwise stated

## 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	4,940
Other Revenues	10,985	8,266	8,322	8,861
<i>Subtotal Other</i>	16,999	13,006	13,336	13,801
<i>Rates Revenue</i>	38,728	38,867	40,223	40,088
Total Non-exchange Revenue	55,727	51,873	53,559	53,889
<b>Total Exchange and Non-exchange Revenue</b>	<b>57,762</b>	<b>53,598</b>	<b>55,442</b>	<b>55,761</b>
Expenditure				
Personnel Costs	16,484	16,801	17,176	17,233
Depreciation and Amortisation Expense	3,052	3,206	3,099	3,209
Finance Costs	1,256	1,220	1,295	1,200
Other Expenses	29,074	27,976	29,993	30,275
<b>Total Operating Expenditure</b>	<b>49,866</b>	<b>49,202</b>	<b>51,563</b>	<b>51,917</b>
Share of Associates Surplus (Deficit)	-	-	-	-
Gain/Loss on Remapped/Revalued Assets	(2,065)	-	-	-
Surplus (Deficit) Before Tax	5,831	4,397	3,879	3,844
Income Tax Expense	-	-	-	-
<b>Surplus (Deficit) After Tax</b>	<b>5,831</b>	<b>4,397</b>	<b>3,879</b>	<b>3,844</b>
Other Comprehensive Revenue and Expense Attributable to Council	-	-	-	-
Gain (Loss) on Asset Revaluations	28,123	-	-	-
Financial Assets at Fair Value Through Equity	(425)	-	-	-
<b>Total Other Comprehensive Revenue and Expense for the Year Net of Tax</b>	<b>27,698</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Revenue and Expense</b>	<b>33,529</b>	<b>4,397</b>	<b>3,879</b>	<b>3,844</b>

All figures are exclusive of GST unless otherwise stated

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

	Actual 2014-15	LTP Year 1 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
<b>Land, Water and Air Management Total</b>	<b>123</b>	<b>782</b>	<b>404</b>	<b>406</b>
Bait Stations	-	100	30	30
<b>Biosecurity and Biodiversity Management Total</b>	<b>-</b>	<b>100</b>	<b>30</b>	<b>30</b>
Historic Survey Data	19	42	41	36
Hydro Site Operation (Datalogger and Comms Upgrade)	-	44	-	-
Aerial Photography	-	139	133	130
Catchment Information 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
<b>Regional Leadership and Governance Total</b>	<b>756</b>	<b>1,542</b>	<b>1,136</b>	<b>1,125</b>
Ticketing System	-	500	-	-
<b>Transport Total</b>	<b>-</b>	<b>500</b>	<b>-</b>	<b>-</b>
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
<b>Corporate Support Total</b>	<b>815</b>	<b>1,035</b>	<b>683</b>	<b>769</b>
<b>Grand Total</b>	<b>1,694</b>	<b>3,959</b>	<b>2,254</b>	<b>2,330</b>

All figures are exclusive of GST unless otherwise stated

## 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
<b>Cash Flows from Operating</b>				
<u>Cash was provided from:</u>				
Receipts from Rates Revenue	38,481	38,782	40,135	40,000
Development and Financial Contributions	-	-	-	-
Finance Revenues	2,035	1,726	1,883	1,872
Subsidies and Grants	6,014	4,740	5,014	4,940
Other Revenues	10,724	8,266	8,322	8,861
<b>Total Operating Receipts</b>	<b>57,656</b>	<b>53,514</b>	<b>55,354</b>	<b>55,673</b>
<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	47,358
<b>Total Operating Payments</b>	<b>46,788</b>	<b>45,849</b>	<b>48,314</b>	<b>48,558</b>
<b>Net Cash from Operating</b>	<b>10,868</b>	<b>7,665</b>	<b>7,040</b>	<b>7,115</b>
<b>Cash Flow from Investing</b>				
<u>Cash was provided from:</u>				
Sale of Operational Assets	196	-	-	-
Receipts from CCO Loan	-	-	-	-
Investment Maturities	9,500	-	-	-
<b>Total Investment Receipts</b>	<b>9,696</b>	<b>-</b>	<b>-</b>	<b>-</b>
<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	5,992
Purchase of Operational Assets	2,271	3,459	1,749	1,825
Investment Deposits	-	-	-	-
<b>Total Investment Payments</b>	<b>12,827</b>	<b>10,863</b>	<b>8,097</b>	<b>8,322</b>
<b>Net Cash from Investing</b>	<b>(3,131)</b>	<b>(10,863)</b>	<b>(8,097)</b>	<b>(8,322)</b>

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	-	-	-	-
<b>Total Financing Receipts</b>	-	-	-	-
<u>Cash was applied to:</u>				
Additional Loans Repaid				
Loans Repayment of Debt	-	-	-	-
<b>Total Financing Payments</b>	-	-	-	-
<b>Net Cash from Financing</b>	-	-	-	-
Net Cash Flow for the Period	7,737	(3,198)	(1,057)	(1,207)
Plus Opening Cash and Cash Equivalent	4,931	3,471	273	273
<b>Closing Cash and Cash Equivalent</b>	<b>12,668</b>	<b>273</b>	<b>(784)</b>	<b>(934)</b>
<u>Made up of:</u>				
Cash and Cash Equivalent	12,668	273	(784)	(934)
<b>Closing Cash and Cash Equivalent</b>	<b>12,668</b>	<b>273</b>	<b>(784)</b>	<b>(934)</b>

All figures are exclusive of GST unless otherwise stated

## 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
<b>Current Assets</b>				
Cash and Cash Equivalents	12,668	273	(783)	(934)
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	-	-	-	-
<b>Total Current Assets</b>	<b>22,393</b>	<b>5,395</b>	<b>4,441</b>	<b>5,290</b>
<b>Non-current Assets</b>				
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	48,726
Intangible Assets	3,029	2,333	2,670	2,670
Infrastructural Assets	378,462	383,902	388,913	389,062
<b>Total Non-current Assets</b>	<b>464,775</b>	<b>474,975</b>	<b>479,973</b>	<b>477,850</b>
<b>TOTAL ASSETS</b>	<b>487,168</b>	<b>480,370</b>	<b>484,414</b>	<b>483,140</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts Payable	10,311	1,540	1,571	1,571
Accruals and Other Payables	-	3,652	3,725	2,486
Provisions	1,680	3,079	3,141	3,141
Tax Payable	-	-	-	-
Advances	-	-	-	-
Debt – Current Portion	-	-	5,000	5,000
Derivative Financial Instruments (Current)	14	-	-	-
<b>Total Current Liabilities</b>	<b>12,004</b>	<b>8,271</b>	<b>13,437</b>	<b>12,198</b>

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>	<b>20,558</b>	<b>20,000</b>	<b>15,000</b>	<b>15,000</b>

**TOTAL LIABILITIES**

<b>32,592</b>	<b>28,271</b>	<b>28,437</b>	<b>27,198</b>
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**NET ASSETS**

<b>454,576</b>	<b>452,099</b>	<b>455,977</b>	<b>455,942</b>
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**REPRESENTED BY:****EQUITY**

Asset Revaluation Reserves	99,499	93,828	93,828	93,828
Restricted Reserves	7,122	8,656	9,355	9,228
Infrastructure Insurance Reserve	1,360	1,780	2,300	2,300
Financial Derivatives Reserves	(602)	-	-	-
Retained Earnings	347,197	347,835	350,496	350,586
<b>Total Equity</b>	<b>454,576</b>	<b>452,099</b>	<b>455,979</b>	<b>455,942</b>

