



Infrastructure Climate Resilience,
Foxton culvert upgrade.

2022-23 Mahere ā-tau Annual Plan

This document should be read in conjunction with Horizons Regional Council's 2021-31 Long-term Plan

Rārangi tohu o te Kaunihera

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He kupu nā te Heamana me te Tumuaki Chair and Chief Executive's message



Kia ora and welcome to our 2022-23 Annual Plan. It focuses on the changes we've made to some of our key activities while continuing the work we said we would do as part of Year 2 of our 2021-31 Long-term Plan (LTP). All of our work programmes are planned around our vision *Tō tātou rohe – taiao ora, tangata ora, mauri ora - Our place – a healthy environment where people are thriving.*

This year, Council chose not to consult on our 2022-23 Annual Plan as there is no significant deviation from the activities outlined in Year 2 of the LTP. Based on the work programmes planned for the year, an additional \$4.1 million in rates revenue is what's needed for Council to continue do its core business. This equates to an 8.1 per cent total rate increase across the region, which differs slightly to the total rate increase of 8.2 per cent that was planned in the LTP.

It is important to keep in mind that this rate impact will differ from district to district due to factors such as changes to property values and specific rating inputs such as river schemes, biodiversity, and passenger transport. Palmerston North properties were revalued in 2021, which will potentially result in a higher rate increase for properties in this district.

As a Council, and ratepayers ourselves, we are conscious that any rates increase is not ideal. Particularly at a time when things such as

inflation and insurance costs are high for households. Unfortunately, these are the very things that affect our organisation too.

The adjustments we have made to our 2022-23 activities includes an additional \$250,000 towards insurance costs, particularly for our flood protection assets, and a \$240,000 increase to allow for inflation adjustments for passenger transport service costs, noting that 51 per cent of this is funded by Waka Kotahi NZ Transport Agency.

Additionally, we have added a further \$375,000 to help progress the weed harvesting on Lake Horowhenua as part of our water quality interventions within the Waiopahu Freshwater Management Unit.

To make these small adjustments we have refined some of our other work programmes, particularly in our river management capital work programmes, to ensure that any total rate increase was no higher than the 8.2 per cent as planned. All other Council activities remain as planned for the next 12 months, with a particular focus on our priority areas of freshwater, climate change, biodiversity, and making our data and information accessible to our communities.

Oranga Wai – Our Freshwater Future is a significant work programme that represents our policy, science, and community engagement workstreams that we have underway to progress the 2020 National Policy Statement for Freshwater Management requirements. This year we will continue to work with our iwi partners to establish a local approach to Te Mana o te Wai and engage with our community on freshwater attributes and their baseline and targets, as well as setting limits and environment flows. Information is key

to decision-making and we have huge amounts of data coming in from our networks monitoring the water quality in lakes, rivers and groundwater. This information is critical for policy development and for the science that underpins that policy. We will also continue to progress new and revised National Environmental Standards for Freshwater such as intensive winter grazing and nitrogen cap reporting regulations, which will require additional resource consent planning and compliance monitoring from our regulatory team.

This year, we will also complete and begin to implement Horizons' Climate Action Plan, as well as progress the regional Joint Climate Action Plan alongside our iwi and territorial local authority partners. Public transport is one key activity where Council can reduce emissions and we look forward to launching bus service improvements in Whanganui early in 2023.

Biodiversity remains a challenge in our region, with native habitats reduced to a fraction of their former extent. Continued degradation from pest plant and animal incursions puts remaining ecosystems under pressure. We will continue to focus our efforts on icon projects, funding community biodiversity projects, and working alongside landowners to care for biodiversity.

In addition to another big year of delivering activities that contribute to the social, economic, environmental and cultural wellbeing of our communities, it is a significant year for Council itself. This year brings a new governance structure with the introduction of two Māori constituencies – Raki Māori (North)

and Tonga Māori (South). This will take our total number of councillors to 14, with an opportunity for you to vote for the candidate that best represents you on the 8th of October through the local government elections process.

We trust that the following provides you with a good overview of our planned work for 2022-23 and the budget required to help achieve our community outcomes. We will do this through strengthening our partnerships with iwi and working with our communities to ensure we are providing you, our residents and ratepayers, with good value.

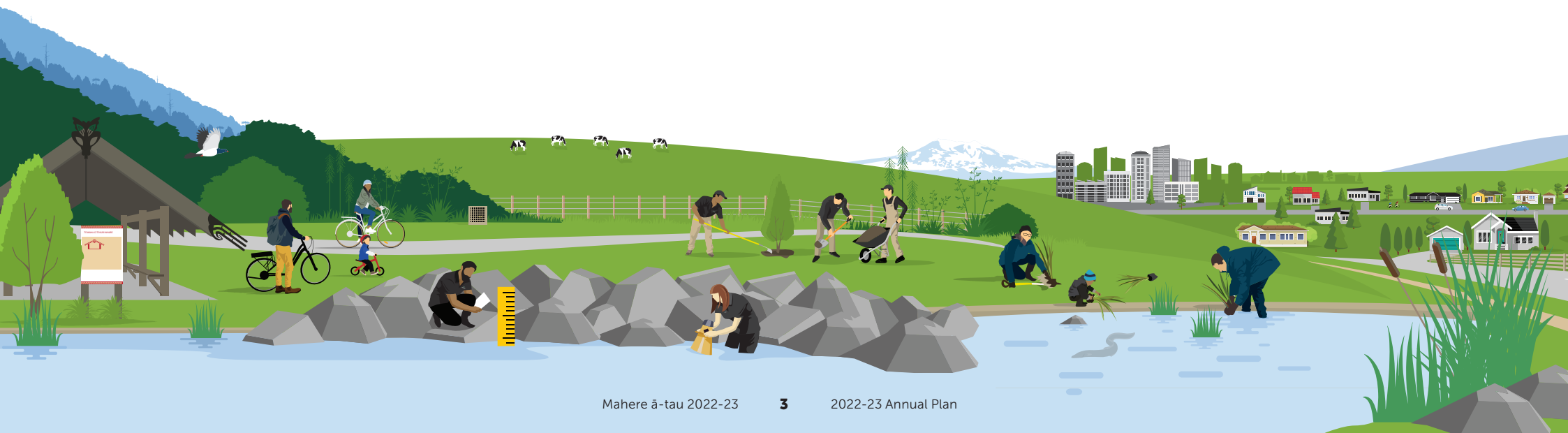
Ngā mihi nui



Rachel Keedwell
Chair



Michael McCartney
Chief Executive



Ō Kaikaunihera Your Councillors



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Ō Kaikaunihera Your Councillors

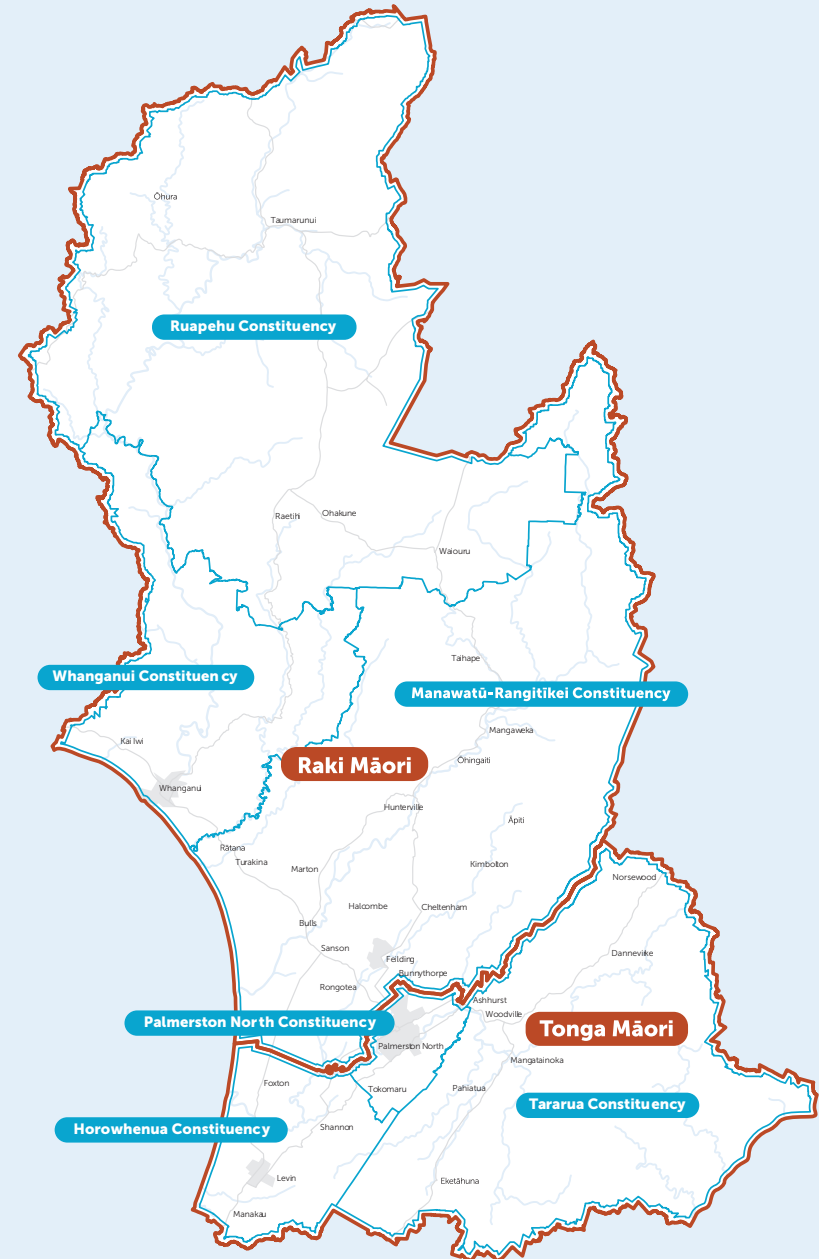
In 2021, Council chose to include Māori constituencies at the next local government elections which will occur on 8 October 2022.

This triggered a representation review to look at how many councillors there should be for our regional council, the boundaries of the area each represents, and the names of those constituencies to ensure fair and effective representation. The final representation model means that in addition to the 12 representative positions noted above, and additional two representatives will be elected by voters on the Māori electoral role – one representative each for Raki Māori (North) and Tonga Māori (South).

These 14 representatives (councillors) form the governance body of Horizons Regional Council, which is the trading name of the Manawātū-Whanganui Regional Council. Following the elections in October, Council members will elect their Chair as well as Chairs for their standing committees, these currently are:

- Audit, Risk and Investment Committee
- Catchment Operations Committee
- Climate Action Joint Committee
- Environment Committee
- Linklater Bursary Sub-Committee
- Manawātū River Users' Advisory Group
- Passenger Transport Committee
- Regional Transport Committee
- Strategy and Policy Committee

The chief executive is employed directly by the Council, who in turn employs the organisation's staff. Horizons staff number is approximately 294 full-time equivalents. Around 48 per cent of these employees are based at the head office, Regional House, in Palmerston North. The remainder are located at service centres and depots throughout the region.



Whakarāpopototanga o te Mahere-ā-tau

Annual Plan summary

Horizons planned work for 2022-23 will continue to focus on what we set out to do in Year 2 of our 2021-31 Long-term Plan.

This programme of work included a proposed total rate increase of 8.2 per cent across the region. In adopting this Annual Plan, Council have refined their budget based on how we are actually tracking, setting our 2022-23 rates slightly lower than forecasted at a total of 8.1 per cent rate increase.

Council has made some adjustments, including accommodating for increasing costs of insurance mainly associated with our flood protection assets. An extra \$250,000 has been added above what was initially planned for this year, taking the total increase to \$480,000. We have offset some of this cost through revising and refining capital works projects such as our infrastructure climate resilience projects that will provide flood protection upgrades in Foxton, Rangitikei, Palmerston North, and the Lower Manawatū. This resetting has been done to ensure

we take advantage of funding received from central government while accommodating for current resourcing capacity in this area.

The Whanganui River training structures improvements, which form part of the Te Pūwaha port revitalisation project, are another of our key river management activities that are well underway. In this financial year, our programme of upgrades to the North Mole will be completed and repairs to the South Mole are planned to commence.

Council has also confirmed their commitment to water quality interventions at Lake Horowhenua by adding an additional \$375,000 towards weed harvesting this year. Wider project work within the Horowhenua Freshwater Management Unit that has Jobs for Nature co-funding will further refine our understanding of water quality drivers, allowing for the development of interventions that target water quality parameters such as sediment, nitrogen, phosphorus and bacteria. This Jobs for Nature project includes the design and establishment of the first

phase of a wetland complex to provide further water quality benefits for the Lake.

Our two other Jobs for Nature co-funded projects also enter their third year, with a further 105 kilometres of stream fencing and 100,000 riparian plants to be in place by the end of the financial year. Another 500 instream structures will be assessed as to whether they are barriers to fish passage and remediation works will be undertaken at a minimum of seven locations to open up stream habitat for migratory fish.

Other priority areas include progressing the National Policy Statement and National Environment Standards for Freshwater requirements. This includes working towards the notification of a revised One Plan by 2024 and implementing new consenting pathways and compliance monitoring for regulations such as



intensive winter grazing, stock exclusion, feedlots and stockholding.

Additional science and monitoring resourcing, and investing in capacity of iwi and hapū so that they can be appropriately involved in the design and content of Horizons' new freshwater plan have also been accommodated for. Our Sustainable Land Use Initiative, which aims to keep soil on our hills and out of our waterways, benefits from a small budget increase to encourage more landowners to undertake action on erosion prone land.

Our biodiversity and biosecurity activities have also had a small increase in additional spend to

support work in our priority habitat sites, and to provide additional capacity and funding to manage pest plants and animals. Early 2023, will see the commencement of a new passenger transport service for Whanganui. An annual provision of \$170,000 for this increase in level of service will commence this year as a targeted rate for Whanganui. This Annual Plan has also added a further \$240,000 to what was originally planned for Year 2 of the LTP to accommodate for rising inflation costs on our long-term passenger transport service contracts across the region. It is important to note that 51 per cent of these figures are funded by Waka Kotahi NZ Transport Agency.

Financial strategy summary below reflects some budgetary highlights for 2022-23

TOTAL RATE INCREASE

8.1%

TOTAL FUNDING

\$111.0M

OPERATING SPEND

\$84.9M

CAPITAL SPEND

\$31.4M

BORROWINGS

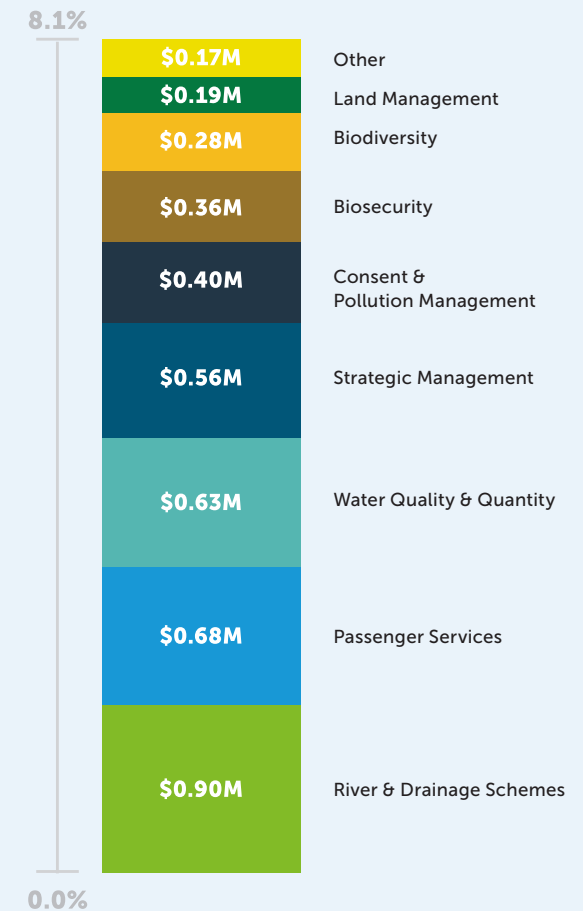
\$72.2M*

TOTAL ASSETS

\$1.1B

*This includes \$18.5M of borrowings which have been on-loaned to MWRC Holdings.

The chart below provides a high level summary of what contributes to the total rate increase of 8.1 per cent, as well as our key activity areas for 2022-23. We strongly encourage everyone to read our 2021-31 Long-term Plan to understand the full spectrum of work Horizons Regional Council undertakes to make our place a healthy environment where people thrive.



Our Region

Manawatū-Whanganui



Around
250,000
PEOPLE
call it home

WE HAVE THREE

major river systems,
two coasts and the
Central Plateau

Mean annual rainfall in the region
ranges from 900mm

TO OVER 2,000mm

WE HAVE SEVEN DISTRICTS
and approximately
89%

of our ratepayers
live in urban centres

WE HAVE ONE OF THE

largest areas of hill
country in New Zealand
and highest proportion
of highly erodible land
of any region

The Horizons Region
is made up of

2.2 MILLION HECTARES

of land (8% of New Zealand's total land area),
plus 31,000 hectares of marine area

Approximately
109,000
RATEPAYERS

contribute to our
work programmes

206,000
HECTARES

or 18% of the nation's versatile
soils are in the region

THERE ARE OVER 35,000km

of waterways in the
Horizons Region

LAND USE IS:



45% Sheep and beef
33% Native cover
8% Dairy
5% Forestry
9% Other

WE HAVE OVER

230
LAKES

This includes 67 dune,
44 riverine, 24 landslide,
7 volcanic lakes and 88
artificial reservoirs

THERE ARE

40

ESTUARIES

in our region, including Manawatū
Estuary, an internationally
recognised RAMSAR site

We also have two coasts
with jurisdiction extending

12

NAUTICAL MILES

out to sea

Te Wawata me ngā Hua ā-Hapori

Vision and community outcomes

Our community outcomes are what we aim to achieve to promote the social, economic, environmental, and cultural wellbeing of our communities in the present and for the future whilst taking a sustainable development approach (Local Government Act 2002).

