

Notice is hereby given that an ordinary meeting of the Horowhenua District Risk and Assurance Committee will be held on:

Date: Wednesday 1 October 2025
Time: 10:00 am
Meeting Room: Council Chambers
Venue: 126-148 Oxford St
Levin

Risk and Assurance Committee

OPEN ATTACHMENTS

ATTACHMENTS UNDER SEPARATE COVER

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5.1	Draft Annual Report 2024/25	
A.	Draft Annual Report 2024-25 v1-2	3

Note: The attachments contained within this document are for consideration and should not be construed as Council policy unless and until adopted. Should Councillors require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.



Annual Report Te Pūrongo ā-Tau

2024-2025





Mihi

**Ki ngā atua, ngā tūpuna me ngā Iwi o te rohe
nei kei te mihi, kei te mihi, kei te mihi**

**Ko te rohe tēnei e hora ai te whenua mai i ngā
pae maunga o Tararua ki Te Tai o Rehua.**

**He kanohi rau o ngā pae maunga o Tararua, arā,
he hukarere, he kāpuapua, te whitinga o te rā
me to rongo hoki i te kō a ngā manu.**

**Kei te take o ngā maunga te wāhi e nōho ai ngā
patupaiarehe i te Riu o Makahika.**

**He maringa nui nō tātou kia whai wāhi ki te
taha uru o Te Tai o Rehua, pēnā i te takutai o
Waitārere, te wāhi takoto o Okatia, te taniwha.**

**Ko ngā moana te wāhi e kitea ai te rātō hei
whakatau i te whatumanawa, ko ngā hua hoki
o te moana hei whāngai i ngā whānau.**

**Toro atu ki ngā tauārai o te rohe, ki te awa o
Ōhau, ki te awa o Manawatū, ki te wahapū o
Manawatū anō, te kohanga o ngā tini manu.**

**Piua ngā mata ki te rangi, ki ngā whetū ārahi
i a tātou, ki te wāhi i topa atu ai te Hōkioi ki
ngā rangi.**

**Hoki mai ki te whenua haumako, ki ngā wai
rērere, kei reira ngā kai hei oranga mō tātou.**

**Ko Mangaore te wāhi tākaro, te waioranga me
te tūhonotanga ki te whenua me ngā awa.**

**Mai i Tokomaru ki Te Awahou, ki Levin, ki
Manakau rā anō, e karapotitia ana tātou e ngā
pae maunga o Tararua ki te rāwhiti, ko tēnei
whenua, tōku kāinga.**

**I whakatipu ai tātou i te ahurea rangatira, te
manaakitanga me te ngākau mahana o ngā
tāngata o Horowhenua, koia nei tō tātou rohe.**

**Toitū te marae a Tāne
Toitū te marae a Tangaroa
Toitū te tangata**

Tihei mauri ora!

To the gods, the ancestors and the people of
the district

Thank you, thank you, thank you

Boasting the shortest distance from mountain to
sea, the land flows all the way from the majestic
Tararua Ranges to the Tasman Sea.

The Tararua Ranges show us many faces, from snow
kissed, to cloud cloaked, to sun drenched, to filled
with bird song.

In the foothills, the Patupaiarehe or fairy people were
said to have inhabited the Makahika Valley.

We are blessed by the spacious sandy west coast of
the Tasman Sea, such as Waitārere Beach where the
mighty taniwha, Okatia is said to rest.

Beaches with stunning sunsets to soothe the soul,
and plentiful kaimoana to feed the whānau.

Bordered by our treasured Ōhau and Manawatū
rivers, the latter of which features the Manawatū
estuary that beckons numerous species of birds
home to its abundant shores.

Wide open spaces to see the stars that guide us, and
where the powerful Hōkioi bird soared to the heavens.

Our unique rich fertile soil, along with our waterways,
boasts a plethora of foods nourishing all.

Mangaore area bestows a range of outdoor
recreational activities, strengthening our wellbeing,
and connection to the whenua and awa.

From Tokomaru, to Foxton, to Levin, to Manakau,
and surrounded by the Tararua Ranges to the east,
ko tēnei whenua, tōku kainga (this land my home).

Built on the rich culture and natural hospitality
and warmth of the Horowhenua people, this is
our beloved rohe.

If the land is well
And the sea is well
The people will thrive

I sneeze the breath of life

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Introduction from the Mayor and Chief Executive

Te kupu whakataki a ngā Kaikaunihera me te Tumu Whakarae



Bernie Wanden
MAYOR



Monique Davidson
CHIEF EXECUTIVE

The Annual Report 2024/25 shares how Council performed against the first year of the Long Term Plan 2024–2044 Challenging Times, Challenging Choices. Our focus has been on delivering the basics well, financial discipline, managing waste and sharing costs fairly.

With this clear direction, we have achieved many successes and navigated through challenges over the past year, operating in an environment where affordability and uncertainty about reforms remained key issues. Early in the financial year, we reviewed and adopted an updated Plan on a Page, setting out 12 Top Priorities and key actions. This has helped us direct resources where they are most needed to achieve the best results for our community.

One of the Top Priorities is ensuring strong financial discipline and management. This includes strict budget monitoring across all areas, strategic procurement and careful treasury management to reduce costs and protect Council's credit rating. Council has also been committed to transparent financial reporting and keeping the community informed about financial performance and initiatives.

We are pleased with the strong financial performance for the year ending 30 June 2025. Capital expenditure totalled just under \$32m, slightly exceeding the forecast spend of \$31.2m and representing good progress against the full-year budget of \$44.5m. Across the four-year horizon to 2027/28, Council is still forecasting a net reduction of \$4.7m. This will be re-visited in the 2026/27 budget setting process.

We are equally pleased with the underlying operating result which indicates efficiencies we have worked hard to find resulting in net savings of around \$800,000, significantly above the target range of \$300,000–\$500,000. This outcome reduces

net borrowings and supports the long-term objective of improving the Council's credit rating.

Operating income was \$0.4m above budget, driven primarily by assets vested to Council, higher consenting revenue and additional waste rebate income. This was partially offset by reduced funding from New Zealand Transport Agency Waka Kotahi and delays in National Infrastructure Funding and Financing (NIFF), previously Crown Infrastructure Partners (CIP) funding, both of which were matched by lower expenditure.