All figures are exclusive of GST unless otherwise stated

## 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	452,099
Total Comprehensive Revenue and Expense	33,529	4,397	3,879	3,844
<b>Balance at 30 June</b>	<b>454,576</b>	<b>452,099</b>	<b>455,978</b>	<b>455,943</b>
Detailed Changes				
<b>Asset Revaluation Reserves</b>				
Balance at 1 July	71,378	93,828	93,828	93,828
Increase in Revaluation Reserves	28,121	-	-	-
<b>Balance at 30 June</b>	<b>99,499</b>	<b>93,828</b>	<b>93,828</b>	<b>93,828</b>
<b>Restricted Reserves</b>				
Balance at 1 July	6,736	7,707	8,655	8,655
Plus Transfer from Retained Earnings:				
River and Drainage Schemes Emergency Reserve	386	631	632	632
River and Drainage Schemes Capex Renewal Reserve	-	317	66	66
<b>Balance at 30 June</b>	<b>7,122</b>	<b>8,655</b>	<b>9,353</b>	<b>9,353</b>
<b>Infrastructure Insurance Reserves</b>				
Balance at 1 July	940	1,360	1,780	1,780
Plus Transfer from Retained Earnings	420	420	520	520
<b>Balance at 30 June</b>	<b>1,360</b>	<b>1,780</b>	<b>2,300</b>	<b>2,300</b>
<b>Financial Derivatives Reserves</b>				
Balance at 1 July	(177)	-	-	-
Plus Transfer from Retained Earnings	(425)	-	-	-
<b>Balance at 30 June</b>	<b>(602)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Retained Earnings</b>				
Balance at 1 July	342,171	344,807	347,836	347,836
Net Surplus (Deficit) after Tax for the Year	5,831	4,397	3,879	3,844
Less Transfer to Restricted Reserves	(386)	(948)	(699)	(698)
Less Transfer to Infrastructure Insurance Reserve	(420)	(420)	(520)	(520)
<b>Balance at 30 June</b>	<b>347,197</b>	<b>347,836</b>	<b>350,496</b>	<b>350,462</b>
<b>Total Equity at 30 June</b>	<b>454,576</b>	<b>452,099</b>	<b>455,977</b>	<b>455,943</b>

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	
<b>RIVER SCHEMES</b>													
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
Ihuraua	6,723	4,595	1,345	-	-	-	-	-	-	-	-	-	5,940
Lower KIWITEA	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	10,193,899	3,065,050	1,068,592	17,700	956,000	-	31,370	-	-	320,180	460,000	142,399	6,061,291
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	101,421	54,273	13,372	10,000	-	-	-	-	-	6,750	-	(108)	84,287
Ohau-Manakau	391,557	288,220	69,214	-	10,000	-	-	-	1,687	-	-	11,767	380,888
Pakihi	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	559,490	406,677	81,276	-	-	-	-	-	542	-	-	34,010	522,505
Tawataia-Mangaone	11,435	8,073	1,916	-	-	-	-	-	72	-	-	464	10,525
Turakina	39,388	33,916	7,853	-	-	-	-	-	-	-	-	123	41,892
Tutaenui	87,841	66,119	16,301	-	-	-	-	-	-	2,500	1,500	1,413	87,833
Upper Manawatu	338,986	257,686	54,755	-	-	-	-	-	-	-	-	23,615	336,056
Upper Whanganui	217,167	149,977	37,754	-	14,500	-	-	-	-	2,300	-	15,623	220,154
Whangaehu-Mangawhero	116,387	94,708	22,374	-	-	-	-	-	-	-	-	1,516	118,598
<b>DRAINAGE SCHEMES</b>													
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	-	-	-	-	-	20	-	1,000	851	19,598
Hokio Drainage	181,040	55,623	14,800	-	-	-	-	-	24	-	-	867	71,313
Koputaroa Drainage	462,194	242,544	69,175	-	-	-	48,718	3,344	10,890	20,000	7,471	402,142	
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 Kawanui 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
<b>Total</b>	<b>20,400,361</b>	<b>9,492,758</b>	<b>2,705,776</b>	<b>167,568</b>	<b>1,243,227</b>	<b>61,000</b>	<b>5,261</b>	<b>222,565</b>	<b>18,400</b>	<b>439,607</b>	<b>587,600</b>	<b>394,666</b>	<b>15,338,428</b>

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
<b>RIVER SCHEMES</b>				
Ashhurst Stream	-	1,820	2,216	4,396
Akitio	-	-	5,663	8,550
East Manawatu	-	-	(773)	(1,320)
Ihuraua	-	-	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	30,967
Whangaehu-Mangawhero	-	-	15,789	18,000
<b>DRAINAGE SCHEMES</b>				
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	-	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 Kawanu Drainage	-	37,992	56	1,610
Whirokino Drainage	-	3,105	8,835	6,748
	<b>4,150,000</b>	<b>832,633</b>	<b>363,005</b>	<b>283,707</b>

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	
<b>RIVER SCHEMES</b>							
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	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
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	20,145	32,145	-	-	-	32,145
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
<b>DRAINAGE SCHEMES</b>							
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	115,210	163,710	60,897	-	60,897	224,607
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 Kawanu 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
	<b>1,543,625</b>	<b>2,799,223</b>	<b>4,342,848</b>	<b>278,206</b>	<b>5,713,900</b>	<b>5,992,106</b>	<b>10,334,954</b>

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
<b>RIVER SCHEMES</b>											
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	-	-	-	-	-	-	-	-	-	-	-
Lower Manawatu River	473,818	143,733	57,317	-	164,912	175,755	17,700	125,395	15,000	12,000	1,185,630
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	10,000	-	-	2,300	32,173
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
<b>DRAINAGE SCHEMES</b>											
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 Kawau Drainage	43,325	4,801	1,115	-	3,690	-	-	-	-	-	52,931
Whirokino Drainage	3,075	383	95	-	282	-	-	-	-	-	3,835
	<b>1,807,157</b>	<b>286,320</b>	<b>115,000</b>	<b>-</b>	<b>267,654</b>	<b>232,511</b>	<b>67,568</b>	<b>207,546</b>	<b>17,500</b>	<b>45,750</b>	<b>3,047,006</b>

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	
<b>RIVER SCHEMES</b>								
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
Ihuraia Stream	-	-	-	-	-	-	-	6,723
Lower Kiwitea 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	10,193,899
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	101,421
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	93,528	-	-	559,490
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	87,841
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
<b>DRAINAGE SCHEMES</b>								
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	-	26,054	32,945	462,194
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 Kawanu 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
	<b>832,633</b>	<b>18,400</b>	<b>709,224</b>	<b>394,666</b>	<b>698,991</b>	<b>2,274,453</b>	<b>2,090,034</b>	<b>20,400,361</b>

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 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 they have no impact on the Funding Impact Statement (FIS) and the Group information is not readily available.

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

## Basis of Preparation

The 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 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 financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, and certain infrastructural assets. The 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 acquire; 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 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 (PBEs), the 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.

*All figures are exclusive of GST unless otherwise stated*

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 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 recognised in the surplus or deficit when incurred; and
- Costs associated with development and maintenance of the Council's website 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 that 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 \$1.094 million and withdrawals in total of \$0.588 million are estimated to occur during the period 1 July 2016 and 30 June 2017. The total estimated closing balance of these reserves is \$7.311 million.

The table below shows the estimated opening balance for the respective reserve 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.