As a local authority, Horizons is required set out the region's community outcomes in its Long-term Plan. Council adopted its current set of community outcomes in the 2021-31 Long-term Plan. They are:



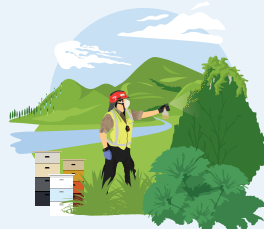
Our region's ecosystems are healthy



Our region has effective transport networks



Our region's communities are resilient to the impacts of natural hazards and climate change



Our region's economy is thriving



Our region's communities are vibrant and empowered

These outcomes form a key part of our strategic approach and align with Council's vision for the region:

Tō tātou rohe – taiao ora, tangata ora, mauri ora.

Our place – a healthy environment where people are thriving.



Tō tātou rohe – taiao ora, tangata ora, mauri ora. Our place – a healthy environment where people are thriving.

These community outcomes and our vision can only be fulfilled through Horizons working together with its communities. They are also a long-term commitment; this Annual Plan is simply a stepping stone towards them. Achievement of the community outcomes requires some level of prioritisation and trade-offs. To that end, Horizons has four strategic priorities to inform the 2021-24 period.

They are (in no particular order):

- Freshwater
- Climate Change
- Unlocking Information, and
- Biodiversity

Whilst these four work streams are strategic priorities, they are not all that Horizons seeks to achieve. The following section further describes each outcome and how our work programmes advance the region towards achieving them.

E kaha manahau nei ngā hapori
o tō tātou rohe ki ngā mōrearea ā-taiao
me te āhuarangi hurihuri

Our region's communities are resilient to the impacts of natural hazards and climate change

Communities understand
natural hazards and our changing
climate and are supported
to respond and adapt.

This work primarily protects the economic
and social wellbeing of our communities.

There are four components to this:

- Flood protection and control
- Emergency management
- Climate change
- Strategic management

Natural hazards, be they earthquakes, tsunamis,
floods, droughts or pandemics, can be extremely
disruptive to our economy and our communities.
Our region has seen this during the 2004
and 2015 flooding events, the 2016 Kaikōura
earthquake, and the current COVID-19 pandemic.
Horizons works to ensure the region is resilient
to these natural hazards in a variety of ways.

Flooding is the most significant hazard in our region,
and many of our towns and cities have been built
on fertile floodplains. To protect our communities,

we build and maintain a large
network of flood protection,
drainage and catchment
monitoring infrastructure. We
have a number of significant
Climate Resilience infrastructure
projects that will provide flood protection
upgrades in Foxton, Rangitikei, Palmerston
North, and the Lower Manawatū.

The Whanganui River training structures
improvements, which form part of the Te Pūwaha
port revitalisation project, are another of our key
river management activities that are well underway.
In this financial year, our programme of upgrades to
the North Mole will be completed and repairs to the
South Mole are planned to commence.

In this Annual Plan we have revised and
refined our capital works programme to
ensure we take advantage of funding received
from central government towards flood
infrastructure projects, while accommodating
for current resourcing capacity in this area.

Horizons also coordinates the Manawatū-
Whanganui Civil Defence and Emergency

Management Group, working with others such as
territorial authorities, Police, Fire and Emergency
New Zealand, defence forces and district health
boards. We work together to reduce community
risk from all types of hazards, ensuring that the
region is prepared for events, and that we can
respond to emergencies and disasters when they
occur, and help the region recover afterwards.

Research commissioned by central and regional
government, including Horizons, has demonstrated
that climate change poses a significant risk to
the future resilience of our region. Those effects
are already beginning to become apparent. In
the west of the region we are likely to see more
rainfall and flooding, while in the east, more
droughts. Sea level rise also poses risks to our
coastal communities. This year our Climate
Action Joint Committee, made up of Horizons,
our territorial authorities and tangata whenua,
will adopt a Climate Action Plan for the region.



E ora ana ngā pūnaha hauropi o tō tātou rohe Our region's ecosystems are healthy

A full range of healthy ecosystems from the mountains to the sea, are valued for their intrinsic worth and provide sustainably for communities.

This work primarily protects and enhances the environmental wellbeing of our region and communities.

There are two main components to this:

- Freshwater quality and ecosystem health continue to be a challenging issue for our region. We are seeing improving trends in some areas and worsening trends in others. This is mirrored across New Zealand.
- Biodiversity on land also remains a challenge in our region and across New Zealand. Our region has lost most of its native habitats since human settlement, with some ecosystems such as wetlands and dune forests restricted to only small fragments.

Horizons is also responsible for the coastal marine area, extending 12 nautical miles out to sea.

A healthy environment is central to what we do. We work across the region to protect our land,

water, air and coasts from inappropriate development and pollution through monitoring and enforcement of the One Plan. This year we will continue to work towards implementation of central government's Essential Freshwater package through Horizons' Oranga Wai - Our Freshwater Future programme.

Council has also confirmed their commitment to water quality interventions at Lake Horowhenua by adding additional funding towards weed harvesting this year. The Horowhenua Jobs for Nature project will continue, including the design and consenting process for a wetland complex to reduce contaminants flowing into the Lake. Our two other Jobs for Nature projects also enter their third year, with a further 105 km of stream fencing and 100,000 riparian plants to be in place by the end of the financial year. Another 500 instream structures will be assessed as to whether they are barriers to fish passage and remediation works will be undertaken at a minimum of seven locations to open up stream habitat.

Good environmental management requires robust science and data. Horizons has an extensive freshwater monitoring network across our region to identify issues and inform our responses, which



we continue to expand. We also support a range of research projects to improve our understanding of environmental issues, including the impacts of climate change on our ecosystems.

We have a range of environmental projects in our Water Quality and Quantity, and Biosecurity and Biodiversity activities. Through our Priority Sites programme we identify and assess biodiversity sites, and contribute to the management of a select few, based on their vulnerability and rarity in the region.

We also work with farmers and growers to make on-farm improvements to their environmental performance through advice and subsidies for on-farm work. One example of this is our Sustainable Land Use Initiative, which supports erosion control measures such as tree planting on hill country farms and fencing.

E tōtika ana ngā ara waka o tō tātou rohe

Our region has effective transport networks

Safe, sustainable public transport and infrastructure planning that support connected communities and reduce the region's carbon emissions.

This work aims to enhance the economic and social wellbeing of our communities, and protect our environmental wellbeing.

Our region sits at the nexus of the Lower North Island and is the gateway from Wellington to Taranaki, Hawke's Bay and the rest of the North Island. Because of the centrality of our region, we have a role to play as an important transport corridor. Ensuring that people and goods can move through and around our region is critical to the region's economic function and social wellbeing.

There are 4 components to this:

- Land transport planning
- Public transport
- Total Mobility
- Road safety

Last year, we adopted our latest Regional Land Transport Plan, which takes a strategic lens to our region's current and future transport needs and provides for integrated decision making between the various organisations needed to deliver effective

transport networks. Our focus now shifts to its implementation.

Transport contributes to a quarter of our region's greenhouse gas emissions. Significant changes to how we move around will be required to reach government's net zero carbon dioxide target by 2050, and this will form part of our transport planning. In particular, we will consider how our public transport services can best contribute to reducing the region's transport emissions and will seek to provide an attractive alternative to the private car.

Public transport can play a significant role in our region's transport networks, and the development of well-functioning urban environments. For our cities, public transport can help reduce congestion. It can also enable those in our communities for whom private vehicles are not an option to still access employment and education and fully participate in community life. Last year, we consulted on our Regional Public Transport Plan which will be adopted early in this financial year. We will also begin implementing improvements to the Whanganui bus network, and continue preparing for future improvements to the Palmerston North bus network.

From July 2022, passengers on a vast majority of our bus services will be able to answer 'where is my bus' quickly and accurately through Horizons new



Real-Time Bus Information System. Connected to our transport services pages on Horizons' website, we also plan to integrate the real time system into Google Maps and are investigating integrating it into the Transit App. The system will provide Council with valuable insights in the scheduled adherence for our fleet to determine if our timetables are actually achievable. This project is a huge step towards improving the customer journey on Horizons buses.

For some in our communities, private and public transport are not suitable or available. For these people, we provide the Total Mobility Scheme, a subsidised taxi service. This enables them to move around their communities, access services and participate in community life.

Deaths and serious injuries should not be an inevitable cost of travelling; we will play our part in working towards central government's goal of no deaths or serious injury on our roads through the work we do with our partners such as NZ Police, a road safety education programme, and the development of road safety strategies.

E tipu pai ana te ōhanga o tō tātou rohe Our region's economy is thriving

A sustainable economy that supports communities to thrive socially, culturally and environmentally.

This work aims to enhance the economic wellbeing of our communities.

There are 5 components to this:

- Strategic management
- Land drainage
- Land transport
- Biosecurity
- Land management

Horizons facilitates Accelerate25, a collaboration between all of the region's councils, iwi, business and central government to identify and act on strategic opportunities and enablers to enhance the region's economic performance and prosperity. Following a refresh in 2020, this programme will focus on a range of themes, including sustainable food and fibre production, and specialised services.

Our region's transport networks play a critical role in enabling economic activity. In particular, our position in the centre of the lower North Island, with

strategic connections north, south, east and west, provides significant opportunities to the regional economy. Accessing Central New Zealand is an Accelerate25 project aiming to capitalise on this.

Working alongside Whanganui iwi, Whanganui District Council, Q-West Boat Builders, the Whanganui District Employment Training Trust, and community members, Te Pūwaha – the Whanganui Port revitalisation project, will secure the port as a long-term community economic and recreational asset. Horizons' component of this programme of work includes upgrades to the North Mole which will be completed this financial year, with repairs to the South Mole planned to commence. These works will help enable an operational port and provide flood protection.

Agriculture is a significant component of our region's economy, and Horizons has a range of activities to support the sector's prosperity. Our flood control and land drainage activities allow productive farming on land that would

otherwise be unsuitable for agriculture or horticulture purposes. As well as protecting our native ecosystems, our biosecurity work also protects farmers from pest plants and animals that could compromise agricultural production.

Our region has one of the highest proportions of highly erodible land in New Zealand, and soil erosion represents the loss of a valuable natural asset for primary production, in addition to its environmental impacts. Through the Sustainable Land Use Initiative, we support farmers to target and carry out erosion control works to protect our region's valuable soil resource.



E ngangahau ana ō tātou nei rohe hapori
e noho whakamana ana hoki

Our region's communities are vibrant and empowered

Communities are enabled to participate meaningfully in decision making and take action to benefit our collective wellbeing.

This work aims to empower communities to enhance all four wellbeings. There are six components to this:

- Governance
- Community engagement
- Iwi and hapū
- Community partnerships
- Strategic management
- Information

A key function of local government is 'to enable democratic local decision making and action by, and on behalf of, communities'. Our councillors are an important component of this as representatives of their constituencies. Following the October 2022 local government elections, two additional Councillors representing voters on the Māori electoral roll will join Horizons' governance table.

However, the councillors are not our only mechanism by which communities may participate meaningfully in decision making. We engage with our communities through a range of channels, including print, digital, and in-person, seeking genuine two-way

communication as we work towards our vision for the region. This year will bring a number of public consultation processes, including Oranga Wai - Our Freshwater Future and our urban development change to the One Plan.

As tangata whenua, iwi and hapū have a special place in our region, and Horizons values the relationships and partnerships we have built together. This year, we will continue to invest in these partnerships, to input into a range of activities across Horizons including Oranga Wai, climate change and emergency management. We recognise that the pressure on the capacity of iwi and hapū to engage with local government is growing and we will continue to provide resource to support this. We will also continue to play our role in post-settlement governance systems as appropriate.

Supporting our communities in their own actions to enhance the wellbeing of their communities is important. Our Kanorau Koiora Taketake – Indigenous Biodiversity Grant, Pūtea Hapori Urupare Āhuarangi – Community Climate Response Fund, and staff support and funding towards the Manawatū River Leaders'



Accord Community Grant is just some of the ways we support community groups, schools, catchment care groups, and iwi and hapū with projects that increase engagement with our environment and help to improve its wellbeing.

Horizons also holds a range of information and expertise which we seek to make accessible to our communities where possible, whether to inform farmers on environmental works, communities engaging in biodiversity projects, or homeowners seeking to understand natural hazard risk. Information is also key to decision-making and we have huge amounts of information coming in from our networks monitoring the water quality in lakes, rivers and groundwater. This information is critical for planning and policy development and for the science that underpins that policy.

Whakarāpopotanga o ngā tāke kaunihera me ōna panonitanga mo te Mahere-ā-tau 2022-23

Summary of rates and their changes for the Annual Plan 2022-23

	Rating Method	Long-term Plan Year 1 2021-22 (A)	Long-term Plan Year 2			Annual Plan		
			2022-23	Annual Change (B-A)		2022-23	Annual Change (C-A)	
			(B)	\$	%	(C)	\$	%
Common Rates *1								
General Rate	Capital Value (Equalised)	21,834	23,983	2,149	10%	23,644	1,810	8%
Uniform Annual General Charge (UAGC)	UAGC per separately used or inhabited part of a property (SUIP)	4,914	5,065	151	3%	5,248	334	7%
Sustainable Land Use Initiative (SLUI) UAC	SUIP	3,793	3,939	146	4%	3,928	135	4%
Environmental Initiatives UAC	SUIP	2,901	3,105	204	7%	3,095	194	7%
Drinking Water Monitoring and Research	SUIP	100	103	3	3%	103	3	3%
Individual Rates *2								
Manawatū River Accord	SUIP	410	423	13	3%	424	14	3%
Biosecurity and Biodiversity (per ha)	Per hectare >4 ha	1,294	1,391	97	7%	1,390	96	7%
Rangitīkei Environment Group greater than 4 ha	SUIP	48	49	1	2%	49	1	2%
Rangitīkei Environment Group less than 4 ha	SUIP	48	49	2	3%	49	2	3%
River & Drainage Scheme	Mix of Rating Mechanisms	10,218	11,122	904	9%	10,746	528	5%
River & Drainage Scheme Rates (UAC)	SUIP	1,212	1,326	114	9%	1,306	94	8%
Regional Park UAC	SUIP	24	24	0	1%	25	1	3%
Transport Passenger Services	Capital Value	3,117	3,492	375	12%	3,786	669	21%
Waitāre Community Biodiversity Project	SUIP	7	7	0	3%	7	0	3%
Lake Horowhenua Restoration	SUIP	355	323	(32)	(9%)	550	195	55%
Sub Total	Total Common and Individual	50,275	54,403	4,128	8.2%	54,350	4,076	8.1%
Penalties and Remissions		1,030	1,110	80		1,110	80	
Grand Total	Total Funding From Rates	51,305	55,513	4,208	8.2%	55,460	4,156	8.1%
UAC total (for 30% Cap)		13,811	14,414			14,784		
		27%	26%			27%		

Rates in the above table are stated exclusive of GST

*1 Common rates apply to all properties across the region and are either EQCV or uniform.

*2 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.

He rārangi utu reiti ā-rohe

Sample ratepayers for 2022-23

To see how the rates translate to your individual property check out our rates search at horizons.govt.nz/rates-search

Hectares	Old CV	New CV	2021-22 Rates	2022-23 Estimate	Change \$	Change %
HOROWHENUA DISTRICT						
					Average for District	3.08%
0.088	330,000	330,000	295.06	303.84	8.78	2.98%
0.082	340,000	340,000	287.02	294.04	7.02	2.45%
0.081	385,000	385,000	303.94	309.43	5.49	1.81%
596.582	1,770,000	1,770,000	2,494.91	2,592.75	97.84	3.92%
278.636	4,210,000	4,210,000	2,431.09	2,360.78	(70.31)	(2.89%)
619.050	970,000	970,000	1,835.70	1,924.80	89.10	4.85%
					Average for District	0.42%
MANAWATŪ DISTRICT						
0.045	300,000	300,000	340.27	343.36	3.09	0.91%
0.082	415,000	415,000	416.86	418.53	1.67	0.40%
0.441	610,000	610,000	547.14	546.49	(0.65)	(0.12%)
80.707	1,580,000	1,580,000	800.74	759.11	(41.63)	(5.20%)
87.279	2,010,000	2,010,000	1,085.35	1,027.83	(57.52)	(5.30%)
88.528	3,415,000	3,415,000	1,642.30	1,548.85	(93.45)	(5.69%)
					Average for District	27.35%
PALMERSTON NORTH CITY						
0.085	320,000	590,000	346.90	454.51	107.61	31.02%
0.066	420,000	760,000	413.08	545.25	132.17	32.00%
0.101	590,000	1,030,000	523.37	686.64	163.27	31.20%
49.305	1,000,000	1,280,000	716.68	804.53	87.85	12.26%
0.154	1,780,000	2,580,000	1,295.16	1,498.04	202.88	15.66%
0.428	4,150,000	4,800,000	2,832.49	2,660.52	(171.97)	(6.07%)
					Average for District	-2.30%
RANGITĪKEI DISTRICT						
0.065	175,000	175,000	206.33	207.49	1.16	0.56%
0.110	365,000	365,000	306.00	305.56	(0.44)	(0.14%)
0.081	430,000	430,000	1,378.16	1,278.53	(99.63)	(7.23%)
84.602	2,050,000	2,050,000	1,012.53	957.10	(55.43)	(5.47%)
1,062.300	2,410,000	2,410,000	2,434.16	2,437.18	3.02	0.12%
1,844.203	6,310,000	6,310,000	5,360.22	5,287.49	(72.73)	(1.36%)