Operating expenditure was \$0.9m below budget, reflecting savings in professional services and staffing costs earlier in the year. This excludes a \$2.3m accounting or non-cash loss on interest rate swaps, which are used to manage interest rate exposure, a \$5m increase in landfill provisions to make sure we are reflecting the cost of the full 30 year remediation of our Hokio Landfill site, and a \$3.1m loss on the sale of property, plant and equipment.

In addition to financial information, what you'll also see in the Annual Report is how we delivered on key projects, adjusted to challenges and worked alongside our community, stakeholders and other councils to deliver what matters most.

We progressed several key projects in our capital programme, particularly in water and wastewater. Major works included the wastewater connection to Tara-Ika, upgrades on MacArthur, York, Oxford/Tyne Streets (Levin), and Margaret and Bryce Streets (Shannon), and new water mains installed in coordination with New Zealand

Transport Agency Waka Kotahi at the Tararua Road Roundabout.

The water meter project advanced significantly, with 9,900 digital meters installed across Shannon, Levin, Foxton and Foxton Beach. These meters detect leaks within 14 days rather than months, helping Shannon achieve record-low water consumption this year.

Water Treatment Plant upgrades were completed, including a new pH correction, UV and coagulation system at Tokomaru, and UV treatment at Foxton Beach, improving the safety and resilience of drinking water.

We brought the Local Waters team in-house, ending the Horowhenua Alliance agreement with Downer. This saved \$1.6m in operational costs and strengthened our ability to meet the Government's Local Waters Done Well programme. After consultation, Council agreed to form a Joint Water Services Organisation with Palmerston North City Council and Rangitikei District Council to deliver a collaborative Water Service Delivery Plan.

Early in the year, significant cuts to subsidised funding from New Zealand Transport Agency Waka Kotahi meant Council received \$1.65m less than anticipated. In response, we reprioritised the Land Transport programme, focusing on maintaining roading and footpath assets rather than investing in new network improvements.

Partnerships Matter

Working alongside our communities and building stronger connections was another priority and as such we adopted two new Community Plans:

- Foxton Futures (Foxton and Foxton Beach Community Plan) in December 2024.
- The Shannon/Otaurū Community Plan in June 2025 – Council's first fully community-led plan.

Both reflect our commitment to empowering communities to shape local development, delivery and outcomes.

Council supported community clean-up efforts and planting days to build environmental resilience, invested in library outreach and provided community grants to strengthen social connections.

Destination Management was refreshed, designed to boost the profile and tourism sector of Horowhenua. The Horowhenua Company Ltd supported business development through events and workshops, helping grow local opportunities.

Outcomes Matter

Serving our community and enabling what matters most remains at the heart of our work. The 2024/25 resident satisfaction survey showed overall community satisfaction at 63%, up from 62% last year and a marked improvement from 49% in 2022. While progress is steady, we remained focused on delivering the basics well and driving a culture of continuous improvement.

You Matter

This Annual Report reflects our ongoing commitment to balancing the financial and affordability pressures that we operate under, with the need to continue to deliver the high level service that is expected by our residents.

While the Local Government sector has several challenges ahead, we have set a strong foundation over the past year to meet those challenges and ensure that we continue to support and positively shape the future of Horowhenua.

As the term draws to an end, we would like to thank Council officers for their skilled advice and dedication which has carried us through these challenges and helped us achieve meaningful progress.

We would also like to thank our community for their willingness to engage and support the work of Council, whether that be through volunteering, the consultation and engagement processes, Cuppa with a Councillor or phone calls and emails. We appreciate the support and the sharing of views and opinions.



Mayor Bernie Wanden



Chief Executive Monique Davidson

Statement of compliance and responsibility as at 30 June 2025

He Tuhinga Mō ngā Tūtohunga me ngā Haepapa i te 30 o Pipiri 2025

Statement of compliance

Horowhenua District Council confirms that all statutory requirements in relation to the Annual Report as outlined in the Local Government Act 2002, have been complied with.



Bernie Wanden
MAYOR



Monique Davidson
CHIEF EXECUTIVE



About this report Mō tēnei pūrongo

The Annual Report 2024/25 tells the story of Horowhenua District Council's performance between 1 July 2024 and 30 June 2025, reporting against the first year of the Long Term Plan 2024-2044 (LTP).

We are committed to being transparent and accountable to our community, and this report provides detailed information on the financial performance of the organisation as a whole, and for each individual activity. It also sets out how we are tracking our performance measures and fulfils our obligations under the Local Government Act 2002 to report on our past year's highlights, performance results and budget. A separate summary of the Annual Report 2024/25 is also available.

We produce an Organisation Performance Report (OPR) that is presented at each Council meeting throughout the year. These reports share our stories, our successes, our concerns and where we need to improve.

You can find all OPRs on our website:
<https://www.horowhenua.govt.nz/Council/Documents/Organisation-Performance-Reports>.



Our performance and position at a glance

He tirohanga ki ā tātou mahi me tō mātou tūnga

Financial Performance

OPERATING DEFICIT FOR THE YEAR

\$7m

This deficit is \$9.2m higher than budgeted and is mainly due to \$10.4m of non-cash fair value changes including a loss on our derivative financial instruments (\$2.3m), loss on disposal of property plant and equipment (\$3.1m) and an increase in our landfill provision (\$5m) which represents the future cost of the best practicable option for remedying the old landfill site in Hōkio. The Council set a savings target of \$300k-\$500k for the year and we were successfully able to achieve \$800k. This target excludes the impact of rates, interest, capital items and fair value adjustments.

HEADING

68%

68% of our total income is from rates, however rates make up 79% of our income to fund our daily operating costs.

HEADING

16.6%

Council agreed to a rates increase of 16.6% for 2024/25, lower than the 17.4% rates increase Council consulted on. Council members and Officers have looked hard for savings. For example, we have made the decision not to renew our Alliance contract for water services and to bring the water services work back in-house.

REVENUE FOR THE YEAR

\$92m

We have received \$0.4m more income than planned. This is mainly due to income for consenting coming in higher than planned and additional waste rebate received reflected under Fees and Charges. This position is partly offset by lower funding from Waka Kotahi, which is offset by lower spending agreed by Council. There was also a delay in NIFF funding with changes in the timing of the associated capital projects. This is reflected in lower capital and operational grants and subsidies. This includes \$2.2m vested assets that Council received during the year. The remaining waste rebate levy money (minus relevant costs) was put into a reserve fund. This Council created reserve will be reported in the 2024/25 Annual Report in the Statement of Reserve Funds.