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
Ihurua 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
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

All figures are exclusive of GST unless otherwise stated

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	127,538	-	713,911
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	1,500	26,270
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
<b>Total Scheme Reserve</b>	<b>6,804,586</b>	<b>1,093,660</b>	<b>587,600</b>	<b>7,310,646</b>

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
Ihurua 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 Projects	-	-	-	-	-
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

All figures are exclusive of GST unless otherwise stated

Pakihi	300	317	-	-	617
Pohangina-Oroua River Control	-	-	-	-	-
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	-	-	-	-	-
Upper Whanganui River	-	2,300	2,300	-	-
Whangaehu-Mangawhero	-	-	-	-	-
Whirokino Drainage	711	2,919	1,607	-	2,023
<b>Total Scheme Reserve</b>	<b>317,242</b>	<b>727,623</b>	<b>439,607</b>	<b>222,565</b>	<b>382,693</b>

All figures are exclusive of GST unless otherwise stated

## 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
<b>Sources of Operating Funding</b>				
General rates, uniform annual general charges, rates penalties	24,703	25,557	26,432	26,417
Targeted rates	14,025	13,310	13,790	13,671
Subsidies and grants for operating purposes	6,014	4,740	5,014	4,940
Fees and charges	10,987	8,266	8,322	8,861
Interest and dividends from investments	2,034	1,726	1,883	1,872
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-	-
<b>Total sources of operating funding (A)</b>	<b>57,763</b>	<b>53,599</b>	<b>55,441</b>	<b>55,761</b>
<b>Applications of Operating Funding</b>				
Payments to staff and suppliers	45,559	44,777	47,169	47,508
Finance costs	1,256	1,220	1,295	1,200
Other operating funding applications	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>46,815</b>	<b>45,997</b>	<b>48,464</b>	<b>48,708</b>
<b>Surplus (Deficit) of Operating Funding (A-B)</b>	<b>10,948</b>	<b>7,602</b>	<b>6,977</b>	<b>7,053</b>
<b>Sources of Capital Funding</b>				
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	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Applications of Capital Funding</b>				
Capital expenditure:				
· to meet additional demand	-	-	-	-
· to improve the level of service	7,892	6,670	5,561	5,714
· to replace existing assets	2,075	4,193	2,536	2,608
Increase (decrease) in reserves	981	(3,260)	(1,118)	(1,270)
Increase (decrease) of investments	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>10,948</b>	<b>7,603</b>	<b>6,979</b>	<b>7,052</b>
<b>Surplus (Deficit) of Capital Funding (C-D)</b>	<b>(10,948)</b>	<b>(7,603)</b>	<b>(6,979)</b>	<b>(7,052)</b>

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 01/09/15	General Rate Yield (Incl UAGC) 2015-16	District/City	ECV \$ At 22/12/15	General Rate Yield 2016-17	UAGC Yield 2016-17	Total Yield 2016-17
5,422,118,710	803,113	Horowhenua DC	5,751,845,991	52,801	692,120	744,921
6,610,281,625	681,145	Manawatu DC	7,050,886,643	64,597	524,720	589,317
12,629,826,100	1,542,935	Palmerston North CC	13,514,714,369	123,470	1,278,600	1,402,070
3,393,766,613	398,140	Rangitikei DC	3,600,989,580	33,104	315,680	348,784
3,612,123,235	417,466	Ruapehu DC	3,646,137,068	33,576	337,200	370,776
4,506,388,538	483,617	Tararua DC	4,908,292,555	45,173	378,960	424,133
5,751,759,498	931,812	Wanganui DC	6,018,722,888	55,257	821,080	876,337
66,538,885	8,930	Part Stratford DC	68,634,905	631	7,600	8,231
1,857,000	124	Part Taupo DC	1,787,321	16	80	96
66,764,750	2,562	Part Waitomo DC	79,713,998	735	1,120	1,855
<b>42,061,424,954</b>	<b>5,269,844</b>		<b>44,641,725,318</b>	<b>409,360</b>	<b>4,357,160</b>	<b>4,766,520</b>

All figures are inclusive 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	17,104	40.0000000	684,163
Manawatu DC	UAGC	12,967	40.0000000	518,687
Palmerston North CC	UAGC	31,598	40.0000000	1,263,900
Rangitikei DC	UAGC	7,801	40.0000000	312,051
Ruapehu DC	UAGC	8,333	40.0000000	333,323
Tararua DC	UAGC	9,365	40.0000000	374,603
Wanganui DC	UAGC	20,291	40.0000000	811,640
Part Stratford DC	UAGC	188	40.0000000	7,513
Part Taupo DC	UAGC	2	40.0000000	79
Part Waitomo DC	UAGC	28	40.0000000	1,107
<b>Total UAGC</b>				<b>4,307,067</b>

## General Rate – Equalised Capital Value (EQCV)

District/City	Class	All Properties \$ per \$ of Capital Value 2016-17	Revenue Sought 2016-17
Horowhenua DC	01N	0.0000093	53,141
Manawatu DC	02N	0.0000092	65,014
Palmerston North CC	03N	0.0000092	124,271
Rangitikei DC	04N	0.0000093	33,317
Ruapehu DC	05N	0.0000093	33,791
Tararua DC	06N	0.0000093	45,463
Wanganui DC	07N	0.0000093	55,613
Part Stratford DC	08N	0.0000093	635
Part Taupo DC	09N	0.0000093	17
Part Waitomo DC	10N	0.0000093	740
<b>Total General Rate - EQCV</b>			<b>412,000</b>

All figures are inclusive 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	0.0000749	427,478
Manawatu DC	02N	0.0000749	523,983
Palmerston North CC	03N	0.0000748	1,004,445
Rangitikei DC	04N	0.0000750	267,611
Ruapehu DC	05N	0.0000750	270,990
Tararua DC	06N	0.0000750	364,791
Wanganui DC	07N	0.0000749	447,310
Part Stratford DC	08N	0.0000750	5,101
Part Taupo DC	09N	0.0000752	133
Part Waitomo DC	10N	0.0000751	5,924
<b>Total Biosecurity Rate - EQCV</b>			<b>3,317,766</b>

## 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	0.0000383	218,551
Manawatu DC	02N	0.0000383	267,922
Palmerston North CC	03N	0.0000382	513,529
Rangitikei DC	04N	0.0000383	136,834
Ruapehu DC	05N	0.0000383	138,546
Tararua DC	06N	0.0000384	186,500
Wanganui DC	07N	0.0000383	228,721
Part Stratford DC	08N	0.0000383	2,608
Part Taupo DC	09N	0.0000384	68
Part Waitomo DC	10N	0.0000384	3,029
<b>Total Emergency Management Rate - EQCV</b>			<b>1,696,307</b>

All figures are inclusive 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	185,409
Manawatu DC	02N	0.0000325	227,246
Palmerston North CC	03N	0.0000324	435,656
Rangitikei DC	04N	0.0000325	116,060
Ruapehu DC	05N	0.0000325	117,531
Tararua DC	06N	0.0000325	158,185
Wanganui DC	07N	0.0000325	193,978
Part Stratford DC	08N	0.0000325	2,212
Part Taupo DC	09N	0.0000326	58
Part Waitomo DC	10N	0.0000326	2,569
<b>Total Information Rate - EQCV</b>			<b>1,438,903</b>

## 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	0.0000421	240,360
Manawatu DC	02N	0.0000421	294,645
Palmerston North CC	03N	0.0000420	564,775
Rangitikei DC	04N	0.0000422	150,482
Ruapehu DC	05N	0.0000422	152,375
Tararua DC	06N	0.0000422	205,150
Wanganui DC	07N	0.0000421	251,545
Part Stratford DC	08N	0.0000422	2,868
Part Taupo DC	09N	0.0000423	75
Part Waitomo DC	10N	0.0000422	3,331
<b>Total Resource and Consent Monitoring Rate - EQCV</b>			<b>1,865,607</b>

All figures are inclusive 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	509,136
Manawatu DC	02N	0.0000892	624,175
Palmerston North CC	03N	0.0000890	1,196,316
Rangitikei DC	04N	0.0000893	318,746
Ruapehu DC	05N	0.0000893	322,768
Tararua DC	06N	0.0000894	434,486
Wanganui DC	07N	0.0000892	532,767
Part Stratford DC	08N	0.0000893	6,075
Part Taupo DC	09N	0.0000895	158
Part Waitomo DC	10N	0.0000894	7,056
<b>Total River and Drainage Rate - EQCV</b>			<b>3,951,684</b>

## 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	0.0000379	216,159
Manawatu DC	02N	0.0000379	264,992
Palmerston North CC	03N	0.0000378	507,909
Rangitikei DC	04N	0.0000379	135,302
Ruapehu DC	05N	0.0000379	137,030
Tararua DC	06N	0.0000379	184,460
Wanganui DC	07N	0.0000379	226,158
Part Stratford DC	08N	0.0000379	2,579
Part Taupo DC	09N	0.0000380	67
Part Waitomo DC	10N	0.0000380	2,995
<b>Total Strategic Management Rate - EQCV</b>			<b>1,677,651</b>