He rārangi utu reiti ā-rohe

Sample ratepayers for 2022-23

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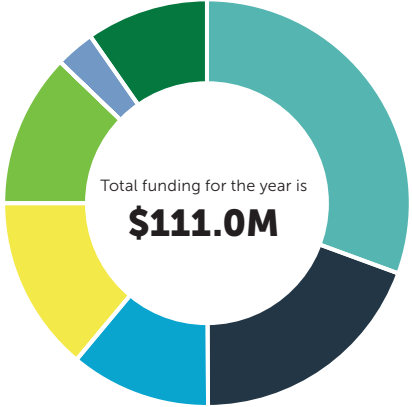
RUAPEHU DISTRICT					Average for District		-2.11%
0.103	190,000	190,000	215.41	215.46	0.05	0.02%	
0.438	280,000	280,000	234.59	231.50	(3.09)	(1.32%)	
0.260	370,000	370,000	304.38	298.97	(5.41)	(1.78%)	
1,994.310	2,338,000	2,338,000	2,894.59	2,975.50	80.91	2.80%	
86.911	2,490,000	2,490,000	1,192.27	1,126.88	(65.39)	(5.48%)	
263.431	5,940,000	5,940,000	2,762.19	2,598.51	(163.68)	(5.93%)	
TARARUA DISTRICT					Average for District		-0.57%
0.075	320,000	320,000	291.72	289.08	(2.64)	(0.90%)	
0.554	300,000	300,000	256.56	253.18	(3.38)	(1.32%)	
0.216	375,000	375,000	402.94	398.52	(4.42)	(1.10%)	
288.038	1,770,000	1,770,000	1,099.36	1,069.68	(29.68)	(2.70%)	
191.017	3,810,000	3,810,000	2,342.95	2,258.18	(84.77)	(3.62%)	
814.480	5,770,000	5,770,000	3,831.99	3,760.38	(71.61)	(1.87%)	
WHANGANUI DISTRICT					Average for District		3.28%
-	205,000	205,000	242.74	253.50	10.76	4.43%	
0.030	355,000	355,000	331.45	345.82	14.37	4.34%	
0.058	490,000	490,000	411.29	428.92	17.63	4.29%	
419.866	1,160,000	1,160,000	1,099.34	1,112.92	13.58	1.24%	
90.505	3,270,000	3,270,000	1,456.09	1,363.34	(92.75)	(6.37%)	
1,039.360	5,510,000	5,510,000	3,445.46	3,368.97	(76.49)	(2.22%)	



Whakarāpopototanga o te Pārongo Ahumoni

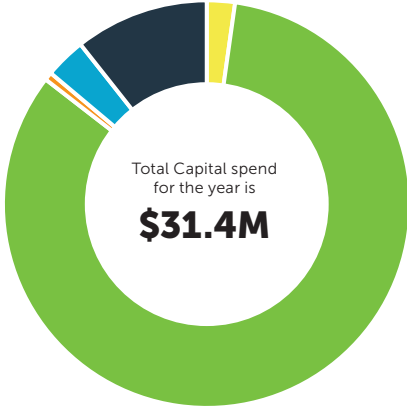
Summary financial information

How are we funding our activities?



- **\$33,976k** General Rates, UAGC, Rates Penalties
- **\$21,450k** Targeted Rates
- **\$12,370k** Subsidies and Grants
- **\$15,483k** Dedicated Capital Funding
- **\$13,536k** Fees and Charges
- **\$3,450k** Interest and Dividends
- **\$10,773k** Increase/(Decrease) in debt

Our Capital Investment



- **\$700k** Land and Water Management
- **\$26,114k** Flood Protection and Control Works
- **\$200k** Biosecurity and Biodiversity
- **\$1,015k** Regional Leadership and Governance
- **\$3,338k** Corporate

Operational expenditure by group of activities

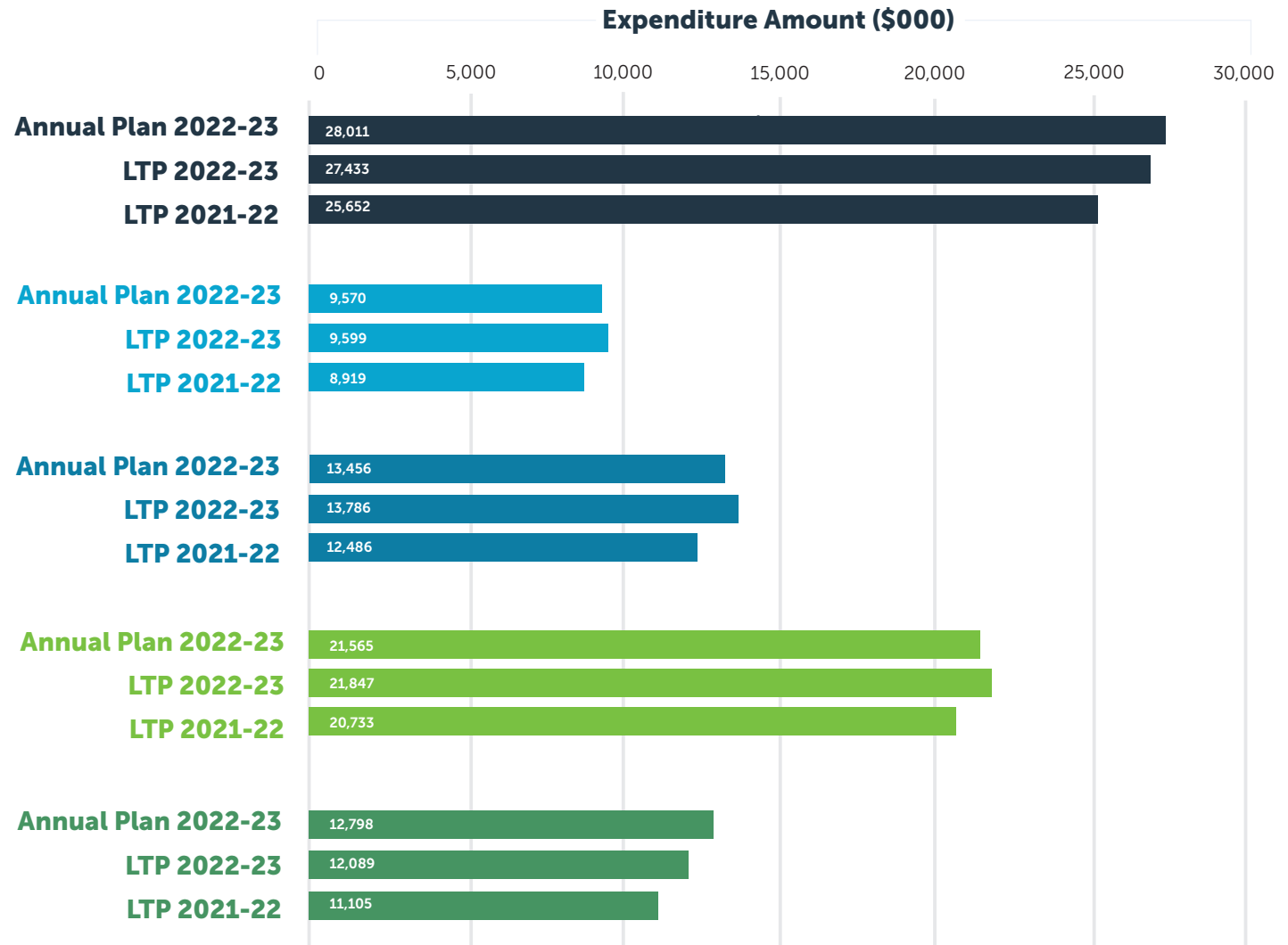
Land and Water Management

Biosecurity and Biodiversity

Flood Protection and Control Works

Regional Leadership and Governance

Transport





Ā mātou mahi Our activities





Te Whakahaere Whenua me te Wai

Land and water management

What we will deliver - land management

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
SUSTAINABLE LAND USE INITIATIVE (SLUI)			
Erosion reduction works programmes in targeted SLUI catchments (hectares).	3,100	3,100	3,100
Hectares of Whole Farm Plan properties mapped per year.	20,000	20,000	20,000
REGIONAL LAND INITIATIVES AND WHANGANUI CATCHMENT STRATEGY			
Manage environmental grant programme to deliver erosion reduction works (hectares).	175	175	175
Support industry initiatives that promote sustainable land use via industry partnerships (incl. Whanganui River Enhancement Trust).	5	5	5
Operate Council nursery and source additional commercial material to deliver poles (poplar and willow) to erosion control programmes (number of poles).	30,000	30,000	30,000
REGIONAL LAND INITIATIVES AND WHANGANUI CATCHMENT STRATEGY			
Annual report on the previous year's land and fluvial monitoring and research activities.	Achieved	Achieved	Achieved

What we will deliver - Water quality and quantity

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
FRESHWATER ENHANCEMENT TO ENABLE AND ENCOURAGE THE PROTECTION AND ENHANCEMENT OF WATER QUALITY, RIPARIAN MARGINS AND AQUATIC HABITAT			
Deliver freshwater enhancement work within the Manawatū Catchment in alignment with the Manawatū River Leaders' Accord and through delivery of the Manawatū Freshwater Improvement Fund project, including:			
Stream fencing (km);	50 km	50 km	50 km
Riparian plants (number);	40,000	40,000	40,000
Remediation of barriers to fish passage (number);	4	4	4
Community projects (funded).	9	9	9
Delivery of the Jobs for Nature – Public Waterways and Ecosystem Restoration Fund Project Enhancing fish populations through fish passage remediation project, including:			
Investigation of selected areas for fish barriers;	1	1	1
Fish / kakahi monitoring at a number of sites; and	12	12	12
Remediation of barriers to fish passage (number).	6	7	7
Deliver freshwater enhancement work in the Waipu Catchment through the Freshwater Improvement Fund project, including:			
Annual report to Council on the Waipu Catchment Freshwater Improvement Fund project.	Achieved	Achieved	Achieved
Delivery of the Jobs for Nature – Public Waterways and Ecosystem Restoration Fund Project Regional Stream Fencing and Riparian Planting, including:			
Stream fencing (km);	105 km	105 km	105 km
Riparian plants (number).	100,000	100,000	100,000
Deliver freshwater enhancement work within the Lake Horowhenua Catchment in alignment with the Lake Horowhenua Accord and through delivery of the Jobs for Nature – Public Waterways and Ecosystem Restoration Fund Project Lake Horowhenua Water Quality Interventions including:			
Annual report to Council on lake restoration activity including the Jobs for Nature Fund project for Lake Horowhenua.	Achieved	Achieved	Achieved
IMPROVE KNOWLEDGE AND UNDERSTANDING OF THE REGION'S WATER RESOURCE			
Annual report to Council on the previous year's water quantity and quality monitoring and research activity and its findings.	Achieved	Achieved	Achieved

What we will deliver - Resource consent and pollution management

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
CONSENTS PROCESSING			
Process consents within Resource Management Act (RMA) timeframes.*	85%	85%	85%
COMPLIANCE MONITORING			
Monitor compliance of all resource consents identified in the rural annual compliance monitoring programme.	90%	90%	90%
Monitor compliance on Category 1 and Category 2 (high priority) sites identified in the TA and industry annual monitoring programme.	100%	100%	100%
Take action in relation to significant or serious non-compliance.	100%	100%	100%
INCIDENT RESPONSE and HAIL			
All notifications of non-compliance from the public are responded to.**	100%	100%	100%
All HAIL (Hazardous Activities and Industries List) enquiries are responded to within 10 working days.	100%	100%	100%

* Consideration of national averages as reported by the Ministry for the Environment will be taken into account when measuring success against this measure.

** Options for response include:

- Desktop response;
- Immediate site inspection;
- Planned site inspection;
- Phone call only;
- Referred to external contractor;
- Subject to investigation; and
- Referred to other agency (i.e. relevant territorial authority, Civil Aviation Authority etc.).

Note: State of our Environment monitoring

Environmental outcomes relevant to Land and water Management Group of Activities can be found in our State of the Environment reporting at <https://www.horizons.govt.nz/managing-natural-resources/state-of-our-environment>



Ārai waipuke me te mahi whakahaere Flood protection and control works

What we will deliver - River and drainage general

PERFORMANCE MEASURES FOR LEVELS OF SERVICE <small>*The targets (performance measures) listed below (in lower case) are the detailed goals for each level of service over the next three years</small>	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
INVESTIGATIONS AND ADVICE			
In accordance with the programme identified in the Infrastructure Strategy, carry out and report to Council on reviews of schemes, assessing whether the current management approach is sustainable, how best to meet the needs of the community now and in future and whether the associated funding model is both efficient and equitable (reports to Council).	3	2	2
In accordance with the programme identified in Table 1, assess the performance of flood protection assets in line with the Code of Practice developed by River Managers Forum (schemes assessed).	1	1	1
In accordance with the programme identified in Table 2, produce operations, maintenance and surveillance manuals that capture scheme history, operating context and the inspection and maintenance activities required to deliver the levels of service to the relevant communities (Operations and Maintenance manuals produced).	2	8	8
IMPLEMENTATION			
Apply environmental grant funding assistance to applicants where criteria is satisfied (grants).	10	10	10

What we will deliver - River and drainage: All Schemes

Key Performance Indicator PROJECT GROUP: ALL SCHEMES			Regional Area			
			Northern	Central	Southern	Eastern
Objective	Measure	Annual Target 2021-2022 and 2022-23				
Flood and erosion protection assets and systems are maintained.	Completion of maintenance programme	Schemes to be maintained to full service potential in accordance with the Asset Management Plan or the Operations and Maintenance Manual.	Achieved	Achieved	Achieved	Achieved
	System performance design standard	Schemes meet level of service requirements as documented in the Asset Management Plan.	Achieved	Achieved	Achieved	Achieved
	Completion of asset inspection programme	Scheme asset inspections are completed in accordance with requirements specified in the Asset Management Plan or the Operations and Maintenance Manual.	Achieved	Achieved	Achieved	Achieved
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. High priority works are completed within 6 months.	Achieved	Achieved	Achieved	Achieved
Assets are renewed at end of useful life or to address a service level change.	Completion of renewals programme	As per Asset Management Plan Renewal programme.	Achieved	Achieved	Achieved	Achieved
New assets are constructed.	Completion of new capital works programme	Complete all capital works as outlined in the Asset Management Plan and budgeted for in the Annual Plan.	Achieved	Achieved	Achieved	Achieved

Explanatory Note:

The following flood protection levels are provided by our key schemes: (refer Figure 2 in Section 3 of Infrastructure Strategy)

- Lower Manawatū Scheme: 1% AEP*, with 0.2% AEP within the Palmerston North urban area
- Rangitikei scheme: 1-2% AEP depending on location
- Manawatū Drainage Scheme: 20% AEP
- Mangatainoka Scheme: 5-20% depending on location
- South Eastern Ruahine Scheme: 20% AEP
- Other Schemes that provide flood protection do so to levels between 5 -1% AEP depending on location

*Annual Exceedance Probability (AEP) refers to the probability of a flood event at or above a given size occurring in any year. For example, a large flood which may be calculated to have a 1% change to occur in any on year is describes as 1% AEP. 20% AEP equates to a 1 in 5 year flood, while a 0.2% AEP equates to a 1 in 500 year flood.



Tiaki Kōiora Biosecurity & biodiversity protection

What we will deliver - Biosecurity

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
PEST ANIMAL MANAGEMENT			
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.	<10% RTC	<10% RTC	<10% RTC
All additional hectares released from OSPRI control are included in the PCO programme.	100%	100%	100%
All known rookeries are treated annually to reduce crop losses and damage.	100%	100%	100%
Provide an animal pest management advisory service. All enquiries will be responded to within two working days.	100%	100%	100%
PEST PLANT MANAGEMENT			
Any exclusion category pest plants that are found in the Region are promptly managed: Response plans are produced when required;	Achieved	Achieved	Achieved
Required response plans are produced within two weeks;	100%	100%	100%
Response plans are enacted within their specified timeframes.	100%	100%	100%
Number of managed sites at zero-levels increases for pest plants identified for eradication in the Regional Pest Management Plan.	Overall % of eradication pest plant managed sites at zero-levels is greater than 75%	Overall % of eradication pest plant managed sites at zero-levels is greater than 79%	Overall % of eradication pest plant managed sites at zero-levels is greater than 79%
Number of managed sites at zero-levels increases for pest plants identified as progressive containment mapped in the Regional Pest Management Plan.	Overall % of progressive containment mapped pest plant managed sites at zero-levels is greater than 74%	Overall % of progressive containment mapped pest plant managed sites at zero-levels is greater than 78%	Overall % of progressive containment mapped pest plant managed sites at zero-levels is greater than 78%
Financially support the national bio-control agent development programme and report annually to Council on this programme.	Achieved	Achieved	Achieved
Monitoring of some released biological agents will be completed to assess establishment and host damage (using the national protocol): 20 assessment plots will be monitored.	100%	100%	100%
Pest plant enquiries are responded to within 3 working days.	95%	95%	95%

What we will deliver - Biodiversity

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
PROTECT/ENHANCE PRIORITY HABITAT REMNANTS			
Additional priority habitats managed to level 3* or higher (number of sites).	11	11	11
SUPPORT COMMUNITY INVOLVEMENT IN BIODIVERSITY PROTECTION			
Support existing community-based biodiversity improvement projects (number of projects). These may include icon projects, targeted rate projects and contestable fund projects.	12	12	12
IMPROVE KNOWLEDGE AND UNDERSTANDING OF THE REGION'S BIODIVERSITY			
Annual report to Council on the previous year's biodiversity monitoring and research activities.	Achieved	Achieved	Achieved
TOTARA RESERVE REGIONAL PARK			
Annual report to Council on the management of Totara Reserve Regional Park for biodiversity and recreational values, including managing the camping facility.	Achieved	Achieved	Achieved

*Explanatory note: Horizons categorises levels of biodiversity management from 0 to 6. Sites at level 3 or higher receive regular and ongoing maintenance.