CAPITAL SPENDING FOR THE YEAR

\$99m

We have completed just under \$32m of the capital programme for the year as at 30 June 2025, against a forecast spend of \$31.2m, comparing to the full year budget of \$44.5m. This was a great result for the team. \$36.7m was assumed in the 2025/26 Annual Plan. Around \$5m of capital carry forwards had been identified and will be requested to go into the 2025/26 financial year for projects that are committed to being delivered.

EXPENSE FOR THE YEAR

\$99m

This is \$0.9m below budget which is largely due to lower professional services and other operating costs. We also have some savings in employee costs due to vacancies in the first half of the year. This excludes non-cash items such as \$2.3m loss on interest rate swap, \$3.1m loss on disposal of assets, and \$5m increase in landfill provision. A loss on an interest rate swap occurs when the value of the swap decreases due to unfavourable changes in interest rates. Swaps are used to manage interest rate risk and potentially lower borrowing costs. The increase in the landfill provision is due to the inclusion of the trade waste costs associated with leachate management now able to be included in the provision. Previously they were part of the operating costs for the landfill.

HEADING

\$5m

Indicative capital projects to be carried over to 2025/26 subject to Council approval in September 2025.



Financial position

\$798m

Council's net value as at 30 June 2025

A+

Credit rating from S & P Global, with negative outlook. This was maintained the same as previous year.

\$174m

Net debt at 30 June 2025

COUNCIL'S ASSETS AS AT 30 JUNE 2025

\$1,075m

Property, plant and equipment (PPE) of \$987m made up 92 percent of the total asset value. PPE ended the year \$6m higher than budget mainly due to higher-than-expected increases in the value of Council's operational assets following a full valuation. Last done in 2022.

NET DEBT IS

198%

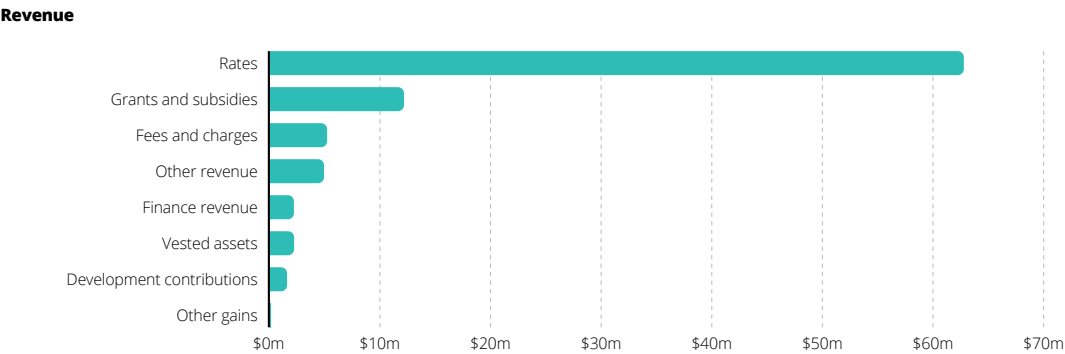
of operating income

COUNCIL'S LIABILITIES AS AT 30 JUNE 2025

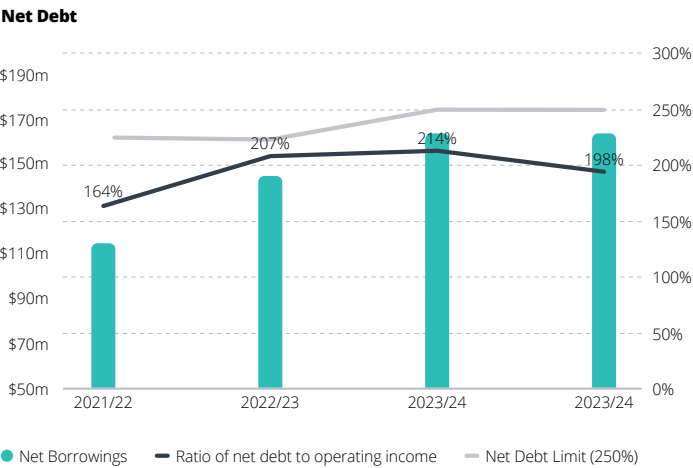
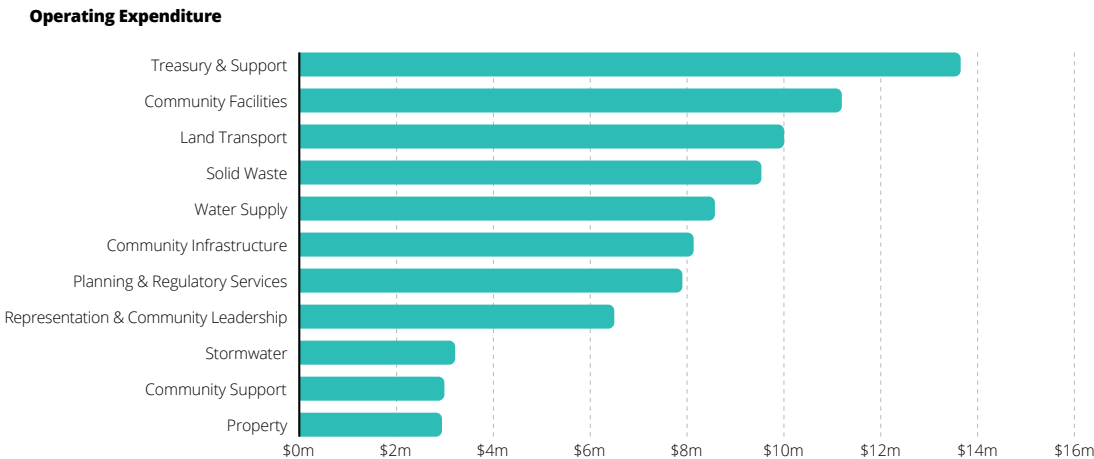
\$278m

The majority of our liabilities is \$202m of medium to long term borrowings from the Local Government Funding Agency, and the remainder mainly trade creditors and accruals.