All figures are inclusive 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	0.0001065	607,819
Manawatu DC	02N	0.0001065	745,089
Palmerston North CC	03N	0.0001063	1,428,193
Rangitikei DC	04N	0.0001066	380,535
Ruapehu DC	05N	0.0001066	385,307
Tararua DC	06N	0.0001067	518,654
Wanganui DC	07N	0.0001065	636,043
Part Stratford DC	08N	0.0001066	7,253
Part Taupo DC	09N	0.0001069	189
Part Waitomo DC	10N	0.0001067	8,424
<b>Total Water Quality and Quantity– EQCV</b>			<b>4,717,505</b>

## 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	0.0000057	32,800
Manawatu DC	02T	0.0000057	40,188
Palmerston North CC	03T	0.0000057	77,069
Rangitikei DC	04T	0.0000058	20,525
Ruapehu DC	05T	0.0000058	20,798
Tararua DC	06T	0.0000058	27,975
Wanganui DC	07T	0.0000057	34,326
Part Stratford DC	08T	0.0000058	392
Part Taupo DC	09T	0.0000058	10
Part Waitomo DC	10T	0.0000058	455
<b>Total Regional Transport Planning and Road Safety - EQCV</b>			<b>254,538</b>

All figures are inclusive 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	0.0000628	153,746
Manawatu DC	02U	0.0000866	165,497
Palmerston North CC	03U	0.0000996	1,128,830
Rangitikei DC	04U	0.0000416	34,603
Ruapehu DC	05U	0.0000097	8,267
Tararua DC	06U	0.0000257	18,053
Wanganui DC	07U	0.0001107	451,131
<b>Total Targeted Rate: Transport Passenger Services (Including Total Mobility)</b>			<b>1,960,127</b>

### Targeted Rate: Infrastructure Insurance Reserve Rate

Property Type	Class	Annual Charge Dollars per \$UIP 2016-17	Revenue Sought 2016-17
Up to and including \$250,000 Capital Value	IIR1	1.94	128,635
Greater than \$250,000 and up to and including \$500,000 Capital Value	IIR2	3.88	119,149
Greater than \$500,000 and up to and including \$1,000,000 Capital Value	IIR3	5.80	54,613
Greater than \$1,000,000 Capital Value	IIR4	25.09	158,191
<b>Total Targeted Rate: Infrastructure Insurance Reserve</b>			<b>460,587</b>

All figures are inclusive of GST unless otherwise stated

### Targeted Rate: Sustainable Land Use Initiative

District/City	Class	Number of Rating Units	Annual Charge Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Horowhenua DC	SLUI	17,104	39.9800000	683,821
Manawatu DC	SLUI	12,967	39.9800000	518,428
Palmerston North CC	SLUI	31,598	39.9800000	1,263,268
Rangitikei DC	SLUI	7,801	39.9800000	311,895
Ruapehu DC	SLUI	8,333	39.9800000	333,157
Tararua DC	SLUI	9,365	39.9800000	374,416
Wanganui DC	SLUI	20,291	39.9800000	811,234
Part Stratford DC	SLUI	188	39.9800000	7,509
Part Taupo DC	SLUI	2	39.9800000	79
Part Waitomo DC	SLUI	28	39.9800000	1,107
<b>Total Targeted Rate: Sustainable Land Use Initiative</b>				<b>4,304,913</b>

### Targeted Rate: Environmental Initiatives

District/City	Class	Number of Rating Units	Annual Charge Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Horowhenua DC	SUIP	17,104	18.3700000	314,202
Manawatu DC	SUIP	12,967	18.3700000	238,207
Palmerston North CC	SUIP	31,598	18.3700000	580,446
Rangitikei DC	SUIP	7,801	18.3700000	143,309
Ruapehu DC	SUIP	8,333	18.3700000	153,079
Tararua DC	SUIP	9,365	18.3700000	172,037
Wanganui DC	SUIP	20,291	18.3700000	372,746
Part Stratford DC	SUIP	188	18.3700000	3,450
Part Taupo DC	SUIP	2	18.3700000	36
Part Waitomo DC	SUIP	28	18.3700000	508
<b>Total Targeted Rate: Environmental Initiatives</b>				<b>1,978,020</b>

All figures are inclusive of GST unless otherwise stated

### Targeted Rate: Production Pest Animal Management

Property Type	Class	Hectares	Dollars Per Hectare 2016-17	Revenue Sought 2016-17
Properties greater than 4 Ha	PPAM	1,636,355	0.9545425	1,561,970
<b>Total Targeted Rate: Production Pest Animal Management</b>				<b>1,561,970</b>

### Targeted Rate: Production Pest Rook Management

Property Type	Class	Hectares	Dollars Per Hectare 2016-17	Revenue Sought 2016-17
Properties greater than 4 Ha	PPRM	1,635,907	0.0923749	151,117
<b>Total Targeted Rate: Production Pest Rook Management</b>				<b>151,117</b>

### Targeted Rate: Production Pest Plant Management

Property Type	Class	Hectares	Dollars Per Hectare 2016-17	Revenue Sought 2016-17
Properties greater than 4 Ha	PPPM	1,635,907	0.0139059	22,749
Properties less than 4 Ha	PPUA	95,691	1.3609621	130,232
<b>Total Targeted Rate: Production Pest Plant Management</b>				<b>152,981</b>

### 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	1,959	39.04	76,481
Properties less than 4 Ha	OMBE	5,935	5.53	32,804
<b>Total Targeted Rate: Rangitikei Old Man's Beard Eradication</b>				<b>109,286</b>

All figures are inclusive of GST unless otherwise stated

### Targeted Rate: Regional Park

Property Type	Class	Number of Rating Units	Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Manawatu District	PARK	13,119	4.24	55,688
Palmerston North City	PARK	31,965	4.26	136,040
<b>Total Targeted Rate: Regional Park</b>				<b>191,728</b>

### 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	57,976	8.14	471,643
<b>Total Targeted Rate: Manawatu River Water Quality Improvement</b>				<b>471,643</b>

### 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	AC	860	9.36	8,054
<b>Total Targeted Rate: Waitarere Beach Biodiversity Project</b>				<b>8,054</b>

### Targeted Rate: Lake Horowhenua Weed Harvester

Property Type	Class	Number of Rating Units	Dollars Per SUIP 2016-17	Revenue Sought 2016-17
Horowhenua District	AC	17,299	11.75	203,263
<b>Total Targeted Rate: Lake Horowhenua Weed Harvester</b>				<b>203,263</b>

All figures are inclusive 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
<b>RIVER SCHEMES</b>					
<b>Akitio</b>	RC	Dollars Per Hectare	613	6.9729996	4,273
	DB	Total Amount to be Invoiced			3,739
	CN	Dollars Per Hectare	56,026	0.0480000	2,689
		Scheme			10,701
<b>Eastern Manawatu</b>	EL	Dollars Per Hectare	1,194	19.5270002	23,318
	EU	Dollars Per Hectare	637	13.0169998	8,288
	IN	SUIP	733	9.96	7,300
	CN	Dollars Per Hectare	88,141	0.1109859	9,782
		Scheme			48,689
<b>Ihuraua Stream</b>	A	Dollars Per Hectare	91	15.3230000	1,395
	B	Dollars Per Hectare	211	10.7259995	2,268
	C	Dollars Per Hectare	90	4.5970008	415
	D	Dollars Per Hectare	27	1.5329998	42
	E	Dollars Per Hectare	574	0.6129999	352
	F	Dollars Per Hectare	5,307	0.1540000	817
		Scheme			5,289
<b>Kahuterawa</b>	NZ Defence	Total Amount to be Invoiced			4,092
	MU Farm	Total Amount to be Invoiced			3,568
	KM	Dollars Per Hectare	32	134.6596431	4,305
		Scheme			11,965
<b>Lower KIWITEA Stream</b>	CK	Dollars Per Hectare	141	179.0060010	25,215
	MK	Dollars Per Hectare	298	258.1409996	77,038
	CN	Dollars Per Hectare	23,347	1.0999999	25,681
		Scheme			127,935