Mana Whakahaere ā-rohe Regional leadership and governance

What we will deliver - Emergency management

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
ACHIEVE CDEM BUSINESS PLAN TARGETS			
Critical outputs pertaining to operational capability, community resilience and riskscape are monitored and reviewed.	Achieved	Achieved	Achieved
CDEM targets are reported to both the Joint Committee and Coordinating Executive Group (number of reports).	6	6	6
An operative Group Plan under the CDEM Act 2002 is in place at all times and reviewed within statutory timeframes by the Joint Committee	Achieved	Achieved	Achieved
HORIZONS' RESPONSE CAPABILITY			
Emergency Operations Centre staff are trained 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.	Achieved	Achieved	Achieved
Hazard Information is acquired and disseminated aligned to approved project plans.	Achieved	Achieved	Achieved
Emergency Management Office business continuity planning arrangements are in place and reviewed at least annually.	Achieved	Achieved	Achieved
Manage and promote navigation safety outputs via Manawatū River Users Advisory Group, Whanganui Coastguard and other river user groups (number of meetings).	4	4	4
CONTRACTED SERVICES			
Maritime New Zealand (MNZ) oil spill response capability maintained to MNZ audit standards.	Achieved	Achieved	Achieved

What we will deliver - Strategic management

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
STRATEGIC MANAGEMENT			
Resource management policy and plan reviews meet statutory deadlines.	Plan change required by national planning standards is notified.	Plan change required by NPS-UD is notified.	Plan change required by NPS-UD is notified.
The organisation's strategic direction is reviewed and refreshed every three years.	N/A	N/A	N/A

What we will deliver - Climate change

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
CLIMATE CHANGE			
Implementation of Horizons' Climate Action Strategy is progressing.	Regional Climate Change Risk Assessment published.	Climate change risks and issues for consideration through the 2024-34 LTP identified.	Climate change risks and issues for consideration through the 2024-34 LTP identified.
	Organisational greenhouse gas (GHG) reduction plan published.	Progress towards organisational GHG targets in accordance with emissions reduction plan.	Progress towards organisational GHG targets in accordance with emissions reduction plan.
		Regional Action Plan reviewed.	Regional Action Plan reviewed.

What we will deliver - Community relationships

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
COMMUNICATIONS			
Connect our communities with Horizons' work through a number of channels in a proactive and transparent way.	>105 media releases	>110 media releases	>110 media releases
	>1,850 media mentions	>1,860 media mentions	>1,860 media mentions
Likes/followers on social media (all accounts that Horizons manages).	>21,000	>21,500	>21,500
Videos produced.	18	20	20
Website sessions.	>610,000	>620,000	>620,000
DISTRICT ADVICE			
All information requests are met within RMA statutory timeframes (each year responding to approximately 400 from the Territorial Authorities and 700 from the general public).	100%	100%	100%
All large dam applicants are advised of their responsibilities in order to meet the Building Act 2004 and all other process are completed.	100%	100%	100%
ENVIRONMENTAL EDUCATION			
Increase participation levels in the Enviroschools and Waiora programmes at a manageable rate. Engage the community through environmental education opportunities.	75 Enviroschools	77 Enviroschools	77 Enviroschools
	35 freshwater engagements	36 freshwater engagements	36 freshwater engagements
	34 community engagements	35 community engagements	35 community engagements

What we will deliver - Iwi and hapū relationship

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
Iwi and hapū satisfaction with their collaborative relationships with Horizons.	N/A	Resurvey iwi and hapū perceptions biennially. (target: improved satisfaction rating)	Resurvey iwi and hapū perceptions biennially. (target: improved satisfaction rating)
Hui-a-iwi are held at least annually to advance agreed work programmes.	Achieved	Achieved	Achieved

What we will deliver - Information

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
ENVIRONMENTAL DATA			
Hydro-Climate - Collection of 98.5% water level, rainfall, soil moisture, wind, air temperature and air quality (approx. 15 million data-points p.a.).	98.5%	98.5%	98.5%
Continuous Water Quality - Collection of 92.0% of continuous data relating to water quality parameters (approx. 2.5million data-points p.a.).	92%	92%	92%
Continuous Lake Monitoring - Collection of 85% of continuous lake level and lake water quality data (approx. 2.0 million data-points p.a.).	85%	88%	88%
NES Water Metering – Collection of 90% of continuous consented water abstraction data during standard water use periods, to support NES obligations (approx. 4.0 million data-points p.a.).	90%	90%	90%
INFORMATION MANAGEMENT			
Map and data requests received from the public and external agencies are processed and delivered according to timeframes agreed at the time of request.	95%	95%	95%

What we will deliver - Environmental reporting

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
ENVIRONMENTAL MONITORING AND REPORTING			
Provide an annual summary report on the state of the environment.	Achieved	Achieved	Achieved
Implement a science communication strategy and report progress to Council annually.	Achieved	Achieved	Achieved
Air, land and water environmental monitoring data is made available to the public via LAWA and/or Horizons' website.	Achieved	Achieved	Achieved
Undertake environmental public education campaigns.	1	2	2



Ngā Waka Transport

What we will deliver - Passenger services

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
Percentage of customers surveyed who are 'satisfied' or better with their trip overall. [1]	≥90%	No measure	No measure
Percentage of monitored scheduled services that depart the terminus on time [2] compared to public timetable.	≥95%	≥95%	≥95%
Annual patronage on bus services in the region.	Maintain or increase from the prior year	Maintain or increase from the prior year	Maintain or increase from the prior year
Percentage of households in Whanganui, Palmerston North & Feilding within 800m of a public transport stop.	≥80%	≥80%	≥80%
Percentage of registered customers who are 'satisfied' or better with the overall service of the Total Mobility scheme. [3]	≥90%	≥90%	≥90%

[1] Satisfied = score of 6-10 on a scale of 0-10, triennial survey

[2] Scheduled service depart between 59 seconds before and 4 minutes and 59 seconds after the scheduled departure time

[3] Satisfied = score of 6-10 on a scale of 0-10, as measured by survey of one district in which Total Mobility operates per year

What we will deliver - Road safety education

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
Deliver road safety behavioural change education initiatives [4] across the region in partnership with key agencies. [5]	30	≥ 30 initiatives	≥ 30 initiatives

[4] Aimed at speed, alcohol and drug impairment, and seat belt use

[5] Key agencies, such as, NZ Police, KiwiRail, Waka Kotahi NZ Transport Agency, ACC, and local authorities

What we will deliver - Transport planning

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
The Regional Land Transport Plan (RLTP) 2021-2031 is monitored to allow the Regional Transport Committee (RTC) to assess implementation of the plan.	Quarterly reporting to RTC to track progress on the implementation of the RLTP 2021-2031	Quarterly reporting to RTC to track progress on the implementation of the RLTP 2021-2032	Quarterly reporting to RTC to track progress on the implementation of the RLTP 2021-2032
The mid-term review of the Regional Land Transport Plan 2021-2031 is prepared and submitted in line with the Land Transport Management Act, and any guidance issued by Waka Kotahi NZ Transport Agency.	No measure	No measure	No measure
The Regional Public Transport Plan 2022-2032 is prepared and adopted in line with the Land Transport Management Act and any guidance issued by Waka Kotahi NZ Transport Agency.	Council adopts the Regional Public Transport Plan by 30 June 2022	No measure	No measure



Haumi Investment

What we will deliver - Investment

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	2021-22 Target Long-Term Plan	2022-23 Target Long-Term Plan	2022-23 Target Annual Plan
INVESTMENT ACTIVITIES			
Achieve the performance targets that are set in MWRC Holdings Ltd Statement of Intent:	Achieved	Achieved	Achieved
Monthly weighted average interest rate exceeds 90-day Bank Bill Rate (BKBM) by 50 basis points (0.50%). Note, targets are based on current predicted interest rates, which will change over time.	Achieved	Achieved	Achieved
Make a return on investment for the Horizons share portfolio to provide financial income.	>3%	>3.5%	>3.5%



Mōhiohio pūtea

Financial information



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 2022-23 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.

Statement of Financial Performance

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 our Long-Term Plan 2021-31.

The financial information contained within this Annual Plan and its associated policies and document 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 2023, and to provide a broad accountability mechanism of the Council to the community.

In relation to those standards, the financial information for 2022-23 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 covered by this plan are likely to vary from the information presented and may vary materially depending on 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.

Prospective Statement of Comprehensive Revenue and Expense for the year ending 30 June 2023 (\$'000)

	Long-Term Plan 2022	Long-Term Plan 2023	Annual Plan 2023
Revenue			
Rates	51,255	55,464	55,426
Subsidies and grants	23,902	25,414	27,853
Development and financial contributions	-	-	-
Finance revenue	3,400	3,450	3,450
Other revenue	14,862	15,765	14,203
Total Revenue	93,148	100,093	100,933
Expenditure			
Personnel costs	24,447	25,670	25,813
Depreciation and amortisation expense	5,256	5,584	5,654
Finance costs	1,344	1,479	1,479
Other expenses	47,589	51,011	51,957
Total Expenses	78,636	83,744	84,903
Subvention receipt from subsidiary	-	-	-
Surplus/(Deficit) Before Tax	14,782	16,349	16,030
Income tax expense/benefit	-	-	-
Surplus/(Deficit) After Tax	14,782	16,349	16,030
Other comprehensive revenue and expense			
Financial assets at fair value through other comprehensive revenue and expense	195	206	-
Gain on property, plant, and equipment revaluations	27,153	23,739	15,609
Total Other Comprehensive Revenue and Expense	27,348	23,946	15,609
Total Comprehensive Revenue and Expense	42,130	40,295	31,639

Prospective Statement of Financial Position for the year ending 30 June 2023 (\$000)

	Long-Term Plan 2022	Long-Term Plan 2023	Annual Plan 2023
Assets			
Current assets			
Cash and Cash Equivalents	794	2,625	1,222
Trade and Other Receivables	10,713	11,475	11,103
Accruals	7,002	7,402	7,911
Prepayments and leases - Current portion	520	558	717
Inventory	1,256	1,296	1,264
Tax refund due	-	-	-
Other financial assets (current)	-	-	-
Total Current Assets	20,286	23,356	22,217
Non-current assets			
Other financial assets			
Investments in CCO's and other similar entities	32,975	33,015	33,270
Loan to CCOs	17,000	17,000	18,500
Subtotal	49,975	50,015	51,770
Investments in other entities	3,438	3,644	3,958
Total Other Financial Assets	53,413	53,659	55,728
Investment Property	2,925	3,015	3,225
Forestry assets	6,822	7,332	6,425
Land leases (prepaid) non-current	2,664	2,539	2,539
Intangible assets	5,528	6,209	11,093
Operational assets	87,605	88,197	95,656
Infrastructural assets	708,641	758,064	883,645
Total Non-current Assets	867,598	919,014	1,058,311
Total Assets	887,883	942,371	1,080,528

	Long-Term Plan 2022	Long-Term Plan 2023	Annual Plan 2023
Liabilities			
Current liabilities			
Trade and other payables	13,873	14,914	15,734
Provisions - general	-	-	-
Provisions - employee entitlements	2,370	2,488	2,464
Debt - current portion	2,500	2,500	-
Advances and Deferred Revenues	-	-	7,000
Derivative financial instruments (current)	-	53	-
Total Current Liabilities	18,742	19,955	25,197
Non-current liabilities			
Derivative financial instruments	257	76	398
Debt - non-current portion	63,974	77,135	65,182
Deferred Taxation liability	-	-	-
Total Non-Current Liabilities	64,231	77,211	65,580
Total Liabilities	82,974	97,166	90,778
Net Assets (Assets Minus Liabilities)	804,910	845,205	989,751
Equity			
Asset revaluation reserves	392,505	416,245	564,224
Fair value through other comprehensive revenue and expense reserve	1,322	1,528	1,769
Restricted reserves	12,417	13,280	13,774
Infrastructure insurance reserves	4,800	4,920	4,800
Accumulated funds	393,865	409,232	405,184
Total Equity	804,910	845,205	989,751

Prospective Statement of Cash Flows for the year ending 30 June 2023 (\$000)

	Long-Term Plan 2022	Long-Term Plan 2023	Annual Plan 2023
Cash flows from operating activities			
Receipts from rates revenue	50,874	55,429	53,890
Subsidies and grants received	23,838	25,092	23,837
Interest received	1,097	1,087	941
Dividends received	2,294	2,323	2,011
Receipts from rate penalties	-	-	-
Receipts from other revenue	12,807	14,799	11,633
Payments to suppliers and employees	(70,161)	(76,095)	(76,008)
Interest paid	(1,261)	(1,455)	(1,451)
Income tax paid/refunded	-	-	-
GST (net)	-	-	-
Net cash flows from operating activities	19,488	21,180	14,854
Cash flows from investing activities			
Receipts from sale of operational assets	-	-	180
Receipts from Sale/Maturity of Assets	20,000	20,000	25,000
Repayment of loan principal from CCO	-	-	-
Investment in subsidiary	-	-	-
Purchase of shares	-	-	-
Purchase of forestry assets	(437)	(68)	(300)
Purchase of Property, Plant, and Equipment	(31,924)	(31,321)	(29,051)
Purchase of intangible assets	(1,356)	(1,082)	(1,803)
Purchase of investment property	-	-	-
Payment of loan to CCO	-	-	-
Acquisition of Investments	(20,040)	(20,040)	(25,040)
Investment in deposits	-	-	-
Net cash flows from investing activities	(33,757)	(32,511)	(31,014)
Cash flows from financing activities			
Proceeds from borrowings	35,589	18,915	27,341
Repayment of borrowings	(23,082)	(5,754)	(16,569)
Dividend/Subvention payments	-	-	-
Net cash flows from financing activities	12,507	13,161	10,773
Net (decrease)/increase in cash and cash equivalents, and bank overdrafts	(1,762)	1,831	(5,387)
Cash and cash equivalents, and bank overdrafts	2,557	794	6,609
Closing Cash Balances	794	2,625	1,222

Prospective Statement of Changes in Equity for the year ending 30 June 2023 (\$000)

	Long-Term Plan 2022	Long-Term Plan 2023	Annual Plan 2023
Balance at 1 July	762,779	804,910	958,112
Total comprehensive revenue and expense for the year	42,130	40,295	31,639
Balance at 30 June	804,910	845,205	989,751

Prospective Reserve Balances for the period ending 30 June 2023 (\$000)

	Long-Term Plan 2022	Long-Term Plan 2023	Annual Plan 2023
Asset Revaluation Reserves			
Balance at 1 July	365,352	392,505	548,614
Increase/(Decrease) in revaluation reserves	27,153	23,739	15,609
Transfer to Accumulated Funds	-	-	-
Balance at 30 June	392,505	416,245	564,224
Fair Value Through Other Comprehensive Revenue and Expense Reserve			
Balance at 1 July	1,127	1,322	1,769
Increase/(Decrease) in fair value reserve	195	206	-
Balance at 30 June	1,322	1,528	1,769
Restricted Reserves - River and Drainage			
Balance at 1 July	11,786	12,417	12,797
Plus/(Less) Retained Earnings	631	862	977
Balance at 30 June	12,417	13,280	13,774
Infrastructure Insurance Reserve			
Balance at 1 July	4,680	4,800	4,680
Scheme Rate Contribution	-	-	-
General Rate Contribution	120	120	120
Withdrawals	-	-	-
Balance at 30 June	4,800	4,920	4,800
Accumulated Funds			
Balance at 1 July	379,834	393,865	390,252
Less transfer to restricted reserves	(631)	(862)	(977)
Less transfer to Infrastructure Insurance Reserve	(120)	(120)	(120)
Net Surplus/Deficit for the year	14,782	16,349	16,030
Balance at 30 June	393,865	409,232	405,184

Prospective Funding Impact Statement for the Whole of Council to 30 June 2023 (\$000)

	Long-Term Plan 2022	Long-Term Plan 2023	Annual Plan 2023
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	31,661	34,201	33,976
Targeted rates	19,594	21,264	21,450
Subsidies and grants for operating purposes	11,037	12,062	12,370
Fees and charges	12,019	12,497	13,536
Internal charges and overheads recovered	-	-	-
Interest and dividends from investments	3,400	3,450	3,450
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total sources of operating funding (A)	77,710	83,474	84,782
Applications of Operating Funding			
Payments to staff and suppliers	73,599	78,161	79,524
Finance costs	1,344	1,479	1,479
Internal charges and overheads applied	-	-	-
Other operating funding applications	-	-	-
Total applications of operating funding (B)	74,943	79,640	81,003
Surplus (Deficit) of Operating Funding (A-B)	2,767	3,834	3,779
Sources of Capital Funding			
Subsidies and grants for capital expenditure	12,865	13,352	14,593
Development and financial contributions	-	-	-
Increase (decrease) in debt	12,507	13,161	10,773
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	2,420	2,735	890
Total sources of capital funding (C)	27,792	29,248	26,256
Applications of Capital Funding			
Capital expenditure:			
· to meet additional demand	-	-	-
· to improve the level of service	33,555	32,304	31,097
· to replace existing assets	601	279	269
Increase (decrease) in reserves	(3,597)	500	(1,332)
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	30,559	33,082	30,035
Surplus (Deficit) of Capital Funding (C-D)	(2,767)	(3,834)	(3,779)
Funding Balance			
Depreciation	5,256	5,584	5,654

Reconciliation between the Prospective Funding Impact Statement for Whole of Council and the Prospective Statement of Comprehensive Revenue and Expense for the period ending 30 June 2023 (\$000)

	Long-Term Plan 2022	Long-Term Plan 2023	Annual Plan 2023
Surplus/(Deficit) of Operating Funding	2,767	3,834	3,779
Subsidies and Grants for Capital Expenditure	12,865	13,352	14,593
Other Capital Funding	2,420	2,735	890
Gain/(loss) on revaluations through surplus/(deficit)	423	533	668
Capitalised Labour	1,563	1,480	1,754
Depreciation	(5,256)	(5,584)	(5,654)
Surplus/(Deficit) after tax	14,782	16,349	16,030

Statement of Accounting Policies to 30 June 2023

Reporting Entity

Horizons Regional Council (HRC) is the trading name of the Manawatū-Whanganui Regional Council, a Local Authority governed by the Local Government Act 2002, and is domiciled in New Zealand.