The graph below shows Council's revenue for the 2024/25 financial year:



The graph below shows Council's operating expenditure by activity for the 2024/25 financial year:



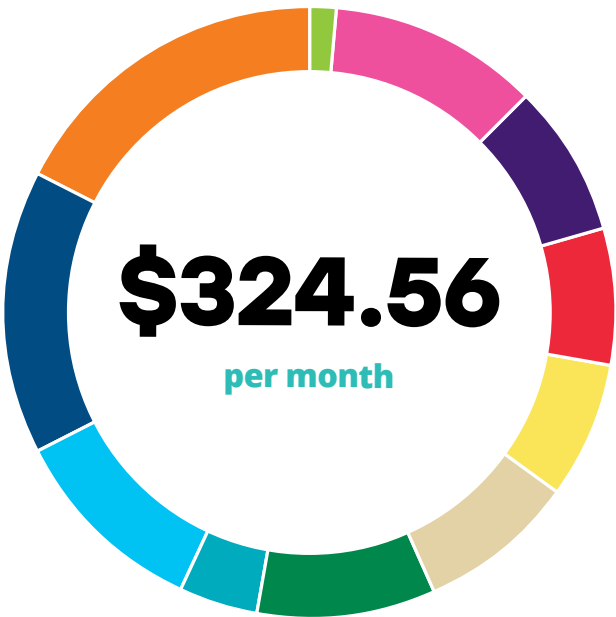
Net Debt (total borrowings less term deposits, borrower notes and cash) is below the limit of 250% set out in the LTPA 2021-2041 for 2023/24. The increased net debt to operating income ratio is planned for as part of the adoption of the LTPA 2021-2041 due to increased investment in three waters infrastructure.

Non-Financial Performance Measure Results

Activity	Achieved	Not Achieved	Total
 Water Supply	4 (57%)	3 (43%)	7 (100%)
 Wastewater	6 (100%)	0 (0%)	6 (100%)
 Stormwater	5 (83%)	1 (17%)	6 (100%)
 Land Transport	3 (60%)	2 (40%)	5 (100%)
 Solid Waste	7 (70%)	3 (30%)	10 (100%)
 Community Facilities	8 (62%)	5 (38%)	13 (100%)
 Community Infrastructure	7 (100%)	0 (0%)	7 (100%)
 Property	2 (67%)	1 (33%)	3 (100%)
 Representation and Community Leadership	5 (63%)	3 (37%)	8 (100%)
 Community Support	19 (79%)	5 (21%)	24 (100%)
 Regulatory Services	12 (75%)	4 (25%)	16 (100%)
TOTAL	80 (74%)	28 (26%)	108 (100%)

Where My Rates Are Spent

Ngā wāhi i whakapaua ai ngā rēti



Based on a residential property with a Capital Value of \$700k and a Land Value of \$350k.

\$700k
Based on a Capital Value of residential property

\$350k
Land Value

 \$5.25 Property	 \$23.06 Planning & Regulatory Services	 \$34.03 Water Supply
 \$35.32 Community Infrastructure	 \$27.54 Land Transport	 \$48.97 Wastewater
 \$26.76 Representation and Community Leadership	 \$30.45 Solid Waste	 \$55.91 Community Facilities
 \$23.52 Community Support	 \$13.73 Stormwater	

Council Plan on a Page Te Mahere Kaunihera i te Whārangi

The Long Term Plan 2024-2044 confirmed Council's commitment to focus on the basics, while also prioritising care for the environment and being ready to maximise opportunities ahead. Council adopted a refreshed Plan on a Page at its Council meeting on 24 July 2024 to reflect our priorities for 2024 and 2025.

Following the October 2022 election, the newly formed Council took the time to discuss the key issues and opportunities facing Horowhenua District Council and to set its direction. Council recognised that the platform built by Horowhenua 2040, and the Horowhenua Blueprint has provided building blocks for success. The context of growth, reform, and change meant they wanted to put a focus on the future through tackling the hard issues, lifting organisation performance and ultimately shifting the dial on how the communities we serve see value in Horowhenua District Council. From these discussions they developed the Plan on a Page which set the general direction for Council to take our rohe (district).

The refreshed Plan on a Page saw the previous 10 top priorities and nine other areas that were considered important to focus on updated to 12 Top Priorities with key actions listed for the 2024/25 year under each priority.

Since adoption of the refreshed Plan on a Page both the operational and governance side of Council have been looking at ways it can use the Plan to provide the focus, prioritisation, and resources needed to achieve the best results for our community. A large component of the Chief Executive's Key Performance Indicator (KPIs)

measures for 2024/25 were structured around Council's Top Priorities. This was to ensure the organisation has the focus it needs in its strategic direction, organisational planning, and prioritisation of work.

We use the Organisation Performance Report (OPR) as our tool to report how we are tracking against achieving these priorities. The Full OPR provides detailed updates from the organisation on how it has progressed on both the 12 Top Priorities and each of the key actions.

Like all priority setting documents the Plan on a Page will be reviewed on a regular basis.

Connect how the work we do link with our Top Twelve priorities by keeping a lookout for the icons of a priority (used in our 'Plan on a Page') appearing next to our updates in the activity statements!"

Council's Plan on a Page

Following the 2022 triennial election, Council has taken the time to discuss the key issues and opportunities facing Horowhenua District Council, confirming the general direction they wish to take Horowhenua.

With 18 months left to go of the current Council term, this update to the Plan on a Page reflects our priorities for the 2024 and 2025 years.

Council agreed that the platform built by Horowhenua 2040, and the Horowhenua Blueprint has provided building blocks for success. Our context of growth, reform and change, means that right now we want to focus our energy into the future through tackling the hard issues, lifting organisation performance and ultimately shifting the dial on how the communities we serve see value in Horowhenua District Council.

The Outcomes we want to achieve



Partnership
with
Tangata Whenua

We uphold Te Tiriti o Waitangi and its principles and recognise the role of Mana Whenua as kaitiaki of their rohe. We support them to maintain and enhance tikanga with their ancestral lands and waterways, wāhi tapu and other taonga, and build mutually respectful partnerships with tangata whenua, supporting whanau, marae, hapū and Iwi in achieving their aspirations.



Outstanding
Environment

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



Fit for purpose
Infrastructure

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



Vibrant
Economy

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



Strong
Communities

We value the diversity of our people, and how our districts heritage shapes our communities sense of identity and pride. We provide infrastructure, services, facilities and places to build resilient and connected communities where people of all ages and backgrounds feel included and safe. We are building collaborative relationships with service providers to enable all people to live positive and healthy lifestyles, encouraging our people to participate in local decision making.

Our values – what we stand for

Mahi Tahi

We are one team, stronger together as we work with and for our community to deliver outcomes that matter.