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
<b>Lower Manawatu</b>	CE	Dollars Per Hectare	272,514	0.4139670	112,812
	CL	Dollars Per Hectare	142,163	1.4084159	200,224
	CW	Dollars Per Hectare	78,740	0.7059988	55,590
	DR	Dollars Per Hectare	177	91.0710001	16,077
	F1	\$ per \$ of Land Value	135,292,170	0.0019545	264,434
	F2	\$ per \$ of Land Value	82,610,759	0.0015636	129,173
	F3	\$ per \$ of Land Value	44,720,570	0.0011727	52,445
	F4	\$ per \$ of Land Value	296,001,398	0.0007818	231,420
	F5	\$ per \$ of Land Value	497,021,369	0.0001951	96,966
	FB	\$ per \$ of Capital Value	325,161,000	0.0001046	34,023
	FG	\$ per \$ of Capital Value	1,701,171,800	0.0001077	183,214
	HF	SUIP	767	524.37	402,192
	IC	SUIP	50,468	10.58	533,876
	IE	SUIP	2,682	5.30	14,215
	IF	SUIP	6,147	3.50	21,528
	IS	SUIP	11,309	5.28	59,661
	IW	SUIP	583	3.49	2,036
	PN	\$ per \$ of Capital Value	11,112,306,850	0.0000717	796,675
	R1	Dollars Per Hectare	4,030	52.4054022	211,180
	R2	Dollars Per Hectare	174	10.5179973	1,826
SA	\$ per \$ of Capital Value	3,845,740	0.0016614	6,389	
SB	\$ per \$ of Capital Value	43,015,181	0.0014659	63,056	
SC	\$ per \$ of Capital Value	8,655,740	0.0009773	8,459	
SD	\$ per \$ of Capital Value	57,744,492	0.0004886	28,216	
			Scheme		3,525,686
<b>Lower Manawatu Special Projects</b>					
(On specified PN scheme)	SP	\$ per \$ of Capital Value	10,981,793,350	0.0000965	1,059,348
Turitea	TU	\$ per \$ of Capital Value	2,090,000	0.0066833	13,968
			Scheme		1,073,317

All figures are inclusive 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	58.2380009	1,426	
	B	Dollars Per Hectare	107	40.7670009	4,361	
	C	Dollars Per Hectare	65	29.1190011	1,899	
	F	Dollars Per Hectare	180	5.8239995	1,049	
	A1	Dollars Per Hectare	24	86.7449999	2,124	
	B1	Dollars Per Hectare	42	60.7220002	2,576	
	C1	Dollars Per Hectare	8	43.3730039	358	
	F1	Dollars Per Hectare	76	8.6749992	657	
	CN	Dollars Per Hectare	5,263	0.9160001	4,821	
					Scheme	19,270
	Mangatainoka	LH	Dollars Per Hectare	226	31.4549995	7,111
LM		Dollars Per Hectare	46	18.8730015	870	
LL		Dollars Per Hectare	592	6.2867617	3,719	
MH		Dollars Per Hectare	787	89.5770001	70,530	
MM		Dollars Per Hectare	1,270	53.7460000	68,272	
ML		Dollars Per Hectare	537	17.9085490	9,625	
UH		Dollars Per Hectare	394	178.2089996	70,132	
UM		Dollars Per Hectare	250	106.9260001	26,693	
UL		Dollars Per Hectare	505	35.6420003	18,002	
KL		Dollars Per Hectare	170	172.5649993	29,412	
MR		Dollars Per Hectare	508	10.0426380	5,102	
F1		Dollars Per Hectare	457	68.1330000	31,132	
F2		Dollars Per Hectare	743	40.8800000	30,393	
PU		\$ per \$ of Capital Value	220,246,540	0.0004320	95,140	
R1		\$ per \$ of Capital Value	64,300,000	0.0002995	19,257	
R2		\$ per \$ of Capital Value	6,830,000	0.0006297	4,301	
IN		Dollars Per Hectare	39,551	1.2779494	50,545	
CU		Dollars Per Hectare	15,936	2.9427119	46,895	
CK		Dollars Per Hectare	16,569	0.7539880	12,492	
CM		Dollars Per Hectare	5,893	0.1130000	666	
DR		Dollars Per Hectare	215	106.7690010	23,000	
				Scheme	623,290	
Matarawa	M1	Dollars Per Hectare	450	45.3240001	20,379	
	M3	Dollars Per Hectare	67	9.0650004	606	
	M4	Dollars Per Hectare	21	9.0650021	188	
	L1	Dollars Per Hectare	93	6.7989978	629	

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
(Whanganui District Council)	L2	Dollars Per Hectare	61	6.7990024	415
	L3	Dollars Per Hectare	14	27.1949980	383
	MW	Total Amount to be Invoiced			22,144
	IN	SUIP	315	16.47	5,188
	CN	Dollars Per Hectare	8,029	1.5550000	12,486
				Scheme	62,419
Ohau-Manakau	AD	Dollars Per Hectare	136	24.4279984	3,331
	CD	Dollars Per Hectare	5	15.7219935	82
	CH	Dollars Per Hectare	394	48.6030001	19,148
	CL	Dollars Per Hectare	1,428	3.6459998	5,206
	FL	Dollars Per Hectare	1,428	6.7100002	9,581
	FH	Dollars Per Hectare	394	89.4559989	35,242
	HD	Dollars Per Hectare	422	12.9669999	5,476
	IN	Dollars Per Hectare	12,153	6.0747979	73,825
	KD	Dollars Per Hectare	187	27.6120005	5,174
	L2	Dollars Per Hectare	23	22.8590010	537
	LD	Dollars Per Hectare	60	45.7169983	2,723
	MC	Dollars Per Hectare	401	7.6399991	3,060
	ML	Dollars Per Hectare	41	87.0549947	3,566
	MU	Dollars Per Hectare	57	208.6309950	11,892
	OL	Dollars Per Hectare	33	53.0930030	1,768
	OM	Dollars Per Hectare	75	159.5650007	11,966
	OT	Dollars Per Hectare	115	596.7720005	68,654
	OU	Dollars Per Hectare	50	284.4530032	14,229
	PD	Dollars Per Hectare	69	23.3689987	1,619
	SD	Dollars Per Hectare	53	7.9119991	421
TD	Dollars Per Hectare	134	35.3010000	4,733	
WD	Dollars Per Hectare	266	16.3589998	4,349	
WL	Dollars Per Hectare	87	66.7500023	5,833	
WU	Dollars Per Hectare	81	165.8230003	13,430	
UO	\$ per \$ of Capital Value	49,473,000	0.0001060	5,243	
UM	\$ per \$ of Capital Value	28,308,000	0.0001401	3,967	
UW	\$ per \$ of Capital Value	63,572,000	0.0002581	16,408	
			Scheme	331,463	

All figures are inclusive 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	42.5209995	4,257
Pohangina - Oroua	DR	Dollars Per Hectare	19	300.0200152	5,750
	EZ	Dollars Per Hectare	367	0.1079993	40
	IA	\$ per \$ of Capital Value	301,841,050	0.0000331	9,988
	IN	Dollars Per Hectare	54,849	2.3469999	128,730
	O1	Dollars Per Hectare	407	70.5229998	28,727
	O2	Dollars Per Hectare	658	98.6230002	64,867
	O3	Dollars Per Hectare	20	56.4189978	1,115
	O4	Dollars Per Hectare	150	78.8989995	11,820
	P1	Dollars Per Hectare	300	174.1570002	52,261
	P2	Dollars Per Hectare	629	104.4950005	65,717
	P3	Dollars Per Hectare	129	19.6780002	2,536
	P4	Dollars Per Hectare	189	139.3260002	26,329
	P5	Dollars Per Hectare	44	83.5959983	3,675
	P6	Dollars Per Hectare	33	15.7420000	516
			Scheme		402,071
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	0.0000600	7,152
	U1	\$ per \$ of Capital Value	10,925,150	0.0004768	5,210
	U2	\$ per \$ of Capital Value	6,795,990	0.0001199	815
			Scheme		53,536
Rangitikei River	CD	Dollars Per Hectare	25,315	0.2950001	7,468
	CN	Dollars Per Hectare	175,057	0.5843420	102,293
	CU	Dollars Per Hectare	43,097	0.2811993	12,119
	E1	Dollars Per Hectare	586	50.0460003	29,345
	E2	Dollars Per Hectare	695	20.0190003	13,911
	E3	Dollars Per Hectare	1,208	70.3007198	84,922
	E4	Dollars Per Hectare	1,301	59.5049996	77,436
	F1	Dollars Per Hectare	1,475	119.2719998	175,877
	F2	Dollars Per Hectare	779	71.5640000	55,748