The Horizons Regional Council Group (the Group) consists of Horizons Regional Council (the 'parent entity') and its subsidiary, MWRCH Holdings Limited (MWRCH), domiciled in New Zealand.

Horizons has the following as investments in the balance sheet:

- 15.5% equity share of Regional Software Holdings Ltd (RSHL), and
- 14.29% (1/7) of the shares in MW LASS Limited

MW LASS Limited has been set up as a shared service across six territorial authorities (TAs) and HRC, of which HRC has the above shareholding.

The prospective financial statements presented are those of the 'parent entity' only and are to the year ending 2023. These statements have been prepared at the 'parent entity' level only, as group financials are not considered appropriate because the group information is not readily available. Also, group financials have no impact on the Funding Impact Statement (FIS).

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

The prospective financial statements presented are those of HRC for the periods ending 2023. Council is planning to authorise for issue the 2022-23 Annual Plan on 24 May 2022.

Basis of Preparation

The prospective financial information statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. In particular, these prospective statements have been prepared in accordance with PBE Financial Reporting Standard-42: Prospective Financial Statements.

The Council is responsible for the prospective financial statements included in this plan, including the appropriateness of the significant financial assumptions these are based on, and the other disclosures in the document.

Statement of Compliance

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

The prospective financial statements have been prepared to comply with Public Benefit Entity Standards (PBE Standards) for a Tier 1 entity. In particular, these prospective financial statements have been prepared in accordance with PBE Financial Reporting Standard-42: Prospective Financial Statements.

Comparative Information

The Long-Term Plan 2022 (year 1) adopted by Council on 22 June 2021 has been provided as comparator for these prospective financial statements. The closing balances in this comparative differ from the opening position used to prepare these prospective financial statements, which is based on the most up-to-date forecast information.

Presentation and Currency

The prospective financial statements have been prepared in New Zealand dollars, and all values (other than the River and Drainage Scheme Summary) are rounded to the nearest thousand dollars (\$000). The functional currency of Horizons is New Zealand dollars. There will be rounding in numbers in the prospective financial statements as the financial model used calculates to the cent, but the Long-term Plan is rounded to the nearest thousand dollars. The prospective financial statements were prepared on an historical cost basis, modified by the revaluation of land and buildings and certain infrastructural assets.

Basis of Consolidation

These prospective financial statements are prepared at the 'parent' level only.

Subsidiaries

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.

Joint Ventures

A joint venture is a binding arrangement whereby HRC and other parties undertake an economic activity that is subject to joint control. Joint control is an agreed sharing of control over an activity.

For jointly controlled activities, HRC recognises in its prospective financial statements the assets it controls, the liabilities and expenses it incurs, and the share of revenue that it earns from the joint venture.

Changes in Accounting Policies

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

Standards issued and not yet effective, and early adopted

Financial instruments

In March 2019, the XRB issued PBE IPSAS 41 Financial Instruments. PBE IPSAS 41 replaces PBE IPSAS 29 Financial Instruments: Recognition and Measurement and PBE IFRS 9 (not yet effective and not early adopted). PBE IPSAS 41 is effective for annual periods beginning on or after 1 January 2022, with early application permitted. The main changes under PBE IPSAS 41 are:

- New financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- A new impairment model for financial assets based on expected losses, which may result in the earlier recognition of impairment losses, and

- Revised hedge accounting requirements to better reflect the management of risks

The Council has applied this standard in preparing its 2022-23 prospective financial statements. The effect of this new standard is minimal.

Standards issued and not yet effective, and not early adopted

PBE IPSAS 3.35,36 Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council and group are:

Service Performance Reporting

In November 2017, the XRB issued PBE FRS 48 Service Performance Reporting. PBE FRS 48 is effective for annual periods beginning on or after 1 January 2022, with early application permitted. The Council plans to apply the new standards in preparing the 30 June 2023 financial statements. The Council and Group have not yet assessed the effects of the new standard.

All other standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to the Group or are not expected to have a material impact on the prospective financial statements of the Group and, therefore, have not been disclosed.

Revenue

The 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, 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

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

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written-off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written-off when there is no reasonable expectation of recovery.

Inventories

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 weighted average cost 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 a derivative contract is entered into and are subsequently remeasured to their fair value at 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.

The associated gains or losses on derivatives that are not hedge accounted are recognised in surplus or deficit

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.

The full fair value of a non-hedge accounted foreign exchange derivative is classified as current if the contract is due for settlement within 12 months of balance date; otherwise, foreign exchange derivatives are classified as non-current. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Financial Assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- amortised cost;
- fair value through other comprehensive revenue and expense (FVTOCRE); or
- fair value through surplus and deficit (FVTSD).

Transaction costs are included in the carrying value of the financial asset at initial recognition, unless it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding, and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to

designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except expected credit losses (ECL) and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council and group do not hold any debt instruments in this category.

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not included in its investment fund portfolio, and if they are intended to be held for the medium to long-term.

Subsequent measurement of financial assets at FVTSD

Financial assets in this category are subsequently measured at fair value with fair value gains and losses recognised in surplus or deficit.

Interest revenue and dividends recognised from these financial assets are separately presented within revenue.

Instruments in this category include the Council and group's investment fund portfolio (comprising of listed shares, bonds, and units in investment funds) and LGFA borrower notes.

Expected credit loss allowance (ECL)

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group considers a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

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.

Investment Property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised 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 in a three-yearly cycle. In a non-revaluation year, fair values are assessed and if the values are determined to have moved significantly, a full revaluation is performed in line with relevant accounting standards.

- ii. Infrastructural assets are revalued annually 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 PBE 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 (e.g. subdivision titles) and thus not yet processed through the fixed asset register

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, e.g. 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 directly 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	5-15 years
Other plant and machinery	5-15 years
Motor vehicles	4-15 years
Furniture and fittings	5-15 years
Office equipment	5-6 years
Scientific equipment	3-20 years
Computer equipment	3-5 years
Communications equipment	3-15 years
Equipment and electronics	3-12 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	100-200 years
Major floodgate Structures	70-100 years
Floodgate culverts (over 1.2 m)	70 years
Flow diversion structures	70-200 years
Pump station structure	70 years
Drop structures	50-120 years
Amenity enhancements	50 years
Concrete/timber flood walls	50-200 years
Grade controls	50 years
Portable flood barriers	50 years
Pump station floodgates/pumps	50 years
Timber retaining walls	50 years
Weirs	50 years
Pump station electrical/mechanical	25 years
Gabions	20 years
Permeable mesh units	20 years
Rangitikei stopbanks	20 years

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

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

Accounting for Revaluations

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

Intangible Assets

Computer Software

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

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its expected useful life during which future economic benefits or service potential associated with the item will flow to HRC. For Digital Terrain Flood Modelling software, this is estimated as being from 10 to 12 years, and for other computer software, both acquired and developed, from 3 to 20 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 surplus or deficit in 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, as follows:

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

Carbon Credits

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

Impairment of Property, Plant, Equipment and Intangibles

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

Property, plant, 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 the amount payable.

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
- Fair Value through Other Comprehensive Revenue and Expense Reserve
- 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.

Fair Value through Other Comprehensive Revenue and Expense

These reserves relate to the revaluation of financial assets 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 Kaikōura, 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 a level of rating to build reserves to provide for a level of self-insurance against our assets that now have limited or no insurance cover.

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

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

1. Direct costs are those costs identified as being directly attributable to a project group; and are charged directly to that project group
2. 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, and 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 prospective 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, e.g. 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.

Fair Value of the Investment Property

There are a number of assumptions and estimates used when performing the valuation of investment property. This includes but is not limited to the income capitalisation rate and yields.

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.

Fair value of the Investment Property

This has been valued using advice from a third party with expertise in valuing this kind of asset. The fair value model has been used for valuing the property. The valuers utilise an income capitalisation approach referred to the lease of the property.

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.

Rates Funding Impact Statement to 30 June 2023 (\$000)

	Rating Method	Long-Term Plan	Long-Term Plan	Annual Plan
		2022	2023	2023
Common Rates				
General Rate	Capital Value (Equalised)	21,834	23,983	23,644
Uniform Annual General Charge	UAGC per separately used or inhabited part of a property (SUIP)	4,914	5,065	5,248
Sustainable Land Use Initiative (SLUI) UAC	SUIP	3,793	3,939	3,928
Environmental Initiatives UAC	SUIP	2,901	3,105	3,095
Drinking Water Monitoring and Research	SUIP	100	103	103
Individual Rates				
Manawatū River Accord	SUIP	410	423	424
Biosecurity and Biodiversity (per ha)	Per hectare >4 ha	1,294	1,391	1,390
Rangitikei Environment Group greater than 4 ha	SUIP	48	49	49
Rangitikei Environment Group less than 4 ha	SUIP	48	49	49
River & Drainage Scheme	Mix of Rating Mechanisms	10,218	11,122	10,746
River & Drainage Scheme Rates (UAC)	SUIP	1,212	1,326	1,306
Regional Park UAC	SUIP	24	24	25
Transport Passenger Services	Capital Value	3,117	3,492	3,786
Waitāre Community Biodiversity Project	SUIP	7	7	7
Lake Horowhenua Restoration	SUIP	355	323	550
Grand Total		50,275	54,403	54,350
Penalties and Remissions		1,030	1,110	1,110
Total Rates Including Penalties and Remissions		51,305	55,513	55,460
Projected No. of Rating Units (As at 30 June of the preceding year, e.g. 2023 = as at 30 June 2022)		114,192	115,894	114,702
Projected No. of Rateable Units (Excluding. Contiguous and Remissions)		110,808	112,491	111,762

All figures are exclusive of GST unless otherwise stated

Rates Funding Impact Statement

Notes:

1. All rates in this Funding Impact Statement are inclusive of GST.
2. The final payment for all rates is 30 September 2022. Except where prior arrangements are made, penalties for late payment will be applied at the maximum rates allowable, being 10 per cent on 7 October 2022 and 10 per cent on all accumulated rates arrears on 8 July 2022 and 13 January 2023.
3. A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner/a person other than the owner, and who has the right to use or inhabit that portion by virtue of tenancy, lease, license, or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.
4. For further information on the activities funded by the targeted rates listed below, please refer to the "How we will fund this activity" in the activity sections on pages 200 to 204 of the Long-term Plan 2021-31.

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.

For further information about your rates classes/differentials please visit <https://www.horizons.govt.nz/faqs> Rates Classifications.

General Rate

What it funds

The general rate is used to fund part or all of the activities that are of 'public benefit', where no other direct source of funding is identified to cover the cost of the activities.

Group of Activities	Revenue Sought 2022-23 (Including GST)
Land and Water Management	12,218,478
Flood Control and Protection Works	4,834,053
Biosecurity and Biodiversity Protection	5,862,444
Regional Leadership and Governance	8,902,719
Transport	502,040
Investment	(5,129,128)
Grand Total	27,190,606

How it is applied

The general rate is set on an equalised capital value basis using projected values of each of the region's territorial authority areas to account for the different revaluation cycles in each territorial authority area.

District/City	% of EQCV	All Properties \$ per \$ of Capital Value	Revenue Sought 2022-23 (Including GST)
Horowhenua DC	11.98%	0.0003420	3,256,260
Manawatū DC	13.54%	0.0003417	3,681,613
Palmerston North CC	38.87%	0.0003421	10,570,268
Part Stratford DC	0.13%	0.0003421	35,058
Part Taupō DC	0.00%	0.0003410	544
Part Waitomo DC	0.08%	0.0003407	22,536
Rangitīkei DC	7.48%	0.0003417	2,034,186
Ruapehu DC	6.88%	0.0003420	1,870,708
Tararua DC	9.03%	0.0003418	2,455,377
Whanganui DC	12.00%	0.0003420	3,264,055
Grand Total	100%		27,190,606

Uniform Annual General Charge

What it funds

The UAGC is used to fund activities that have been identified through the Revenue and Financing Policy as meeting one of the following criteria:

- The expenditure is a 'public good' to which every ratepayer has equal access
- The expenditure is related to people rather than property
- The expenditure does not directly change the condition or economic value of a property or resource

How it is applied

The revenue required is \$ 6,035,162. It is applied on a uniform basis to every SUIP in the region.

Activities	Revenue Sought 2022-23 (Including GST)
Community Relationships	1,775,526
Environmental Reporting	60,014
Hapū and Iwi	532,746
Governance	3,666,876
Grand Total	6,035,162

The 2022-23 rate is \$54.00 per SUIP (GST inclusive).

Public Transport Rate

What it funds

The public transport rate funds part of the cost of Horizons' contracted passenger transport services, including public transport (buses and trains) and Total Mobility.

How it is applied

This rate is applied to districts based on rating roll groups (as determined by territorial authorities) which are predominantly urban in character and to which the services are available, on the basis of equalised capital value. The rate is set on a differential basis, reflecting the cost of the services provided within each district.

District/City	% of EQCV	All Properties \$ per \$ of Capital Value	Revenue Sought 2022-23 (Including GST)
Horowhenua DC	10.05%	0.0000576	263,278
Manawatū DC	7.34%	0.0001153	385,124
Palmerston North CC	58.55%	0.0000999	2,661,072
Rangitīkei DC	3.71%	0.0000328	55,343
Ruapehu DC	3.31%	0.0000096	14,412
Tararua DC	2.46%	0.0000136	15,203
Whanganui DC	14.59%	0.0001444	958,967
Grand Total	100%		4,353,399

Sustainable Land Use Initiative Rate

What it funds

This rate funds part of the cost of the Sustainable Land Use Initiative.

How it is applied

The revenue required is \$ 4,517,430. It is applied on a uniform basis to every SUIP in the region.

The 2022-23 rate is \$ \$40.42 per SUIP (GST inclusive).

Drinking Water Monitoring and Research Rate

What it funds

This rate funds the cost of Horizons' drinking water monitoring and research, part of the Environmental Reporting activity.

How it is applied

The revenue required is \$ 118,468. It is applied on a uniform basis to every SUIP in the region.

The 2022-23 rate is \$ \$1.06 per SUIP (GST inclusive).

Environmental Initiatives Rate

What it funds

This rate funds the part of the cost of two activities: biosecurity and biodiversity protection and community relationships.

How it is applied

The revenue required is \$ 3,559,628. It is applied on a uniform basis to every SUIP in the region.

The 2022-23 rate is \$ \$31.85 per SUIP (GST inclusive).

Biosecurity and Biodiversity Protection (per ha) Rate

What it funds

This rate funds part of the cost of Horizons' biosecurity and biodiversity protection activity.

How it is applied

The revenue required is \$ 1,599,037. It is applied on a per hectare basis to every rating unit larger than four hectares.

The 2022-23 is \$ \$0.99 per ha (GST inclusive).

Regional Park Rate

What it funds

This rate funds part of the cost of the regional park campground, as part of the biosecurity and biodiversity protection activity.

How it is applied

The revenue required is \$ 28,448. It is applied on a uniform basis to every SUIP in the Manawatū District and Palmerston North City.

The 2022-23 rate is \$ \$0.60 per SUIP (GST inclusive).

Rangitikei Environment Group

What it funds

This rate funds the cost of Horizons' contribution to the Rangitikei Environment Group, as part of the biosecurity and biodiversity protection activity.

How it is applied

The revenue required is \$ 113,000. Half of this is applied on a uniform basis to every SUIP in the Rangitikei District larger than four hectares. The other half is applied on a uniform basis to every SUIP in the Rangitikei District smaller than four hectares.

The 2022-23 rate is \$ \$35.39 per SUIP for properties greater than 4 hectares and \$ \$9.25 per SUIP for properties less than 4 hectares (GST inclusive).

Waitārere Community Biodiversity Project

What it funds

This rate funds the cost of Horizons' contribution to the Waitārere Community Biodiversity Project, as part of the biosecurity and biodiversity protection activity. A map of this rate can be found at <https://maps.horizons.govt.nz/Gallery/>

How it is applied

The revenue required is \$ 8,347. It is applied on a uniform basis to every SUIP in the Waitārere Beach community.

The 2022-23 rate is \$ \$9.43 per SUIP (GST inclusive).

Manawatū River Accord Rate

What it funds

This rate funds the part of the cost of Horizons' Water Quality and Quantity activity specifically within the Manawatū River catchment. A map of this rate can be found at <https://maps.horizons.govt.nz/Gallery/>

How it is applied

The revenue required is \$ 487,482. It is applied on a uniform basis to every SUIP in the Manawatū River catchment.

The 2022-23 rate is \$ \$8.10 per SUIP (GST inclusive).

Lake Horowhenua Restoration Rate

What it funds

This rate funds part of the cost of Horizons' Water Quality and Quantity activity specifically to restore Lake Horowhenua.

How it is applied

The revenue required is \$ 632,031. It is applied on a uniform basis to every SUIP unit in the Horowhenua District.

The 2022-23 rate is \$ \$35.35 per SUIP (GST inclusive).