#arohatōmahi

We love our work and know that our work matters. That is why we do what we say we will do and apply energy and enthusiasm across our mahi.

Manaakitanga

We put our people first by showing them that they matter, through a focus on whānau needs and aspirations.

Tiakitanga

We proudly and professionally contribute every day to the care of our community and whenua with courage, positivity and mana – leaving a legacy which future generations will embrace.

Our four pillars



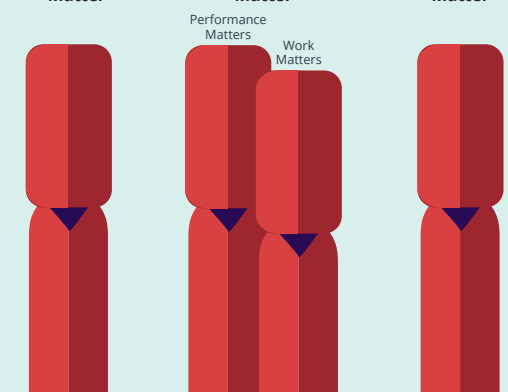
You
Matter



Outcomes
Matter



Partnerships
Matter



He rau ringa e pakari ai nga taura whiri i o tātou hapori – mai i te pae maunga o Tararua ki te moana

With many hands the threads which weave our neighbourhood and communities together will be strengthened from the Tararua ranges to the sea. Growing neighbourhoods and building stronger communities together.

Top Priorities



Pursuing Organisation Excellence

Continuing the journey of organisational transformation by enabling a culture of service, excellence and continuous improvement.

KEY ACTIONS FOR 2024/2025

- Review the Organisation Roadmap and implement identified action.
- Further progress on getting the basics right and enhancing the customer experience through implementation of the Customer and Digital Action Plans.
- Preparation for the 2025 elections and potential referendum.
- Elected members bringing energy and commitment to progressing priorities and setting the next Council term up for success.



Supporting Lake Punahau/Horowhenua Aspirations

Giving focus to advancing actions that speak to community and owners of Lake Punahau/Horowhenua aspirations specific to the role of Horowhenua District Council.

KEY ACTIONS FOR 2024/2025

- Strengthen relationships with the Lake Trust to consider enabling community aspirations.
- Complete the Lake Domain development plan using Better off Funding.
- Support reactivation of the Lake Domain Board.
- Develop Best Practicable Options for Stormwater management in collaboration with the Lake Trust (as representative of the owners) and other key stakeholders and partners.
- Continue to be an active partner with the Arawhata Wetland Project led by Horizons.
- Support community led planting and clean up initiatives.



Activating the Levin Town Centre

Activating key strategic initiatives to act as a catalyst for change, stimulating collaborative and transformational revitalisation of Levin's hub.

KEY ACTIONS FOR 2024/2025

- Implement agreed Strategy initiatives.
- Pursue connections and relationships to build momentum outside of Council led initiatives.



Enhancing Māori Relationships

Ensuring a concerted focus on developing a partnership framework, to advance our relationships and set up both Council and our partners for shared success through well-defined partnership arrangements and clear engagement expectations.

KEY ACTIONS FOR 2024/2025

- Progress development of Māori relationships and the Engagement Framework.



Ensuring Financial Discipline and Management

Ensuring targeted advocacy and proactive pursuit of third-party funding opportunities and strengthening of national and regional connections, to ensure our community's needs are clearly understood and prioritised, keeping us relevant and well-positioned to pursue or react to opportunities.

KEY ACTIONS FOR 2024/2025

- Ensure financial discipline and compliance with our financial strategy and benchmarks.
- Implement organisation-wide stringent budget monitoring to ensure all departments adhere to allocated budgets, promoting a culture of financial accountability and transparency across all levels.
- Procure wisely and strategically, to prioritise spending on essential services and projects that deliver the highest value to the community.
- Monitor Treasury opportunities to take advantage of favourable interest rates, reduce debt servicing costs, and maintain the Council's credit rating.
- Provide transparent financial reporting and regular updates to the community on the Council's financial performance and initiatives.



Strategically Positioning Horowhenua

Ensuring targeted advocacy and proactive pursuit of third-party funding opportunities and strengthening of national and regional connections, to ensure our community's needs are clearly understood and prioritised, keeping us relevant and well-positioned to pursue or react to opportunities.

KEY ACTIONS FOR 2024/2025

- Pursue new look funding arrangements with CIP or others to advance growth infrastructure.
- Pursue funding opportunities to speed up plans or advance unfunded or under resourced priorities.
- Respond to regional deal opportunities.



Community Preparedness

Focusing on strengthened Council and community preparedness and resilience to enable our ability to plan for, respond to, adapt and recover from emergencies and district changes.

KEY ACTIONS FOR 2024/2025

- Emergency management planning and preparation.
- Progress priority business continuity and resilience initiatives.
- Continue tackling stormwater hotspots across our district.



Community Connections and Better Wellbeing

Focusing on priority wellbeing initiatives driven by the Horowhenua Blueprint, Wellbeing framework and the Housing Action Plan while strengthening place-based community relationships and engagement to foster authentic relationships and enhanced community connections.

KEY ACTIONS FOR 2024/2025

- Continue progressive implementation of Blueprint priorities.
- Implement the Housing Action Plan priorities.
- Activate the key priorities within the Community Wellbeing Strategy.
- Maintain a sustained focus on improving our communication and engagement across communities.
- Initiate community plans in Foxton and Shannon, and continue with place-based relationships.



Enabling balanced growth with fit for purpose infrastructure

Continuing with our integrated growth planning and strategic delivery approach to enable smart and sustainable development that delivers balanced growth and fit for purpose infrastructure.

KEY ACTIONS FOR 2024/2025

- Progress an initial omnibus District Plan change to effect quick wins and address immediate issues.
- Continue integrated growth planning to inform future capital investments.
- Retaining focus and energy on bringing to life the outstanding environment and thriving economy community outcomes through fit for purpose infrastructure.
- Development of Vested Assets Policy.
- Deliver the Capital Programme.
- Conduct appropriate investigations in key strategic focus areas including aquatics, parks, property, and sports-preparing for informed decision making ahead of the next Long Term Plan.



Local Water Services Done Well

Navigating change towards inhouse provision of reliable three water services while strategically positioning ourselves to embrace and benefit from sector change.