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17	
	F3	Dollars Per Hectare	41	12.9350005	529	
	F4	Dollars Per Hectare	165	38.4810020	6,352	
	F5	Dollars Per Hectare	219	39.8097861	8,737	
	F6	Dollars Per Hectare	53	24.9300017	1,321	
	GF	SUIP	51	302.49	15,427	
	GT	SUIP	224	143.14	32,063	
	IN	Dollars Per Hectare	40,427	0.5097753	20,609	
	RF	\$ per \$ of Capital Value	650,000	0.0048862	3,176	
	RH	\$ per \$ of Capital Value	2,600,000	0.0015415	4,008	
	RO	\$ per \$ of Capital Value	60,500,000	0.0000463	2,798	
	UF	\$ per \$ of Capital Value	8,045,000	0.0019175	15,427	
	UL	\$ per \$ of Capital Value	605,775,110	0.0000522	31,610	
	UT	\$ per \$ of Capital Value	29,845,250	0.0010743	32,063	
	UU	\$ per \$ of Capital Value	129,992,390	0.0000454	5,899	
	DR	Dollars Per Hectare	87	199.0809974	17,241	
			Scheme		756,379	
South East Ruahines	CN	Dollars Per Hectare	49,208	1.1418092	56,186	
	DR	Dollars Per Hectare	363	50.7411567	18,400	
	IN	Dollars Per Hectare	64,566	0.9368805	60,490	
	M1	Dollars Per Hectare	1,216	35.0544023	42,614	
	M2	Dollars Per Hectare	635	62.1695277	39,455	
	M3	Dollars Per Hectare	110	68.5199067	7,538	
	M4	Dollars Per Hectare	444	69.8500007	31,045	
	M5	Dollars Per Hectare	1,923	11.0539298	21,251	
	RZ	Dollars Per Hectare	229	0.0200007	5	
	SZ	Dollars Per Hectare	295	0.0160001	5	
	W1	Dollars Per Hectare	533	8.2880000	4,421	
	W2	Dollars Per Hectare	754	15.3920000	11,601	
	W3	Dollars Per Hectare	8,540	10.5560001	90,144	
	(Woodville only)	WO	\$ per \$ of Capital Value	115,085,400	0.0001970	22,671
	(Dannevirke only)	DK	\$ per \$ of Capital Value	415,673,000	0.0001489	61,882
			Scheme		467,708	

All figures are inclusive 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	93.9989996	46,660
	CN	Dollars Per Hectare	13,960	0.8362084	11,673
					58,333
Tawataia - Mangaone	B	Dollars Per Hectare	112	27.8819996	3,109
	C	Dollars Per Hectare	659	9.2939998	6,123
	D	Dollars Per Hectare	11	4.6469982	52
				Scheme	9,284
Turakina	T1	Dollars Per Hectare	276	27.5860001	7,621
	T2	Dollars Per Hectare	155	24.6599997	3,811
	T3	Dollars Per Hectare	223	17.0810000	3,811
	T4	Dollars Per Hectare	1,382	11.1490001	15,403
	T5	Dollars Per Hectare	109	4.8789994	530
	CN	Dollars Per Hectare	82,135	0.0960000	7,885
				Scheme	39,061
Tutaenui	TW	Dollars Per Hectare	291	31.5800009	9,182
	TL	Dollars Per Hectare	455	14.7220007	6,701
	IN	Dollars Per Hectare	12,756	0.5630000	7,182
	CN	Dollars Per Hectare	11,687	0.6270000	7,328
(Marton)	UM	\$ per \$ of Capital Value	355,226,450	0.0000972	34,536
(Bulls)	UB	\$ per \$ of Capital Value	129,053,027	0.0000862	11,125
				Scheme	76,054
Upper Manawatu	U1	Dollars Per Hectare	599	140.6379998	84,224
	U2	Dollars Per Hectare	168	102.2460012	17,153
	U3	Dollars Per Hectare	146	175.2269998	25,537
	U4	Dollars Per Hectare	126	83.7189997	10,547
	M1	Dollars Per Hectare	258	89.9840006	23,196
	M2	Dollars Per Hectare	38	282.3639970	10,813
	IN	Dollars Per Hectare	23,949	1.2375713	29,638
	CN	Dollars Per Hectare	269,412	0.3189744	85,935
	D1	Dollars Per Hectare	124	15.2189997	1,884
	D2	Dollars Per Hectare	214	11.4469996	2,449
	D3	Dollars Per Hectare	239	11.8450000	2,826
	D4	Dollars Per Hectare	84	26.7779996	2,261
				Scheme	296,465

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
Upper Whanganui	IN	\$ per \$ of Capital Value	2,067,530,900	0.0000370	76,538
	U1	\$ per \$ of Capital Value	53,221,970	0.0006428	34,213
	U2	\$ per \$ of Capital Value	215,693,380	0.0002570	55,441
	R1	\$ per \$ of Capital Value	111,500	0.0029563	330
	R2	\$ per \$ of Capital Value	1,025,500	0.0014782	1,516
	R3	\$ per \$ of Capital Value	906,040	0.0026523	2,403
	R4	\$ per \$ of Capital Value	1,543,400	0.0013261	2,047
				Scheme	172,487
Whangaehu - Mangawhero	IN	SUIP	481	22.65	10,893
	CN	Dollars Per Hectare	125,870	0.3029515	38,133
	UM	Dollars Per Hectare	79	76.8120006	6,047
	UW	Dollars Per Hectare	657	40.4309994	26,547
	MW	Dollars Per Hectare	1,322	17.4630003	23,085
	LW	Dollars Per Hectare	842	5.0150000	4,225
				Scheme	108,930
Lower Whanganui River	W1	\$ per \$ of Capital Value	108,206,900	0.0001508	16,319
	W2	\$ per \$ of Capital Value	3,607,565,674	0.0000754	271,870
	N1	\$ per \$ of Capital Value	3,716,069,664	0.0000259	96,068
	N2	SUIP	3,468	13.85	48,046
				Scheme	432,303

#### DRAINAGE SCHEMES

Ashhurst Stream	AN	SUIP	1,174	22.59	26,522
	AC	\$ per \$ of Capital Value	301,841,050	0.0000879	26,523
	AL	Dollars Per Hectare	10	139.4879930	1,347
	AU	Dollars Per Hectare	22	36.8349999	817
				Scheme	55,209
Forest Road	A	Dollars Per Hectare	36	20.0480004	731
	B	Dollars Per Hectare	207	15.0360002	3,105
	C	Dollars Per Hectare	159	10.0240000	1,598
	D	Dollars Per Hectare	553	5.0120000	2,771