Targeted Rate: River and Drainage Schemes (including GST) Rates 2022-23

River and Drainage Scheme Targeted Rates

A map of these targeted rates can be seen at <https://maps.horizons.govt.nz/Gallery/>

What they fund

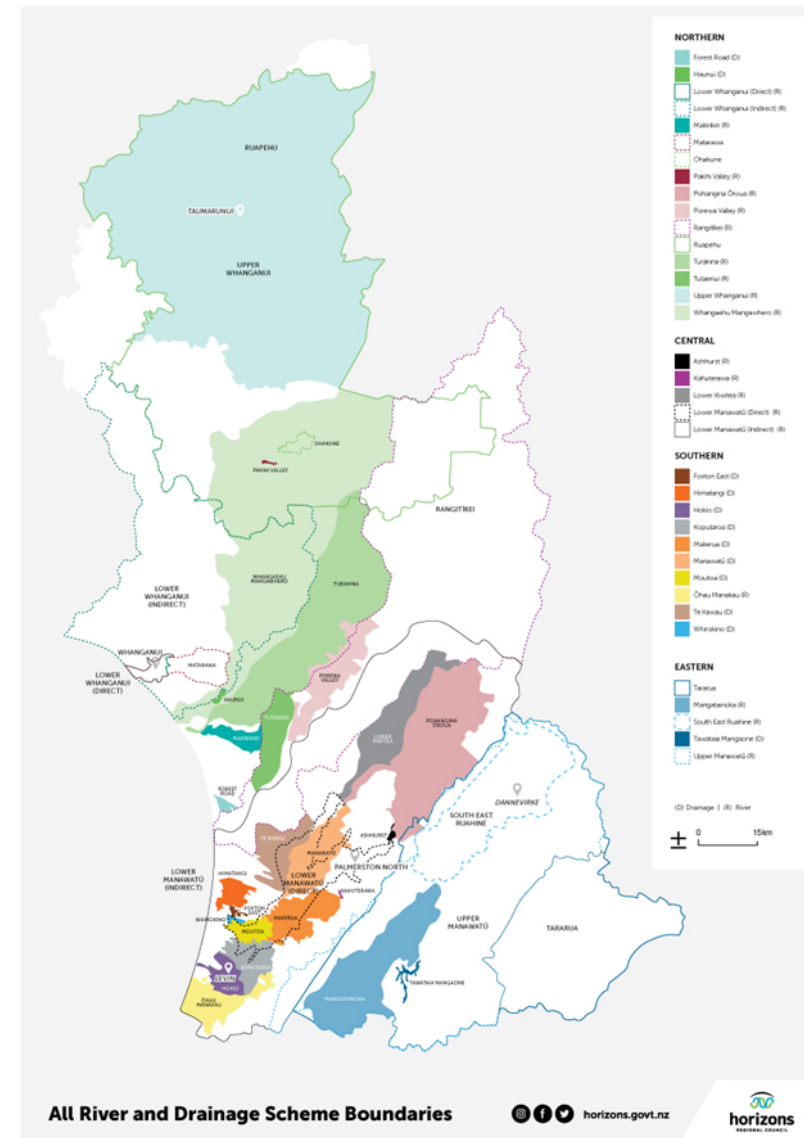
These rates fund part of the cost of the River and Drainage – Scheme activity.

How they are applied

These rates are assessed for each scheme on a benefit/contributor classification basis, using a combination of capital value, land value, land area and direct benefit.

Further details for each scheme can be found in each scheme rating review, available on request. Alternatively, the rate classification codes are available on our website.

<https://www.horizons.govt.nz/CMSPages/GetFile.aspx?guid=5ce10e00-14fc-4a0a-bad3-31b7cbb7b424>



River and Drainage Schemes	Class/Diff	Rating Basis	Number Rating of Units	Unit Rate	Revenue Sought 2022-23				
RIVER SCHEMES									
Kahuterawa	KM	\$ Per Hectare	47	96.8480000	4,591				
				Scheme	4,591				
Lower Kiwitea Stream	CK	\$ Per Hectare	141	175.9760000	24,750				
	CN	\$ Per Hectare	23,616	1.1620000	27,442				
	MK	\$ Per Hectare	299	274.7410000	82,262				
				Scheme	134,454				
Lower Manawatū	CE	\$ Per Hectare	270,337	0.4870000	131,654				
	CL	\$ Per Hectare	142,274	1.6600000	236,175				
	CW	\$ Per Hectare	78,973	0.8300000	65,548				
	DR	\$ Per Hectare	187	132.9730000	24,802				
	F1	\$ per \$ of Land Value	156,421,450	0.0017039	266,527				
	F2	\$ per \$ of Land Value	95,607,720	0.0013631	130,325				
	F3	\$ per \$ of Land Value	52,916,800	0.0010223	54,099				
	F4	\$ per \$ of Land Value	401,514,832	0.0006816	273,656				
	F5	\$ per \$ of Land Value	728,324,298	0.0001704	124,099				
	FB	\$ per \$ of Capital Value	643,888,000	0.0000986	63,468				
	FG	\$ per \$ of Capital Value	3,110,964,800	0.0001962	610,371				
	HF	\$ Per SUIP	776	525.6300000	407,889				
	IC	\$ Per SUIP	52,846	11.3100000	597,688				
	IE	\$ Per SUIP	2,727	5.6600000	15,435				
	IF	\$ Per SUIP	5,899	3.7300000	22,003				
	IS	\$ Per SUIP	11,633	5.6600000	65,844				
	IW	\$ Per SUIP	928	3.7300000	3,461				
	PN	\$ per \$ of Capital Value	25,873,720,000	0.0000391	1,011,921				
	R1	\$ Per Hectare	3,962	69.4820000	275,284				
	R2	\$ Per Hectare	169	13.8970000	2,344				
	SA	\$ per \$ of Capital Value	4,673,660	0.0014483	6,769				
	SB	\$ per \$ of Capital Value	50,293,303	0.0012779	64,271				
	SC	\$ per \$ of Capital Value	9,805,561	0.0008520	8,354				
	SD	\$ per \$ of Capital Value	70,011,030	0.0004260	29,823				
				Scheme	4,491,812				
Lower Manawatū Special Project	AH	\$ per \$ of Capital Value	880,172,000			0.0000015		1,355	
	SP (On specified PN scheme)	\$ per \$ of Capital Value	25,654,435,000			0.0000424		1,086,979	
	TU (Turitea)	\$ per \$ of Capital Value	16,050,000			0.0008598		13,800	
						Scheme		1,102,134	
Lower Whanganui River	N1	\$ per \$ of Capital Value	6,228,553,214			0.0000314		195,701	
	N2	\$ Per SUIP	3,522			27.8200000		97,982	
	W1	\$ per \$ of Capital Value	160,690,000			0.0001838		29,535	
	W2	\$ per \$ of Capital Value	6,067,023,124			0.0000919		557,559	
						Scheme		880,777	
Mākirikiri	A	\$ Per Hectare	24			37.0420000		904	
	A1	\$ Per Hectare	24			91.5280000		2,234	
	B	\$ Per Hectare	107			25.9300000		2,769	
	B1	\$ Per Hectare	42			64.0700000		2,701	
	C	\$ Per Hectare	64			18.5220000		1,190	
	C1	\$ Per Hectare	8			45.7640000		379	
	CN	\$ Per Hectare	5,229			1.3060000		6,829	
	F	\$ Per Hectare	2,031			3.7040000		7,521	
	F1	\$ Per Hectare	305			9.1530000		2,789	
	GF	\$ Per SUIP	1			759.0000000		759	
	LF	\$ Per SUIP	1			1,457.2800000		1,457	
	T1	\$ Per SUIP	1			819.7200000		820	
						Scheme		30,352	
Mangatainoka	CK	\$ Per Hectare	16,574			0.7690000		12,746	
	CM	\$ Per Hectare	5,996			0.1130000		678	
	CU	\$ Per Hectare	15,969			2.9940000		47,811	
	DR	\$ Per Hectare	215			107.1090000		23,000	
	F1	\$ Per Hectare	461			69.1510000		31,870	
	F2	\$ Per Hectare	744			41.4910000		30,857	
	IN	\$ Per Hectare	39,693			1.1070000		43,940	
	KL	\$ Per Hectare	168			179.1750000		30,030	
	LH	\$ Per Hectare	224			21.0920000		4,732	
	LL	\$ Per Hectare	593			4.2190000		2,500	
	LM	\$ Per Hectare	47			12.6560000		601	
	MH	\$ Per Hectare	795			63.4780000		50,445	

	ML	\$ Per Hectare	539	12.6960000	6,846	OM	\$ Per Hectare	75	221.8190000	16,616	
	MM	\$ Per Hectare	1,271	38.0870000	48,412	OT	\$ Per Hectare	117	813.8200000	95,335	
	MR	\$ Per Hectare	508	10.2320000	5,201	OU	\$ Per Hectare	50	398.0320000	19,758	
	PU	\$ per \$ of Capital Value	457,560,090	0.0003133	143,354	PD	\$ Per Hectare	69	32.4700000	2,248	
	R1	\$ per \$ of Capital Value	68,750,000	0.0004601	31,632	SD	\$ Per Hectare	53	10.9840000	585	
	R2	\$ per \$ of Capital Value	7,580,000	0.0004278	3,243	TD	\$ Per Hectare	134	49.1540000	6,573	
	UH	\$ Per Hectare	400	180.0060000	71,926	UM	\$ per \$ of Capital Value	48,218,000	0.0001077	5,195	
	UL	\$ Per Hectare	507	36.0020000	18,247	UO	\$ per \$ of Capital Value	81,036,000	0.0000847	6,865	
	UM	\$ Per Hectare	249	108.0040000	26,871	UW	\$ per \$ of Capital Value	99,170,000	0.0002167	21,485	
				Scheme	634,939	WD	\$ Per Hectare	265	22.7830000	6,040	
						WL	\$ Per Hectare	86	93.7260000	8,100	
Matarawa	CM	\$ per \$ of Capital Value	6,228,656,100	0.0000057	35,628	WU	\$ Per Hectare	81	229.5710000	18,650	
	CN	\$ Per Hectare	8,163	2.9040000	23,707				Scheme	432,421	
	IN	\$ Per SUIP	316	29.6100000	9,357	Pakihi Valley	A	\$ Per Hectare	100	104.3700000	10,458
	L1	\$ Per Hectare	92	13.5750000	1,254				Scheme	10,458	
	L2	\$ Per Hectare	70	13.5750000	952	Pohangina - ōroua	DR	\$ Per Hectare	21	271.3650000	5,750
	L3	\$ Per Hectare	14	54.2980000	756		EZ	\$ Per Hectare	369	0.1170000	43
	M1	\$ Per Hectare	395	90.4960000	35,736		IA	\$ per \$ of Capital Value	877,491,820	0.0000124	10,898
	M3	\$ Per Hectare	69	18.1000000	1,249		IN	\$ Per Hectare	55,164	2.5460000	140,446
	M4	\$ Per Hectare	32	18.1000000	571		O1	\$ Per Hectare	394	81.1200000	31,931
				Scheme	109,209		O2	\$ Per Hectare	694	100.7920000	69,970
Ohakune	UR	\$ per \$ of Capital Value	677,837,500	0.0000897	60,795		O3	\$ Per Hectare	10	64.8960000	618
				Scheme	60,795		O4	\$ Per Hectare	170	80.6340000	13,672
Ōhau-Manakau	AD	\$ Per Hectare	137	33.6840000	4,625		P1	\$ Per Hectare	282	193.5100000	54,532
	CD	\$ Per Hectare	5	21.8100000	115		P2	\$ Per Hectare	628	116.1060000	72,965
	CH	\$ Per Hectare	393	33.2170000	13,069		P3	\$ Per Hectare	128	21.5840000	2,763
	CL	\$ Per Hectare	1,375	2.4920000	3,426		P4	\$ Per Hectare	196	154.8080000	30,303
	FH	\$ Per Hectare	394	125.3070000	49,319		P5	\$ Per Hectare	39	92.8850000	3,606
	FL	\$ Per Hectare	1,375	9.3980000	12,922		P6	\$ Per Hectare	33	17.2670000	566
	HD	\$ Per Hectare	422	18.0180000	7,604				Scheme	438,062	
	IN	\$ Per Hectare	12,091	7.9550000	96,186	Porewa Valley	A	\$ per \$ of Capital Value	2,893,120	0.0044222	12,794
	KD	\$ Per Hectare	189	38.0790000	7,185		B	\$ per \$ of Capital Value	5,667,480	0.0025649	14,536
	L2	\$ Per Hectare	23	31.7690000	722		C	\$ per \$ of Capital Value	9,566,893	0.0012382	11,846
	LD	\$ Per Hectare	60	63.5370000	3,805		D	\$ per \$ of Capital Value	43,654,650	0.0002211	9,652
	MC	\$ Per Hectare	402	5.1570000	2,073		E	\$ per \$ of Capital Value	13,650,500	0.0001327	1,811
	ML	\$ Per Hectare	41	120.5580000	4,952						
	MU	\$ Per Hectare	57	289.1020000	16,514						
	OL	\$ Per Hectare	34	72.3540000	2,455						

	F	\$ per \$ of Capital Value	179,461,310	0.0000442	7,938	IN	\$ Per Hectare	64,603	1.0790000	69,707		
	U1	\$ per \$ of Capital Value	22,633,000	0.0003538	8,007	M1	\$ Per Hectare	1,212	40.5110000	49,100		
	U2	\$ per \$ of Capital Value	13,933,500	0.0000885	1,232	M2	\$ Per Hectare	621	73.1500000	45,460		
						M3	\$ Per Hectare	110	79.0700000	8,681		
						M4	\$ Per Hectare	437	81.7720000	35,770		
						M5	\$ Per Hectare	1,909	12.8230000	24,485		
						RZ	\$ Per Hectare	230	0.0230000	5		
						SZ	\$ Per Hectare	305	0.0170000	5		
						W1	\$ Per Hectare	531	9.5950000	5,094		
						W2	\$ Per Hectare	753	17.7580000	13,366		
						W3	\$ Per Hectare	8,495	12.2270000	103,863		
						WO (Woodville only)	\$ per \$ of Capital Value	263,024,200	0.0000993	26,121		
										Scheme	538,432	
Rangitikei River	CD	\$ Per Hectare	25,010	0.3780000	9,454							
	CN	\$ Per Hectare	173,643	0.7560000	131,274							
	CU	\$ Per Hectare	40,150	0.3780000	15,177							
	DR	\$ Per Hectare	87	229.7300000	19,876							
	E1	\$ Per Hectare	600	76.6350000	46,012							
	E2	\$ Per Hectare	702	30.6540000	21,528							
	E3	\$ Per Hectare	1,200	139.4250000	167,308							
	E4	\$ Per Hectare	1,294	118.0100000	152,710							
	F1	\$ Per Hectare	1,495	95.3040000	142,517							
	F2	\$ Per Hectare	783	57.1830000	44,765	Tararua	CN	\$ per \$ of Capital Value	7,186,267,800	0.0000291	209,336	
	F3	\$ Per Hectare	41	13.9940000	579						Scheme	209,336
	F4	\$ Per Hectare	161	31.8530000	5,114							
	F5	\$ Per Hectare	220	65.9000000	14,501							
	F6	\$ Per Hectare	53	39.5400000	2,095	Tawataia - Mangaone	B	\$ Per Hectare	111	33.3800000	3,690	
	GF	\$ Per SUIP	51	437.0300000	22,289		C	\$ Per Hectare	655	11.1270000	7,290	
	GT	\$ Per SUIP	228	126.5400000	28,851		D	\$ Per Hectare	11	5.5640000	62	
	IN	\$ Per Hectare	40,512	0.6480000	26,252						Scheme	11,043
	RF	\$ per \$ of Capital Value	700,000	0.0078568	5,500	Turakina	CN	\$ Per Hectare	82,203	0.1190000	9,782	
	RH	\$ per \$ of Capital Value	2,750,000	0.0024560	6,754		T1	\$ Per Hectare	274	34.5590000	9,475	
	RO	\$ per \$ of Capital Value	128,750,000	0.0000277	3,570		T2	\$ Per Hectare	155	30.5140000	4,738	
	UF	\$ per \$ of Capital Value	17,192,000	0.0012964	22,288		T3	\$ Per Hectare	223	21.2250000	4,738	
	UL	\$ per \$ of Capital Value	1,371,648,510	0.0000295	40,436		T4	\$ Per Hectare	1,415	13.5380000	19,150	
	UT	\$ per \$ of Capital Value	57,667,850	0.0005003	28,849		T5	\$ Per Hectare	110	6.0130000	660	
	UU	\$ per \$ of Capital Value	244,970,290	0.0000307	7,528						Scheme	48,542
						Tūtaenui	CN	\$ Per Hectare	12,743	0.9350000	11,915	
							IN	\$ Per Hectare	12,741	0.9170000	11,683	
							TL	\$ Per Hectare	456	23.9270000	10,904	
							TW	\$ Per Hectare	290	51.4380000	14,942	
							UB (Bulls)	\$ per \$ of Capital Value	306,863,576	0.0000590	18,105	
							UM (Marton)	\$ per \$ of Capital Value	841,397,500	0.0000668	56,197	
											Scheme	123,747
Ruapehu DC	CN	\$ per \$ of Capital Value	5,639,004,200	0.0000148	83,683							
											Scheme	83,683
South East Ruahines	CN	\$ Per Hectare	49,333	1.3130000	64,774							
	DK (Dannevirke only)	\$ per \$ of Capital Value	851,747,000	0.0000837	71,300							
	DR	\$ Per Hectare	348	59.5440308	20,700	Upper Manawatū	CN	\$ Per Hectare	268,150	0.3390000	90,903	
							D1	\$ Per Hectare	122	16.3180000	1,994	

P1	\$ Per Hectare	206	137.1710000	28,307
P2	\$ Per Hectare	835	109.7370000	91,613
P3	\$ Per Hectare	410	41.1520000	16,857
P4	\$ Per Hectare	600	109.3600000	65,654
P5	\$ Per Hectare	375	87.4880000	32,851
P6	\$ Per Hectare	102	32.8080000	3,362
			Scheme	<u>444,187</u>