KEY ACTIONS FOR 2024/2025

- Navigate inhousing of three water services.
- Position Council for future changes to Local Waters Done Well waters arrangements.



Enriching Our Environment

Focusing on targeted initiatives to enrich, preserve and enhance the Horowhenua natural environment through promoting sustainability, waste management practices and resilience to climate change for the benefit of current and future generations.

KEY ACTIONS FOR 2024/2025

- Establish the emission monitoring portal.
- Implement the Climate Action Plan within budget allocations.
- Continue workstreams to enable decision making on Council's role and focus in waste management and minimisation, including potential future uses of the Levin Landfill site.
- Support the protection and restoration of natural habitats, including wetlands, forests, and coastal areas.
- Continue partnerships with schools, local organisations, and community groups to promote environmental stewardship.



Ōtaki to North of Levin Readiness

Leveraging the Ōtaki to North of Levin Expressway Project to seize opportunities and ensure alignment with strategic Council priorities for long term community benefit.

KEY ACTIONS FOR 2024/2025

- Continued advocacy on Ō2NL revocation.
- Championing legacy outcomes.
- Exploring opportunities and planning for consequential Ō2NL impacts with a specific focus on revocation.



Working with Māori Te Mahi tahi me te Iwi Māori

Ko te mea tuatahi, kei te mihi atu ki te Kīngi
Tūheitia Pōtatau Te Wherowhero VII, kua
whetūrangitia i te pō i te 30 Akuhata, 2024.
Ka areare ko te rua o Puanga, e te Kīngi. E
mihi ana ki te Kuini, ko Ngā Wai Hono i te Pō,
te Manu whakataka pōkai o te ata hāpara.

We wish to acknowledge the passing of Kīngi
Tūheitia Pōtatau Te Wherowhero VII on 30
August 2024, and the succession of the new
Māori Queen Ngā Wai Hono i te Pō.

Horowhenua District Council (Te Kaunihera ā rohe o Horowhenua) is dedicated to strengthening and growing its relationship with Māori. Council acknowledges the unique status of Tangata Whenua within our rohe (district) and is committed to supporting the development of Māori capacity to participate effectively in Council's decision-making processes. Although this is a requirement under Schedule 10 of the Local Government Act 2002, the Council seeks to go beyond legislative obligations by cultivating strong, enduring, and meaningful partnerships with the Māori hāpori (community). This commitment is reflected in our community outcomes, particularly the outcome titled 'Partnership with Tangata Whenua'.

The Local Government Act 2002 acknowledges the Crown's obligations under Te Tiriti o Waitangi by requiring councils to facilitate Māori participation in decision-making. Key obligations include:

- Providing opportunities for Māori to contribute
- Establishing processes for Māori input
- Fostering Māori capacity to engage in decision-making
- Sharing relevant information
- Considering Māori relationships with land, water and other taonga

Council understands the impact of its decisions on Māori wellbeing, considering the unique challenges of both pre- and post-settlement Iwi. The goal is to ensure Māori are actively involved beyond environmental and cultural matters, becoming integral to decision-making.

Partnerships

Council continues to foster partnerships across all iwi partners and has active Memorandum of Partnership Agreements in place with:

- Muaūpoko Tribal Authority
- Te Iwi o Ngāti Tukorehe Trust – representing Ngāti Tukorehe, Te Mateawa, Ngāti Te Rangitawhia and Ngāti Kapu (Ngāti Raukawa)

- Te Kotahitanga o Te Iwi o Ngāti Wehi (Ngāti Raukawa)
- Rangitāne o Manawatū
- Te Tūmatakahuki (Ngāti Raukawa)

While active Memorandum of Partnership Agreements are not currently in place with Te Runanga o Raukawa Inc, Ngāti Apa or Rangitāne o Manawatū Settlement Trust, Council values the partnerships and understands the key roles that each partner has in the rohe.

Council entered into a Memorandum of Partnership with Te Tūmatakahuki (Incorporated Society) on 13 December 2024. The signing was hosted by Te Tūmatakahuki representatives in Foxton, with Elected Members, Horowhenua District Council's Chief Executive, and local community members in attendance. Te Tūmatakahuki is the legal entity representing 12 hapū and marae of Ngāti Raukawa te au ki te Tonga, located within the boundaries of the Horowhenua District, with wider geographical affiliations. Te Tūmatakahuki represent the hapū and marae of Ngāti Turanga, Ngāti Rākau, Ngāti Te Au, Ngāti Tākihiku, Ngāti Ngārongo, Ngāti Whakare, Ngāti Pareraukawa, Ngāti Huia ki Poroutawhao, Ngāti Huia ki Matau, Ngāti Kikopiri, Ngāti Hikitanga and Ngāti Wehi Wehi.

Māori Wards

In 2021, councillors voted unanimously to establish a Horowhenua (Māori) Ward, with significant community support. Councillors Nina Hori Te Pa and Justin Tamihana were elected to represent the ward in the elections the following year.

In May 2024, changes to government legislation overturned this decision and required councils to decide by 6 September 2024 whether to retain or disestablish their Māori Wards. Mayor Bernie Wanden joined 51 Mayors and Chairs, and LGNZ in advocating for local decision-making regarding the imminent introduction of poll provisions on Māori Wards. This united stance highlighted Horowhenua District Council's

commitment to fair and equitable representation in our community. The signal from LGNZ and the Mayors and Chairs who supported the letter was clear in that Māori Wards and constituencies should be treated the same as any other ward, and not be subject to poll provision as it is unfair and does not put all wards (general, rural and Māori) on the same playing field.

On 30 July 2024, The Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Amendment Act 2024, was enacted. It required councils that established Māori Wards without a voter poll following the 2021 legislative changes to hold a poll at the 2025 elections. Alternatively, councils could reverse their earlier decisions by either rescinding resolutions that had not yet been implemented or disestablish Māori Wards that were already in place.

In August 2024, Council sought community feedback on the future of the Horowhenua (Māori) Ward for the 2025 Local Elections. The changes in legislation meant that the Council had to decide at its meeting on 4 September 2024 to either:

- Not have a Horowhenua (Māori) Ward at the 2025 Local Body Election, or
- Keep the Horowhenua (Māori) Ward and hold a binding referendum as part of the 2025 Local Body Election at a cost borne by the Council.