All figures are inclusive 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	2.6070005	207
	F	Dollars Per Hectare	138	1.4039999	194
				Scheme	8,607
<b>Foxton East</b>	AC	SUIP	19	57.49	1,092
	D1	Dollars Per Hectare	39	38.4689973	1,517
	D2	Dollars Per Hectare	36	19.2350002	699
	D3	Dollars Per Hectare	12	6.2770038	74
	D4	Dollars Per Hectare	44	18.9110007	826
Foxton Township Only	U1	\$ per \$ of Capital Value	202,093,900	0.0000939	18,981
				Scheme	23,190
<b>Haunui</b>	A	\$ per \$ of Capital Value	27,178,000	0.0002956	8,033
<b>Himatangi</b>	A	Dollars Per Hectare	489	19.8693077	9,710
	B	Dollars Per Hectare	406	9.5627851	3,882
	C	Dollars Per Hectare	658	2.3909471	1,574
	D	Dollars Per Hectare	1,125	0.6320013	711
	E	Dollars Per Hectare	1,361	0.0950003	129
	F	Dollars Per Hectare	405	0.0490004	20
				Scheme	16,026
<b>Hokio</b>	AC	SUIP	189	61.21	11,569
	DA	Dollars Per Hectare	101	19.6210021	1,981
	DH	Dollars Per Hectare	56	13.7660011	767
	DL	Dollars Per Hectare	38	3.0000000	115
	DM	Dollars Per Hectare	175	10.2190003	1,790
	DP	Dollars Per Hectare	27	28.4510019	754
	DS	Dollars Per Hectare	662	17.4649995	11,569
	IN	Dollars Per Hectare	4,470	2.8600656	12,786
	UH	\$ per \$ of Capital Value	23,101,400	0.0000504	1,163
	UL	\$ per \$ of Capital Value	1,577,962,900	0.0000136	21,478
				Scheme	63,972
<b>Koputaroa</b>	A1	Dollars Per Hectare	174	42.9680001	7,481
	A2	Dollars Per Hectare	216	21.4840002	4,647
	C1	Dollars Per Hectare	30	29.4869953	881

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
	C2	Dollars Per Hectare	128	19.4620009	2,484
	C3	Dollars Per Hectare	111	9.7310009	1,084
	C4	Dollars Per Hectare	99	31.2210008	3,084
	C5	Dollars Per Hectare	107	20.6060002	2,202
	D1	Dollars Per Hectare	501	31.4100002	15,745
	D2	Dollars Per Hectare	80	15.7049984	1,261
	D3	Dollars Per Hectare	141	19.7179999	2,781
	D4	Dollars Per Hectare	63	9.8590018	620
	D5	Dollars Per Hectare	348	20.4969999	7,136
	D6	Dollars Per Hectare	113	10.2490009	1,160
	D7	Dollars Per Hectare	250	35.6080007	8,895
	D8	Dollars Per Hectare	165	17.8040003	2,943
	F1	Dollars Per Hectare	753	23.1460002	17,439
	F2	Dollars Per Hectare	723	13.8880005	10,035
	F3	Dollars Per Hectare	110	6.9439995	763
	F4	Dollars Per Hectare	173	2.3149995	400
	F5	Dollars Per Hectare	124	12.6120000	1,565
	F6	Dollars Per Hectare	238	5.0450006	1,199
	I1	Dollars Per Hectare	1,300	5.8830004	7,645
	I2	Dollars Per Hectare	305	6.5729999	2,006
	I3	Dollars Per Hectare	664	6.0070004	3,992
	I4	Dollars Per Hectare	635	7.9350004	5,041
	IA	Dollars Per Hectare	1,836	1.1190005	2,054
	IK	Dollars Per Hectare	5,276	1.8960001	10,004
	IN	Dollars Per Hectare	1,049	20.5430000	21,550
	K1	Dollars Per Hectare	133	80.5939993	10,679
	K2	Dollars Per Hectare	106	40.2970001	4,276
	P1	Dollars Per Hectare	110	228.6089994	25,135
	P2	Dollars Per Hectare	177	150.8820005	26,677
	P3	Dollars Per Hectare	48	131.2180019	6,293
	P4	Dollars Per Hectare	96	86.6040001	8,350
	P5	Dollars Per Hectare	30	153.6630003	4,589
	P6	Dollars Per Hectare	128	101.4180011	12,944
	P7	Dollars Per Hectare	111	50.7090003	5,651
	P8	Dollars Per Hectare	99	166.8119999	16,476
	P9	Dollars Per Hectare	107	110.0960008	11,765
				Scheme	278,933

All figures are inclusive 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	19.6450000	6,011
	B2	Dollars Per Hectare	131	7.8580009	1,030
	C1	Dollars Per Hectare	96	33.1010000	3,176
	C2	Dollars Per Hectare	144	13.2410001	1,903
	CB	Dollars Per Hectare	128	14.1360001	1,811
	CK	Dollars Per Hectare	363	19.3979998	7,041
	CM	Dollars Per Hectare	213	25.9379993	5,532
	CO	Dollars Per Hectare	3,491	17.1000004	59,697
	EC	Dollars Per Hectare	8,596	1.3459874	11,570
	G1	Dollars Per Hectare	139	6.1500006	855
	K1	Dollars Per Hectare	363	48.8950003	17,753
	L1	Dollars Per Hectare	213	17.2659999	3,675
	L2	Dollars Per Hectare	342	6.9070001	2,360
	M1	Dollars Per Hectare	218	22.0149999	4,802
	M2	Dollars Per Hectare	129	8.8060004	1,132
	O1	Dollars Per Hectare	4,082	31.0560000	126,768
	O2	Dollars Per Hectare	1,196	12.4229999	14,858
	OC	Dollars Per Hectare	6,004	4.1050000	24,648
	PB	Dollars Per Hectare	128	153.5300000	19,664
	PK	Dollars Per Hectare	363	92.2769997	33,495
	PM	Dollars Per Hectare	213	105.8739999	22,581
PO	Dollars Per Hectare	3,491	35.2679999	123,118	
R1	Dollars Per Hectare	121	30.2930001	3,671	
T1	Dollars Per Hectare	215	26.8490007	5,784	
				Scheme	502,939
Manawatu	DU	SUIP	1,232	57.87	71,301
	CC	Total Amount to be Invoiced			12,200
	CL	Dollars Per Hectare	33	76.8399945	2,522
	CN	Dollars Per Hectare	15,566	8.6350001	134,414
	DR	Dollars Per Hectare	17,313	13.8030001	238,969
	P1	Dollars Per Hectare	724	160.7749999	116,465
	P2	Dollars Per Hectare	176	80.3880005	14,143
	P3	Dollars Per Hectare	908	40.1939998	36,483
	P4	Dollars Per Hectare	267	8.0390001	2,146
	F1	Dollars Per Hectare	1,182	36.4599998	43,091
F2	Dollars Per Hectare	498	18.2299998	9,081	

River Scheme	Class/Diff.	Rating Basis	Number of Rating Units	Unit Rate	Revenue Sought 2016-17
	F3	Dollars Per Hectare	216	3.6470013	787
				Scheme	681,602
Moutoa	B1	Dollars Per Hectare	4	329.9959965	1,335
	B2	Dollars Per Hectare	36	263.9970018	9,607
	B3	Dollars Per Hectare	62	49.5000032	3,077
	C1	Dollars Per Hectare	124	67.9759995	8,439
	C2	Dollars Per Hectare	21	54.3810016	1,137
	C3	Dollars Per Hectare	5	20.3929915	111
	D1	Dollars Per Hectare	1,138	27.8879999	31,738
	D2	Dollars Per Hectare	711	15.8859998	11,298
	D3	Dollars Per Hectare	1,341	6.3549999	8,521
	D4	Dollars Per Hectare	1,012	7.3050000	7,393
	D5	Dollars Per Hectare	129	2.9219993	378
	MC	Dollars Per Hectare	4,489	17.3810000	78,018
	P1	Dollars Per Hectare	206	100.2610006	20,684
	P2	Dollars Per Hectare	837	80.2090001	67,106
	P3	Dollars Per Hectare	411	30.0790007	12,352
	P4	Dollars Per Hectare	601	80.0559999	48,090
P5	Dollars Per Hectare	376	64.0449998	24,077	
P6	Dollars Per Hectare	101	24.0169993	2,420	
				Scheme	335,781
Te Kawanu	AC	SUIP	494	71.99	35,562
	C1	Dollars Per Hectare	83	12.0149996	994
	C2	Dollars Per Hectare	848	0.4679023	397
	CF	Dollars Per Hectare	13,116	1.1389846	14,939
	CR	Dollars Per Hectare	713	2.9689999	2,116
	CU	Dollars Per Hectare	36	32.2035248	1,159
	DA	Dollars Per Hectare	1,650	1.2480000	2,059
	DO	Dollars Per Hectare	4,170	5.3950001	22,498
	DR	Dollars Per Hectare	291	7.4250923	2,161
	DS	Dollars Per Hectare	7,515	10.5377514	79,195
FK	Dollars Per Hectare	207	8.5060000	1,759	
FM	Dollars Per Hectare	1,089	32.3170000	35,208	
P1	Dollars Per Hectare	41	41.3720015	1,676	
P2	Dollars Per Hectare	11	10.3429961	111	