Te Kawau	AC	\$ Per SUIP	545	86.0500000	46,897
	C1	\$ Per Hectare	82	14.9430000	1,221
	C2	\$ Per Hectare	849	0.5770000	490
	CF	\$ Per Hectare	13,326	1.4670000	19,549
	CR	\$ Per Hectare	713	3.6090000	2,573
	CU	\$ Per Hectare	36	43.0290000	1,554
	DA	\$ Per Hectare	1,637	1.9070000	3,121
	DO	\$ Per Hectare	4,173	7.2430000	30,227
	DR	\$ Per Hectare	314	9.9340000	3,121
	DS	\$ Per Hectare	7,512	13.4580000	101,096
	FK	\$ Per Hectare	207	11.6430000	2,408
	FM	\$ Per Hectare	1,089	42.8010000	46,628
	P1	\$ Per Hectare	40	51.3790000	2,060
	P2	\$ Per Hectare	11	12.8450000	138
	PR	\$ Per Hectare	333	17.0000000	5,662
				Scheme	<u>266,746</u>

Whirokino	D1	\$ Per Hectare	111	48.5500000	5,407
	D2	\$ Per Hectare	156	32.0430000	4,988
	D3	\$ Per Hectare	4	4.8550000	20
	D4	\$ Per Hectare	45	112.0330000	5,028
	D5	\$ Per Hectare	26	44.8140000	1,155
	F1	\$ Per Hectare	89	37.3520000	3,306
	F2	\$ Per Hectare	4	22.4110000	91
	F3	\$ Per Hectare	267	3.7360000	997
	IN	\$ Per Hectare	458	3.5570000	1,627
	P1	\$ Per Hectare	28	251.0200000	7,084
	P2	\$ Per Hectare	16	100.4090000	1,638
	P3	\$ Per Hectare	48	25.1030000	1,204
				Scheme	<u>32,545</u>

Including GST **13,859,532**
Excluding GST **12,051,767**

Total Rates Summary (\$000)	Including GST	Excluding GST
General Rate	27,191	23,644
Uniform Annual General Charge	6,035	5,248
Sustainable Land Use Initiative (SLUI) UAC	4,517	3,928
Environmental Initiatives UAC	3,560	3,095
Drinking Water Monitoring and Research	118	103
Manawatū River Accord	487	424
River and Drainage Scheme	12,357	10,746
River and Drainage Scheme Rates (UAC)	1,502	1,306
Regional Park UAC	28	25
Biosecurity and Biodiversity Protection (per ha) Rate	1,599	1,390
Rangitikei Environment Group greater than 4 ha	56	49
Rangitikei Environment Group greater less 4 ha	57	49
Transport Passenger Services	4,353	3,786
Waitārere Community Biodiversity Project	8	7
Lake Horowhenua Restoration	632	550
Sub Total	62,503	54,350
Penalties and Remissions	1,277	1,110
Total Rates Including Penalties and Remissions	63,779	55,460

River and Drainage Scheme Reserves Summary for the year ending 30 June 2023

Overview

Under our River and Drainage Scheme Activity, all 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 2022 is \$12.58 million. Deposits in total of \$0.98 million (including interest) and withdrawals in total of \$0.08 million are estimated to occur during the year. The total estimated closing balance of these reserves is \$13.48 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.

Scheme Reserve Name	Estimated Opening Balance 1 July 2022 Credit/(Debit)	Transfers In Credit/(Debit)	Transfers Out Credit/(Debit)	Estimated Closing Balance 30 June 2023 Credit/(Debit)
Akitio River Scheme	18,595	-	-	18,595
Ashhurst Drainage Scheme	43,471	4,079	-	47,550
Forest Road Drainage Scheme	3,929	806	-	4,735
Foxton East Drainage Scheme	186,637	73,355	-	259,992
Haunui Drainage Scheme	11,589	266	(300)	11,555
Himatangi Drainage Scheme	11,832	953	-	12,785
Hōkio Drainage Scheme	71,135	993	-	72,128
Kahuterawa River Scheme	11,492	259	-	11,751
Koputaroa Drainage Scheme	222,926	5,691	(6,809)	221,808
Lower KIWITEA Scheme	335,952	23,216	-	359,168
Lower Manawatū Scheme	3,088,828	197,329	-	3,286,157
Lower Manawatū Scheme Special Projects	440,110	10,917	-	451,027
Lower Whanganui River Management Scheme	1,023,049	72,980	-	1,096,029

Makerua Drainage Scheme	170,276	13,320	-	183,596
Makirikiri Flood Control Scheme	23,427	526	(2,500)	21,453
Manawatū Drainage Scheme	264,388	17,609	-	281,997
Mangatainoka River Scheme	1,509,445	93,400	-	1,602,845
Matarawa Flood Control Scheme	164,245	4,057	-	168,302
Moutoa Drainage Scheme	143,185	3,515	-	146,700
Ohakune Flood Protection Scheme	44,185	1,442	-	45,627
Ōhau-Manakau Scheme	485,033	65,591	-	550,624
Pakihi Flood Control Scheme	7,097	4,126	-	11,223
Pohangina-Ōroua River Control Scheme	734,138	104,833	-	838,971
Porewa Flood Control Scheme	15,048	2,651	-	17,699
Rangitīkei River Control Scheme	1,182,543	78,496	-	1,261,039
Ruapehu Scheme	67,908	1,090	-	68,998
South-East Ruahines Scheme	689,502	100,000	-	789,502
Tararua Scheme	61,337	1,208	-	62,545
Tawataia-Mangaone Scheme	7,492	1,914	-	9,406
Te Kawau Drainage Scheme	58,445	3,282	-	61,727
Turakina River Scheme	191,817	3,966	(20,000)	175,783
Tūtaenui Flood Control Scheme	(6,811)	1,536	-	(5,275)
Upper Manawatū-Lower Mangahao Scheme	672,490	18,193	(50,200)	640,483
Upper Whanganui River Scheme	312,745	9,847	-	322,592
Whangaehu-Mangawhero River Scheme	93,153	2,244	(3,000)	92,397
Whirokino Drainage Scheme	27,924	862	-	28,786
Amenity Enhancements - Contestable	193,851	59,186	-	253,037
Total Scheme Reserve	12,582,408	983,738	(82,809)	13,483,337

River and Drainage Scheme Capex Renewal Reserves Summary for the year ending 30 June 2023

Overview

In accordance with our new 30-Year Infrastructure Strategy we will, as from 1 July 2018, 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 total estimated opening balance of these funds at 1 July 2022 is \$0.85 million. Deposits in total of \$0.31 million (including interest) and withdrawals in total of \$0.23 million are estimated to occur during the year. The total estimated closing balance of these reserves is \$0.92 million.

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

Renewal Scheme Reserve Name	Estimated Opening Balance 1 July 2022 Credit/(Debit)	Transfers In Credit/(Debit)	Transfers Out Credit/(Debit)	Estimated Closing Balance 30 June 2023 Credit/(Debit)
Akitio River Scheme	1,849	-	-	1,849
Forest Road Drainage Scheme	3,559	200	-	3,759
Foxton East Drainage Scheme	3,865	630	-	4,495
Himatangi Drainage Scheme	2,697	489	-	3,186
Hōkio Drainage Scheme	3,261	516	-	3,777
Koputaroa Drainage Scheme	78,550	38,826	(34,835)	82,541
Lower Manawatū Scheme	34,882	-	-	34,882
Makerua Drainage Scheme	37,580	74,395	(50,013)	61,962
Makirikiri Flood Control Scheme	40,109	3,000	-	43,109
Manawatū Drainage Scheme	166,132	55,928	(110,300)	111,760
Matarawa Flood Control Scheme	25,612	6,750	-	32,362
Moutoa Drainage Scheme	42,948	51,569	(19,675)	74,842
Ōhau-Manakau Scheme	163,493	10,098	-	173,591
Pakihi Flood Control Scheme	960	345	-	1,305
Pohangina-Ōroua River Control Scheme	(18,723)	-	-	(18,723)
Porewa Flood Control Scheme	26,894	5,100	-	31,994
South-East Ruahines Scheme	51,226	12,814	-	64,040

Tawataia-Mangaone Scheme	8,465	1,000	-	9,465
Te Kawai Drainage Scheme	155,827	44,726	(17,892)	182,661
Tūtaenui Flood Control Scheme	6,055	350	-	6,405
Upper Manawatū-Lower Mangahao Scheme	4,023	1,000	-	5,023
Whirokino Drainage Scheme	6,983	1,589	-	8,572
Total Scheme Reserve	846,247	309,325	(232,715)	922,857

Annual Administrative Charges for the year ending 30 June 2023

Pursuant to Section 36 of the Resource Management Act 1991, Section 243 of the Building Act 2004 and Section 150 of the Local Government Act 2002

A. Overview

Section 36 of the Resource Management Act 1991 (RMA), Section 243 of the Building Act 2004 and Section 150 of the Local Government Act 2002 (LGA) 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 2022 to 2023. 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)

These charges are based on cost recoveries specified in this Annual Plan. Projected recoveries for 2022-23 are \$2,050,991 for consents processing, \$1,421,397 for all compliance monitoring charges, and \$2,013,231 for contributions from resource users to research and science programmes.

Two statutes guide the Council in setting its administrative charges: the Revenue and Financing Policy prepared under the Local Government Act 2002 (LGA), and the criteria in Section 36 of the RMA. The matters to be considered under both Acts are similar and can be briefly summarised as follows.

Matching costs to benefits

Both Council's Revenue and Financing 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 (exacerbator and beneficiary pays principles). 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, 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.

B. Resource consent processing charges

The RMA enables Council to recover all reasonable costs incurred in respect of particular activities to which the charge relates. These costs are largely associated with (but not limited to) the receiving, processing, granting and monitoring of resource consents, as well as the change or cancellation of conditions, reviews, certificates of compliance and deemed permitted activities (DPAs).

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

- Council’s policy is to recover from applicants, 100 per cent of the actual and reasonable costs of receiving, processing and granting resource consent applications and their subsequent administration and monitoring. It should be noted that some community-based applications (excluding territorial authorities) will, at the sole discretion of Council, not be charged with the full cost of processing consents
- Council’s policy is to recover its actual and reasonable costs associated with monitoring compliance of resource consents
- Council officers are available to assist with queries before a resource consent application is lodged. There is no charge for the first hour of pre-application assistance. After the first hour, Council’s policy is to charge for this service, and
- In accordance with the Resource Management (Discount on Administrative Charges) Regulations 2010, where Council fails to process resource consent applications, including applications seeking to change or cancel conditions under Section 127 within statutory timeframes, Council will provide a discount of 1 per cent per day, up to a maximum of 50 working days. Council does not have to provide a discount in relation to applications seeking to extend lapse dates under Section 127 as this is not provided for under these Regulations.

When dealing with applications under the RMA, including, among others, consent applications, applications seeking to vary consents or initiating consent reviews, applications for certificates of compliance, existing use and DPAs, requests under Section 100A of the RMA and objections pursuant to Section 357AB of the RMA, Council will recover costs via a combination of fixed charges (as initial deposits), which are detailed below; and additional charges where the initial deposit is insufficient. The deposit is set by reference to the average costs for processing various consent types, whilst the additional charges are recovered on the basis of the hourly rate of the staff involved. These hourly rates are determined using actual employment costs plus a factor to cover administration and operating costs in receiving, processing, granting and monitoring resource consents. A similar approach is taken to compliance monitoring charges, as detailed later in this section.

Application Charges

Section 36(1)(b) of the RMA enables Council to recover from applicants, its actual and reasonable costs in carrying out its functions in relation to the receiving, processing and granting of resource consent applications (including consent variations, certificates of compliance and existing use certificates). Council is also permitted, under Section 36, to recover its costs associated with various activities including, for example, resource consent reviews (Section 36(1)(cb) and issuing notices for DPAs (Section 36(1)(ae)).

Application charges involve payment of an initial fixed deposit (minimum application fee) at the time an application is lodged with Council. Where an application is to be limited or publicly notified, a further fixed deposit is required to be paid to Council one week prior to notification occurring. In instances where the total cost of processing an application is not fully covered by the fixed deposit(s), an additional charge(s) will be made under Section 36(5) of the RMA to recover the actual and reasonable costs incurred by the Council in carrying out its statutory functions.

Unless the initial fixed deposit(s) are paid in full when applications are first lodged and/or when additional charges for limited notified or fully notified consents are required, Council reserves its right under Section 36AAB(2) of the RMA to suspend processing an application until the charge has been paid.

Fixed initial deposits for applications

The following tables set out the fixed initial deposit amounts for various types of activities, payable on lodgement of application. As set out above, if the application is to be limited or publicly notified, a further fixed deposit will be required one week prior to notification occurring – see below for details as to the fixed initial deposits for notified consent application processes.

ACTIVITY TYPE	Fixed Initial Deposit GST Inclusive
Utilising Groundwater	
For stock purposes	\$885.50
For irrigation	\$1,863.00
Other uses	\$1,115.00
Utilising Surface Water	
For stock purposes	\$977.50
For irrigation	\$1,207.50
Other uses	\$1,150.00
For damming and diversion of water	\$1,150.00
Utilising Land	
Within a coastal area (excluding marine farms)	\$920.00
Drilling of a well or bore	\$575.00
For intensive farming purposes	\$1,725.00
Use or disturbance of land (e.g. earthworks, vegetation clearance and land-based gravel extraction)	\$920.00
Use or disturbance of land and vegetation clearance – infield consents	\$200.00
Land disturbance and vegetation clearance associated with forestry activities (including activities that require consent under the NES-PF)	\$920.00
Activities associated with the NES-FW	\$940.00
Discharging Contaminants (Excludes Intensive Farming)	
Discharges to land	\$885.50
Discharges to water	\$1,150.00
Discharges to air	\$1,150.00
Works in Beds of Rivers or Lake	
Extraction of gravel	\$1,667.50
Culvert	\$885.50
Bridge	\$885.50

ACTIVITY TYPE	Fixed Initial Deposit GST Inclusive
Certificate of Compliance	\$885.50
Deemed Permitted Activity	\$885.50
Existing Authorised Activities	
Review (Section 128)	\$885.50
Addition of land parcels	\$200.00
Transfer activity location	\$885.50
Transfer of consent	\$100.00
Existing use certificate	\$885.50
Variation (Section 127) – administration conditions only (see notes below)	\$500.00
Variation (Section 127) – all other conditions (see notes below)	\$885.50
Other	
Covers the processing of resource consents that do not fit within the consent activities above.	\$885.50

Notes:

1. NES-PF refers to the Resource Management (National Environmental Standards for Plantation Forestry) Regulations 2017.
2. NES-FW refers to the Resource Management (National Environmental Standards for Freshwater) Regulations 2020.
3. Administrative conditions include monitoring and reporting requirements. All other conditions relate to avoiding, remedying or mitigating adverse effects on the environment (e.g. water quality standards, construction methodology, maintaining environmental flows etc.).
4. Resource consent reviews initiated by Council will take place regardless of whether the consent holder pays the initial fixed deposit or not. The consent holder will be liable for the actual and reasonable costs incurred at the end of the review.

Further fixed deposit for notified applications

If an application is required to be limited or publicly notified, the Council will require a further fixed deposit as set out below. This deposit is in

addition to the initial fixed deposit. The further fixed deposits also apply to applications lodged seeking to vary conditions of a consent or a review of conditions initiated by Council.

NOTIFICATION TYPE	Further Fixed Deposit GST Inclusive
Limited notification	\$7,500.00
Publicly notified (full notification)	\$20,000.00

Hearing by a commissioner if requested by applicant or submitter

Section 36(1)(aa) and (ab) enables Council to set charges in the event an applicant or submitter makes a request in writing, pursuant to Section 100A of the RMA that Council delegate its functions, powers and duties required to hear and decide an application to one or more hearing commissioners who are not members of Council. In the event this occurs, a fixed preliminary deposit, as detailed below, is required to be paid to Council upon the request being made pursuant to Section 100A of the RMA. Where fixed preliminary deposit is insufficient, then actual and reasonable costs will be recovered from the applicant or submitter in accordance with Section 35(6), and as detailed in the Schedule of Additional Charges. The charge detailed below is to be paid to Council upon the request being lodged with Council.

HEARING BY A COMMISSIONER IF REQUESTED BY APPLICANT OR SUBMITTER	Fixed Preliminary Deposit GST Inclusive
Hearing by a commissioner if requested by applicant or submitter.	\$5,000.00

Objections

Section 36(1)(af) of the RMA enables Council to set charges when considering an objection under Section 357A(1)(f) or (g) if a person requests under Section 357AB that the objection be considered by a hearing commissioner. In the event this occurs, a fixed preliminary deposit as detailed below is required. In the event costs exceed this

amount, actual and reasonable costs will be recovered from the applicant under Section 36(5), and as detailed under the Schedule of Additional Charges. The charge detailed below is to be paid to Council upon the request being lodged with Council.

OBJECTIONS UNDER SECTION 357(1)(f) or (g)	Fixed Preliminary Deposit GST Inclusive
Objection	\$5,000.00

Direct referral

Where an application is to proceed via direct referral to the Environment Court, all actual and reasonable costs incurred by Council up until formal referral to the Environment Court, will be recovered from the applicant under Section 36 of the RMA. All costs incurred after that will be recovered by agreement with the applicant or by way of application to the Environment Court under Section 285 of the RMA.

Notes

In the event that there are applications involving multiple consents, the initial deposit charge will apply to each separate consent forming part of the proposal.

Applicants will be charged all actual and reasonable costs above the deposit fee. Such costs may include, without limitation, Council officer time, consultants, hearing commissioners, technical advisors and the like (plus disbursements). Hourly rates are set out in the Schedule of Additional Charges.

Council will provide an estimate of any additional charge when requested to do so. This is required under Section 36(6). Interim monthly invoices will also be provided for notified applications on request, or where appropriate to assist with tracking of actual and reasonable costs.

Where the initial deposit exceeds the actual and reasonable costs, the difference will be refunded to the applicant.