On 4 September 2024, following community feedback, Council voted 11-2 to keep its Horowhenua (Māori) Ward. Since the Council voted not to dissolve the Horowhenua (Māori) Ward a referendum must be held, as part of the 2025 Local Election, giving ratepayers the final decision on the Ward's future. The outcome of this referendum will be binding and will take effect for the 2028 and 2031 local government elections.

In the interim, the current Māori Ward structure will remain in place (for 2025-2028). The referendum presents an important opportunity for the community to consider how it wishes to reflect partnership and ensure equitable Māori participation in shaping the future of our district.

The following are examples of some of the more significant engagements with Māori.

IWI/HAPŪ RELATIONSHIPS FRAMEWORK

Council endorsed the development of a Māori Engagement Framework in October 2023 and this included the formation of a Project Advisory Group (PAG) made up of elected members and Iwi representatives to guide the process. This decision was grounded in the recognition that Council needed a clearer, more intentional approach to engaging with mana whenua across the Horowhenua. Since then, we have worked in close partnership with Iwi and Hapū to co-design a revised framework. It became the Iwi / Hapū Relationships Framework to better reflect the aspirations of tangata whenua, support the organisation to meet its obligations under the Local Government Act, and enable more effective and enduring relationships. A significant driver of this mahi (work) has been the need to address the current inconsistencies in the way Council resourced and supported engagement with Iwi and Hapū, and to shift toward a more principled and transparent approach providing a consistent foundation for engagement, while recognising and respecting the diversity of structures, capacities, and agreed priorities between each Iwi/ Hapū and Council. This work is ongoing with the intention of Council being asked to approve the Framework in the new financial year.

IWI / HAPŪ FIRST RIGHT OF REFUSAL

Since 2014, Council has been refining its approach to managing its property portfolio, following expert advice to split assets into core and non-core. A Property Strategy was adopted in 2015-16, providing a structured assessment framework to guide decisions and long term planning. Over time, non-core properties have been sold in line with this Strategy. In 2023, Council resolved to explore including a first right of refusal for mana whenua on the disposal of non-core property. Since then, Council Officers have met and liaised via email and phone with Te Tūmatakahuki, Muaūpoko Tribal Authority, Rangitaane and Ngāti Tukorehe regarding the proposed amendment. In May 2025, Council resolved by majority to amend the Property Strategy to include a Right of First Refusal clause meaning any non-core properties that are to be disposed on the open market are offered to Iwi/Hapū first at market value for 30 working days, before it is listed publicly.

PUANGA MATARIKI PROGRAMME

Council partnered with Muaūpoko, Ngāti Raukawa and Ngāti Whakare, to design and carry out a two-week Puanga Matariki programme for the community. The programme included 13 events and activities across our district which were all very well attended by the community.

WHAKAMANA MARAE PROJECT

A working group has been formed with a focus to help Horowhenua marae in building emergency management preparedness, to be able to respond in Civil Defence Emergency Management situations. Officers have collaborated with various agencies about an approach to working with marae in building their resilience in this space.

LEVIN TOWN CENTRE PROJECT

The Levin Town Centre Transformation programme of work engages with Iwi partners through the Levin Town Centre Transformation Community Steering Group (previously called the Reference Group). The Community Steering Group plays a pivotal role in informing project details, representing the interests of those who live, work, and visit the Levin Town Centre. The purpose of the Community Steering Group is to shape and lead, and to envision, develop and help to define aspects and ideas for the town centre. There is representation from Ngāti Raukawa and Muaūpoko Tribal Authority on the Community Steering Group who, along with two Levin Ward Councillors, a Māori Ward Councillor and other community representatives, are invited to attend workshops for Officers to gather feedback prior to community consultation, and/or meetings to update and inform as/ when information can be shared.

LEVIN WAR MEMORIAL HALL

When Council made the decision to sell the Levin War Memorial Hall and Village Green in March 2025, Council provided an additional resolution for the Chief Executive to provide an opportunity for further engagement with Iwi partners to assess the proposal prior to an agreement being signed. An invitation was extended to Officers and The Wellington Company to join the Chair for Te Tūmatakahuki and Ngāti Raukawa representatives, for a hui to discuss the proposed Levin War Memorial Hall and Village Green proposal that took place at Ngatokowaru Marae in May 2025.

FOXTON WAR MEMORIAL HALL

In October 2024, following community consultation, Council made the decision to transfer the Foxton War Memorial Hall ownership to Te Tūmatakahuki Society Incorporated for \$1. The ownership transfer follows a

Business Plan jointly developed by the Foxton War Memorial Hall Society Incorporated (FWMHS) and local Hapū, ensuring the Hall remains a valuable community space while honouring its historical importance and setting it up for a sustainable future.

SHANNON COMMUNITY PLAN

The journey to develop the first Shannon Community Plan began in October 2024 with Council and Ngāti Whakareta inviting Shannon residents to Whakawehi Marae, followed by two public meetings at the Shannon Memorial Hall and the Shannon Library. The Shannon Community Plan Working Group was established to drive the development of the Plan and Ngāti Whakareta partnered with Council to deliver it. Wider community feedback was sought through extensive engagement from mid-January to 24 February 2025, including a maildrop to all homes in Shannon. A total of 297 submissions were received – very impressive at 18.5% of the town's population and, if we consider representation by households (297 submissions against 624 households in Shannon), that would be a 48% response rate. There was strong representation from Māori, Pasifika, and younger people. These are groups who have historically been under-represented in local government consultations.

RESTORATION OF ŌTAURU STREAM

Council is working in partnership with local hapū Ngāti Whakareta on the restoration of the Ōtauru Stream. The Ōtauru Stream Riparian Planting project aims to improve the water quality and ecosystem of the stream. More than 7,500 native plants will be established during the project in a 1.7km stretch alongside the stream, with many different groups, organisations and individuals involved through community planting initiatives. As an ongoing project, the planting is planned to happen in stages over

the next few years. The project started in May 2024, with about 250 native plants being planted by early 2025, with a further 1,000 plants added in July 2025.

SHANNON WASTEWATER TREATMENT PLANT – PLANTING HIGH-RATE LAND PASSAGE

Planting at the Shannon Wastewater Treatment Plant is another planting project being delivered in partnership with the local hapū. It is part of an ongoing commitment to build a more sustainable future for our local environment. Throughout 2024/25, an initial 400 native plants were introduced to the High-Rate Land Passage at the Shannon Wastewater treatment Plant. With a further 1,200 plants introduced in July 2025. The native plants used in this project are locally sourced and are indigenous to the landscape.