All figures are inclusive 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	14.0340002	4,656
				Scheme	204,490
<b>Whirokino</b>	D1	Dollars Per Hectare	111	36.3039993	4,040
	D2	Dollars Per Hectare	157	17.0329991	2,666
	D3	Dollars Per Hectare	4	101.2469990	404
	D4	Dollars Per Hectare	45	68.5210032	3,067
	D5	Dollars Per Hectare	26	47.6870047	1,227
	F1	Dollars Per Hectare	89	19.7470004	1,751
	F2	Dollars Per Hectare	4	263.2219883	1,050
	F3	Dollars Per Hectare	268	0.6540004	175
	IN	Dollars Per Hectare	458	2.4760002	1,135
	P1	Dollars Per Hectare	28	170.4609982	4,801
	P2	Dollars Per Hectare	16	118.0710078	1,920
	P3	Dollars Per Hectare	48	10.0589962	480
				Scheme	22,717
<b>Total Scheme Rates</b>				Including GST	10,918,390
				Excluding GST	9,494,253

Total Rates Summary	Including GST	Excluding GST
General Rate	412	358
Uniform Annual General Charge	4,307	3,713
Biosecurity	3,317	2,885
Emergency Management Information	1,696	1,475
	1,439	1,251
Resource and Consent Monitoring	1,865	1,622
River and Drainage	3,951	3,436
Infrastructure Insurance Reserve	460	400
Strategic Management	1,677	1,459
Water Quality and Quantity	4,717	4,102
Sustainable Land Use Initiative UAC	4,304	3,767
Environmental Initiatives UAC	1,978	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	109	95
River and Drainage Scheme	10,917	9,493
Regional Park UAC	192	167
Production Pest Plant Management	152	132
Transport Passenger Services	1,960	1,704
Waitarere UAC	8	7
Horowhenua Weed Harvester UAC	202	175
<b>Grand Total</b>	<b>46,100</b>	<b>40,088</b>

All figures are inclusive 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	\$800
(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: <ul style="list-style-type: none"> <li>The review is carried out at the request of the consent holder;</li> <li>The review is carried out under Section 128(1)(a); or</li> <li>The review is carried out under Section 128(1)(c).</li> </ul> <p style="text-align: right;">Section 36(1)(cb).</p>
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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<sup>\*1</sup>.

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.

*All figures are exclusive of GST unless otherwise stated*

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.

HOURLY RATES	RATE PER HOUR
Group Manager	\$148
Manager	\$172
Team Leader Consents	\$126
Team Leader Compliance	\$121
Co-ordinator Biosecurity	\$98
Area/Project Engineer	\$135
Catchment Co-ordinators	\$92
Senior Policy Planner, Scientist	\$102
Senior Consents Planner, Hydrology Technician	\$103
Senior Compliance Officer	\$83
Compliance Officer	\$83
Policy Planner, Scientist, Hydrology Technician	\$93
Consent Planner, Reporting Officer	\$84
Emergency Management Officers	\$89
Communications Advisor	\$90
Surveyors	\$86
Environmental Management Officers	\$97
Land Management Officers	\$83
Supervisor Biosecurity	\$98
Consents Administrator	\$61
Technician	\$82
Dam Safety Officer	\$101
Biosecurity Officer	\$80
Commissioner	At cost plus disbursements
Hearings Committee Chair and Members	At cost plus disbursements

## 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.

HOURLY RATES	RATE PER HOUR
Group Manager	\$148
Manager	\$172
Team Leader Consents	\$126
Team Leader Compliance	\$121
Co-ordinator Biosecurity	\$98
Area/Project Engineer	\$135
Catchment Co-ordinators	\$92
Senior Policy Planner, Scientist	\$102
Senior Consents Planner, Hydrology Technician	\$103
Senior Compliance Officer	\$83
Compliance Officer	\$83
Policy Planner, Scientist, Hydrology Technician	\$93
Consent Planner, Reporting Officer	\$84
Emergency Management Officers	\$89

HOURLY RATES	RATE PER HOUR
Communications Advisor	\$90
Surveyors	\$86
Environmental Management Officers	\$97
Land Management Officers	\$83
Supervisor Biosecurity	\$98
Consents Administrator	\$61
Technician	\$82
Dam Safety Officer	\$101
Biosecurity Officer	\$80
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
Rangitikei District Council	24,733
Riverlands Manawatu	3,850

All figures are exclusive of GST unless otherwise stated

<b>ADDITIONAL RESEARCH SITE (In addition to standard charge)</b>	<b>ANNUAL FEE 2016-17</b>
Ruapehu District Council	26,463
Scanpower	4,717
Winstone Pulp	4,483

<b>ADDITIONAL MONITORING AT SITE</b>	<b>ANNUAL FEE 2016-17</b>
Tararua District Council	As per contract

<b>STANDARD RESEARCH CHARGE TYPE AND QUANTITY</b>	<b>ANNUAL FEE 2016-17</b>
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:**

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

*All figures are exclusive of GST unless otherwise stated*

- 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, PIMs and Dam safety work

**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 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.

<b>ACTIVITY TYPE</b>	<b>FIXED MINIMUM CHARGE</b>	<b>LODGEMENT FEE</b>
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 ( <a href="http://www.waikatoregion.govt.nz">www.waikatoregion.govt.nz</a> ) 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.

HOURLY RATES	RATE PER HOUR
Group Manager	\$148
Manager	\$172
Team Leader Consents	\$126
Team Leader Compliance	\$121
Co-ordinator Biosecurity	\$98
Area/Project Engineer	\$135
Catchment Co-ordinators	\$92
Senior Policy Planner, Scientist	\$102
Senior Consents Planner, Hydrology Technician	\$103
Senior Compliance Officer	\$83
Policy Planner, Scientist	\$83
Compliance Officer, Hydrology Technician	\$93
Consent Planner, Reporting Officer	\$84
Emergency Management Officers	\$89
Communications Advisor	\$90
Surveyors	\$86
Environmental Management Officers	\$97
Land Management Officers	\$83
Supervisor Biosecurity	\$98
Consents Administrator	\$61
Technician	\$82
Dam Safety Officer	\$101
Biosecurity Officer	\$80
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:

- a. 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 on the following basis:

HOURLY RATES	RATE PER HOUR
Group Manager	\$148
Manager	\$172
Team Leader Consents	\$126
Team Leader Compliance	\$121



HOURLY RATES	RATE PER HOUR
Co-ordinator Biosecurity	\$98
Area/Project Engineer	\$135
Catchment Co-ordinators	\$92
Senior Policy Planner, Scientist	\$102
Senior Consents Planner, Hydrology Technician	\$103
Senior Compliance Officer	\$83
Policy Planner, Scientist	\$83
Compliance Officer, Hydrology Technician	\$93
Consent Planner, Reporting Officer	\$84
Emergency Management Officers	\$89
Communications Advisor	\$90
Surveyors	\$86
Environmental Management Officers	\$97
Land Management Officers	\$83
Supervisor Biosecurity	\$98
Consents Administrator	\$61
Technician	\$82
Dam Safety Officer	\$101
Biosecurity Officer	\$80
Commissioner	At cost plus disbursements
Hearings Committee Chair and Members	At cost plus disbursements

2. These charges shall come into effect on 1 July 2016 and remain in effect until 30 June 2017.
3. 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.
4. 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.
5. 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

<p>Holder of Consents to Take</p>	<p>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.</p>
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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 relates to biodiversity issues

**Hapū**

Whānau 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, hapū, 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 – general**

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 (UACs). 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 a unique valuation identifier for that part of the rating unit”

**Sustainable**

Using a natural resource in such a way that its use 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

***Whānau***

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 per cent 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, and 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.