Where an application is withdrawn, the initial fixed deposit will be refunded, minus costs incurred by Council in processing the consent prior to the application being withdrawn. In the event costs incurred by Council exceed the deposit amount, these actual and reasonable costs will be recovered from the applicant.

The Council may remit any charge referred to in the tables, in part or in full, on a case by case basis, and solely at Council's discretion. There will be no charge for the first hour of Council officer time in responding to queries in advance of a resource consent application being lodged. After the first hour, costs will be accrued, and applicants (or potential applicants) will be invoiced for staff time, and consultant and technical costs, plus disbursements whether an application is lodged or not.

Mileage will be charged at the applicable Inland Revenue Department rate, when the travel is incurred. In relation to staff travel time, each visit may only be charged to a maximum of 2 hours per visit. This ensures those consent applicants or consent holders who are located in remote locations are not unduly penalised.

Costs for hearing commissioners will be recovered at actual and reasonable rates, including disbursements. Costs associated with councillors will be recovered at the rates identified in the Other Charges table, detailed below.

These charges shall come into effect on 1 July 2022 and remain in effect until 30 June 2023.

Schedule of additional charges

The processing of consent applications (including certificates of compliance and existing use certificates), any review and variation processes and the issue of DPA notices may require further charges that exceed the fixed preliminary deposit or further fixed deposit identified above. In these cases, the following schedule of charges shall form the basis for calculating and charging actual and reasonable costs under Section 36(5). Any additional charges will have regard to the factors in Section 36(4) of the RMA.

Applicants have the ability to object to additional charges levied by the Council under Section 36(5) on the basis that they do not reflect actual costs or are unreasonable, but a similar right does not exist in respect of the fixed deposits set out above.

Methodology

Additional charges are calculated by multiplying staff time (including travel) by the hourly rate (as set out below), plus disbursements (such as specialist advice).

Charges for council officers and decision-makers

The hourly rates for Council officers and decision-makers will be relied on when calculating any additional charges under the RMA (both processing and monitoring components). All hourly rates are GST exclusive. Please note that not all positions are detailed in the list below. In these circumstances, the hourly rate will be calculated based on actual employment costs plus a factor to cover administration and operating costs in receiving, processing, granting and monitoring resource consents.

Staff hourly charge rates

ROLE	Hourly Rate GST Exclusive
Consents Administrator	\$63
Consents Monitoring Officer	\$86
Consents Planner	\$85
Senior Consents Planner	\$110
Senior Communications Advisor	\$99
Team Leader Consents	\$118
Team Leader Compliance	\$139
Scientist	\$108
Senior Scientist	\$128
Rural Industry Advisor	\$118
Freshwater & Partnerships Manager	\$175
Investigations & Design Manager	\$175
Regulatory Manager	\$175
Group Manager	\$200
Commissioner	At Cost Plus Disbursements
Hearings Committee Chair and Members	At Cost Plus Disbursements

Other charges

DESCRIPTOR	Charge Rate GST Exclusive
Pre-lodgement checking and advice (first hour)	\$0.00
Pre-lodgement checking and advice (subsequent hour)	@ Hourly Rate
Replacement copies and other documents (per page)	\$1.00
Consultant and solicitor fees	At Cost Plus Disbursements
Specialist or technical services	At Cost Plus Disbursements
Legal advice	At Cost Plus Disbursements
Hearings	At Cost
Production of order papers	At Cost
Advertising costs	At Cost Plus Disbursements
Independent commissioners	At Cost Plus Disbursements
Hearing committee chair and members	At Cost Plus Disbursements
Councillor as chairperson of a hearing	\$100 per Hour of Hearing Time
Councillor on a hearing (but not chairperson)	\$80 per Hour of Hearing Time

Notes

Solicitor fees include, but are not limited to, costs associated with attendance at consent hearings and court.

C. Compliance monitoring charges

Pursuant to Section 36(1)(c) of the RMA, Council can recover the actual and reasonable costs associated with the monitoring and supervision of resource consents and certificates of compliance. This includes the costs associated with assessing whether consent holders are complying with their resource consents. How much compliance monitoring is required will vary depending on the nature of the activity, its size and frequency, and the potential for environmental effects.

Additionally, under Section 36(1)(cc) Council can recover costs associated with monitoring those activities permitted by a national environmental standard (NES) if that NES provides for monitoring the costs associated with the NES.

Council can also, under Section 35 of the COVID-19 Recovery (Fast-track Consenting) Act 2020, recover costs associated with monitoring activities permitted under that same Act. Note: under Section 36 of the RMA, Council can, if costs exceed these charges, seek to recover additional costs on an actual and reasonable basis from resource users. This will be done at the sole discretion of Horizons.

Under Section 150 of the LGA, where Council receives a complaint about a person or organisation carrying out an activity that does not comply with the RMA, and that person is subsequently found to be non-compliant, Council will charge that person or organisation for the cost of any inspection it undertakes in relation to that activity. An initial minimum charge of \$194 excl. GST will apply to all incidents inspected which covers travel time, inspection time, identification of relevant parties and any follow-up administration (e.g. entering outcomes into database, follow-up correspondence, etc).

Any additional charges will only be made to cover actual and reasonable costs from the person or organisation who is found to be non-compliant with the RMA.

Apart from those activities listed in the fixed schedule of charges below, annual costs associated with monitoring resource consents, and any NES, will be recovered via a combination of a fixed annual preliminary charge (as a deposit) and additional charges where the initial charge is insufficient, based on:

- Staff time multiplied by the chargeable hourly rate identified in Schedule of Charges, plus disbursements (such as specialist advice).

The fixed annual preliminary charge accounts for costs associated with the first compliance assessment, with any further time to undertake the total annual monitoring activity recovered through additional charges based on actual and reasonable costs. Additional charges (over and above the annual preliminary charge) will also account for extra compliance monitoring (including site visits, sampling, assessment, reporting and follow up processes), which is required as a result of non-compliance with consent conditions.

In the event consultants are required to assist in monitoring compliance, the costs associated with this will be recovered from the consent holder, at cost plus disbursements.

Annual fixed charges

ACTIVITY TYPE	Fixed Charge GST Inclusive
Aquifer drilling and on-going monitoring	\$224.00
Farm culverts, bridges and fords (excludes those required under intensive land-use consents and associated with infrastructure projects)	\$224.00
Domestic on-site wastewater	\$224.00

Fixed annual preliminary compliance charge

ACTIVITY TYPE	Fixed Annual Preliminary Compliance Charge GST Inclusive
Freshwater	
Telemetered irrigation and stock water takes	\$122.00
Un-telemetered stock water takes	\$224.00
Un-telemetered irrigation takes	\$224.00
Municipal water takes	\$327.00

ACTIVITY TYPE	Fixed Annual Preliminary Compliance Charge GST Inclusive
Major industrial water takes: Category 1 and Category 2 sites	\$941.00
Minor industrial water takes: Category 3 and Category 4 sites	\$429.00
Waste Management	
Major discharges to water: Category 1 to Category 3 municipal wastewater treatment plant discharges, plus other Category 1 and Category 2 industrial discharges to water	\$1,043.00
Minor discharges to water: Category 3 and Category 4 discharges to water	\$326.00
Major discharges to air: Category 1 and Category 2 discharges to air	\$1,043.00
Minor discharges to air: Category 3 to Category 4 discharges to air	\$429.00
Major discharges to land: Category 1 and Category 2 discharges to land	\$1,043.00
Minor discharges to land: Category 3 and Category 4 discharges to land	\$327.00
Other on-site wastewater	\$327.00
Rural	
Farm dairy effluent	\$224.00
Intensive land use	\$224.00
Piggery discharges	\$429.00
Infrastructure	
Major use or disturbance of land (e.g. earthworks, vegetation clearance, land-based gravel extraction and quarry operations) – earthworks that have a medium to high risk of discharging into the receiving environment	\$839.00
Minor use or disturbance of land (e.g. earthworks, vegetation clearance, land-based gravel extraction and quarry operations) – earthworks activities that	\$429.00

ACTIVITY TYPE	Fixed Annual Preliminary Compliance Charge GST Inclusive
have a low risk of discharging into receiving environment	
Land disturbance, vegetation clearance and other activities associated with forestry activities (including activities that require consent under the National Environmental Standard Production Forestry)	\$429.00
Major discharge of stormwater – Category 1 and Category 2 discharges	\$1,043.00
Minor discharge of stormwater – Category 3 and Category 4 discharges	\$225.00
Works in beds of rivers or lakes, including gravel extraction and construction of culverts, bridges and fords	\$225.00
Activities Permitted by a National Environment Standard	
National Environmental Standard for Plantation Forestry (NES-PF)*	\$429.00
National Environment Standard for Freshwater (NES-FW)**	\$224.00
National Environmental Standards for Storing Tyres Outdoors (NES-STO)***	\$224.00
Other Activities	
Covers activities that require resource consent that do not fit within the consent activities above, but which may have environmental effects and will require some supervision and monitoring by Council	\$429.00

*The NES-PF specifies which activities councils may charge for through Regulation 106, These activities relate to earthworks (Regulation 24), river crossings (Regulation 37), forestry quarrying (Regulation 51) and harvesting (Regulation 63(2)).

**The NES-FW provides for recovery of costs for monitoring of permitted activities under Part 4 of the NES-FW.

***Section 16 of the NES-STO provide for the recovery of costs for monitoring of permitted activities.

Annual consents administration charge

The resource consent annual administration charge fee of \$50 excluding GST per consent, contributes to the costs Council incurs in undertaking its consenting, monitoring and administrative functions required under the RMA. This includes maintaining consent and compliance information, reviewing annual charges and ensuring information on our databases and files is accurate and current. This charge is the same for all categories of resource consent.

Annual charges apply to all current resource consents.

The charges apply regardless of whether the consent is being monitored or used. The reason being the consent holders either actively use their resource consents and derive direct private benefit from that use, or if they are not, are reserving the right to use a resource or carry out an activity, which in turn may limit others from holding similar resource consents. If a consent holder is not using a consent and does not wish to pay charges, they have the option of surrendering their resource consent. This is provided for under section 138 of the RMA.

D. Research and Monitoring Charges

The following charges, made pursuant to Section 36(1)(c) of the RMA, 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:

- 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
- 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

Standard Charges	
Water Quantity Environmental Monitoring Base Charge	\$30.63
Water Quantity Environmental Monitoring (based on maximum daily rate)	\$0.64 per m ³
Non-domestic Power Schemes	
Draw and Discharge or Abstract less than 0.05 m ³ /second	Nil
Draw and Discharge or Abstract between 0.05 - 0.2 m ³ /second	\$222.34
Hydro Electricity Power Scheme Fixed Charges	
KCE Mangahao Limited	Mangahao – \$11,388

Genesis Power Limited	Tongariro Power Development – \$44,600 Plus additional costs for specific projects as per the Schedule of Administrative Charges.
NZ Energy Limited	\$2,051
KCE Piriaka	\$11,388

Other Permits

Other holders of permits	A charge of \$30.63 plus \$0.64 per cubic metre authorised as a maximum daily take.
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Land Use Permits (fluvial resources/gravel extractions)

Holders of land use consents to remove gravel* \$0.44 per cubic metre extracted.

- The cost of gravel per cubic metre rate is calculated as the overall required revenue divided by the expected total volume extracted in cubic metres, plus a 15 per cent contingency.
- The costs may change throughout the Long-term Plan if there are strong environmental or river engineering benefits.

Water quality charges for discharge consents

Discharge Monitoring	2022-23 Annual Fee
AFFCO Feilding	\$5,109
Fonterra – Longburn	\$3,475
Fonterra – Pahiatua	\$1,746
Horowhenua District Council	\$4,582
Manawatū District Council	\$25,807
NZ Defence Force	\$7,301
Palmerston North City Council	\$9,456
Rangitīkei District Council	\$27,574
Riverlands Manawatū	\$4,292

Discharge Monitoring	2022-23 Annual Fee
Ruapehu District Council	\$29,523
Scanpower	\$2,629
Winstone Pulp	\$4,998

Consent Monitoring (Contracted)	2022-23 Annual Fee
Tararua District Council	As per contract

State of Environment Monitoring and Research Type and Quantity	2022-23 Annual Fee
Discharge to Land <25 m ³ /day	\$256
Discharge to Land 25 to 50 m ³ /day	\$341
Discharge to Land 50 to 100 m ³ /day	\$512
Discharge to Land 100 to 200 m ³ /day	\$682
Discharge to Land 200 to 1,000 m ³ /day	\$2,274
Discharge to Land 1,000 to 10,000 m ³ /day	\$2,558
Discharge to Land >10,000 m ³ /day	\$2,842
Discharge to Water <25 m ³ /day	\$512
Discharge to Water 25 to 50 m ³ /day	\$682
Discharge to Water 50 to 100 m ³ /day	\$1,023
Discharge to Water 100 to 200 m ³ /day	\$1,364
Discharge to Water 200 to 1,000 m ³ /day	\$4,547
Discharge to Water 1,000 to 10,000 m ³ /day	\$5,116
Discharge to Water >10,000 m ³ /day	\$5,684
Unspecified Volume Discharge	\$2,842
Land Fill – High Impact	\$5,684
Land Fill – Medium Impact	\$853
Land Fill – Low Impact	\$284

- Categorisation of landfills as 'high', 'medium' or 'low' impact takes into account key factors regarding the site and its operation are taken into account. These include, but are not limited to, site risks, pathways for contamination and the nature of the receiving environment.

Notes:

1. All charges are payable on request.
2. These charges shall come into effect on 1 July 2022 and remain in effect until 30 June 2023. These charges are reviewed annually for each Annual Plan and are likely to increase in line with increased costs.
3. In setting these charges, the Council has had regard to the criteria set out in Section 36 of the Resource Management Act 1991.
4. All charges are exclusive of GST.
5. Where the consent does not cover the full year, all research and monitoring annual fees and/or cubic metre charges will be pro-rated based on the commenced and/or expiry dates of the consent. This excludes the surface and groundwater charge of \$30.63.
6. Specified fees for discharge monitoring and consent monitoring apply to specific consents holders, and are additional to general State of Environment Monitoring and Research charges.

E. Dam consents, project information memoranda (PIMs) 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:

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

Schedule of Charges

Dam consent, PIM and safety work charges

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

ACTIVITY TYPE	Fixed Minimum Charge	Lodgement Fee
Dam Project Information Memoranda (PIM)	\$1,000	\$1,000
(i) Large Value Dam (above \$100,000)	\$750	\$750
(ii) Medium Value Dam (\$20,000 to \$99,999)	\$500	\$500
(iii) Small Value Dam (\$0 to \$19,999)		

ACTIVITY TYPE	Fixed Minimum Charge	Lodgement Fee
Dam Building Consent and Certificate of Acceptance *1		
(i) Large Value Dam (above \$100,000)	\$1,000 \$750	\$1,000 \$750
(ii) Medium Value Dam (\$20,000 to \$99,999)	\$500	\$500
(iii) Small Value Dam (\$0 to \$19,999)		
*1 The charges associated with building consent applications are those that are directly applied by Waikato Regional Council (WRC) as these functions have been transferred to WRC. It is therefore advised to contact WRC (www.waikatoregion.govt.nz) to check building consent application charges and charge-out rates. Please note that building consents incur BRANZ and Department of Building and Housing levies. These are payable to WRC		
Lodge dam potential impact category	\$100	\$100
Review dam safety assurance programme	\$100	\$100
Lodge annual dam safety compliance certificate	\$100	\$100
Policy implementation – dangerous dams, earthquake-prone dams and 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 hourly rates (stated in the table found on page 84) 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.

F. Totara Reserve

The following charges are made pursuant to Sections 103(2) of the LGA and are payable by campers at the Totara Reserve.

Overview of charging policy

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

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

Schedule of charges

Camp fees

Powered site:	\$37.00 (for two people) plus \$6.00 per person per night
Non-powered site:	\$16.00 (for two people) plus \$6.00 per person per night
Children under 5:	Free

Camp Rangi Woods Rental

As negotiated with the Camp Rangi Woods Trust Board.

Notes:

- All charges are payable on request.
- These charges shall come into effect on 1 July 2022 and remain in effect until 30 June 2023.
- 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 RMA, 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 and 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	\$14.00 per page	Not available

Copying charges are GST inclusive and should be paid immediately by cash or eftpos. 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 charged as per the table on page 84.
2. These charges shall come into effect on 1 July 2022 and remain in effect until 30 June 2023.
3. In accordance with Section 13 of the 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 RMA, and the practice guides accompanying the LGOIMA.
5. All charges are exclusive of GST.

Annual Plan Disclosure Statement for the year ending 30 June 2023

What is the purpose of this statement?

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

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

Benchmark	Limit	Planned	Met
Rates affordability benchmark			
• income	\$56.38M	\$55.43M	Met
• increases	10.0%	8.1%	Met
Debt affordability benchmark	\$175.16M	\$72.18M	Met
Balanced budget benchmark	100%	118%	Met
Essential services benchmark	100%	1,433%	Met
Debt servicing benchmark	15%	1.48%	Met

Notes

1 Rates affordability benchmark

(1) For this benchmark,—

(a) the council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in the council's long-term plan; and

(b) the council's planned rates increases for the year are compared with a quantified limit on rates increases for the year contained in the financial strategy included in the council's long-term plan.

(2) The council meets the rates affordability benchmark if—

(a) its planned rates income for the year equals or is less than each quantified limit on rates; and

(b) its planned rates increases for the year equal or are less than each quantified limit on rates increases

2 Debt affordability benchmark

(1) For this benchmark, the council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in the council's long-term plan.

(2) The council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

3 Balanced budget benchmark

(1) For this benchmark, the council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

(2) The council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4 Essential services benchmark

(1) For this benchmark, the council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.

(2) The council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5 Debt servicing benchmark

(1) For this benchmark, the council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).

(2) Because Statistics New Zealand projects that the council's population will grow slower than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 15% of its planned revenue.



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