CONSENTING PROJECTS

The Local Waters and Capital projects team consenting programme and projects require ongoing engagement with our Iwi partners across a number of working party groups established for our on-going consents for our district's water and wastewater treatment plant sites as well as through engagement with Iwi partners as we work through the development of new consents required for Stormwater, Wastewater, Water and Landfill Monitoring.

LOOKING FORWARD

The examples above are not exhaustive but provide a sample of the types of mahi (work) we complete alongside Māori.

Council is steadily building cultural capacity with ongoing workshops based on the Tūhono ki Te Ao Māori – cultural induction toolkit, continuing to be popular with kaimahi (staff).

Council is committed to continuing to involve Iwi partners in key processes, guided by values of Tiakitanga, Manaakitanga, Mahi Tahi, and #Arohatōmahī. We remain dedicated to strengthening relationships and creating meaningful opportunities for Māori to contribute to decision-making.

Our role Ko ā mātou haepapa

With many hands, the threads which weave our neighbourhoods and communities together will be strengthened from the Tararua Ranges to the sea.

He rau ringa e pakari ai ngā taura whiri I ō tātou kāinga noho me ō tātou hapori – mai te pae maunga o Tararua ki te moana.

Horowhenua District Council enables democratic local decision-making to promote the social, economic, environmental and cultural wellbeing of our district in the present and for the future.

Under the Local Government Act 2002, we are required to promote these four wellbeings. The wellbeings and our Community Outcomes are at the heart of decisions made by Council during the 2024/25 financial year. Change has been signalled by the Government [Local Government (Systems Improvement) Amendment Bill] and we'll adapt to that. In the meantime, Council continues its commitment to deliver on what matters most.

Our current Community Outcomes were decided after consultation with the community during the Long Term Plan 2021-2041 and updated in the Long Term Plan 2024-2044.



Partnership
with
Tangata Whenua

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



Vibrant
Economy

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



Outstanding
Environment

- We contribute to improving our natural environment for current and future generations to enjoy.
- Our communities are able to access and enjoy natural areas and public places.
- We recognise and protect the important natural features in our district.
- We ensure our built environment supports the wellbeing of our people.
- We minimise waste.
- We manage competing pressures on resources sustainably.



Fit for purpose
Infrastructure

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



Strong
Communities

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

Council is made up of the Mayor and 12 Councillors (elected members) who represent five wards including the Māori Ward. They are responsible for governance and ultimately setting the direction for the future of our community. Representing the community, they make decisions on behalf of our ratepayers and residents to determine local policy and legislation and defining the overall vision for the Horowhenua District.

As well as the Council, we have the Te Awahou Foxton Community Board which represents the Foxton area. It has five elected members who work with one member appointed from the Kere Kere general ward by the Council. The Board advocates for the community and makes recommendations to the Council about the Foxton area.

At the beginning of each term, elected members are selected to support special interest groups and community orientated bodies within the community, by joining statutory bodies, community associations and other organisations for the elected term.

Horowhenua District Council Chief Executive Monique Davidson and 287 Officers oversee the day-to-day running of the Council and district, taking responsibility for everything from strategy to operations and project delivery. They also advise the elected members and implement their decisions. The areas Council is responsible for are called 'Council activities'. Rates help pay for these services delivered to the community.

Council works with many organisations and performs many roles. We fund and lead projects that benefit the community and solve local needs, regulate local bylaws and plans and advocate for Horowhenua to central government, other local authorities and other agencies through:

- Facilitating solutions to local needs.
- Management of local infrastructure including network infrastructure (e.g. roading, water supply, waste disposal, libraries, parks and recreational facilities).
- Environmental management planning for the current and future needs of the local district.
- Preparing and adopting the 20-year budget (LTP), annual budget (annual plan) and annual report.
- Setting rates and bylaws.
- Decision making on regulatory matters and on Horowhenua-wide non-regulatory matters.
- Setting strategies, policies and plans.
- Consulting with and considering the views of Te Awahou Foxton Community Board before making a decision which affects the communities in the area.
- Monitoring and reviewing the performance of the organisation.

Resident Satisfaction Survey Te Uiui Whakarata i te Hapori



One of the ways we measure the public perception of how we are performing is through our resident satisfaction survey.

The survey was emailed out in March 2024 and was available online throughout the year. A total of 5,602 surveys were completed, a 7% decrease in collective responses compared to 2023.

Thank you to everyone who took the time to answer the survey questions and provide feedback on how we're progressing. Your input will help us determine which areas we need to focus on most.

Rubbish and Recycling



92%
satisfied
Kerbside rubbish



87%
satisfied with
Mobile Recycling
stations.



87%
satisfied
Kerbside recycling



74%
satisfied Shannon
and Foxton transfer
stations service

Council facilities



94%
satisfied
Library services



77%
satisfied
with Council's
Customer Service



83%
satisfied
Cemeteries



79%
satisfied Parks
and reserves

Water services



73%
satisfied
Drinking water



84%
satisfied
Wastewater
services



61%
satisfied with
Drinking
water quality



52%
satisfied
Stormwater

Roads



67%
satisfied Parking



57%
satisfied
Street lights

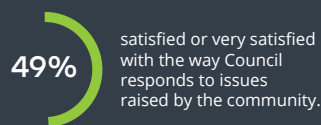
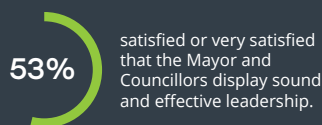


43%
satisfied
District road
maintenance



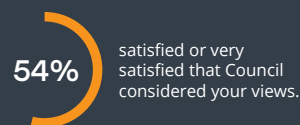
39%
satisfied
Footpath
maintenance

Leadership



Consulting with our community

We asked how satisfied you were with processes to provide feedback on Council plans or strategies.



Alongside customer satisfaction measurements, for the last three years, we've also been measuring Net Promoter Score (NPS) - a customer loyalty and satisfaction metric. NPS can range from -100 to 100. Council's NPS moved to -13.2 for 2025, a decrease compared to 2024 which was -9.5.

Method used

The 2025 survey was conducted solely via Ask Nicely, an online Voice of Customer survey tool. 9 surveys (broken down by different Council services and facilities) were sent to our emailable ratepayer base, via social media channels to a broader Horowhenua target audience and distributed via the Community Connection.

The surveys had a margin of error ranging from 3% to 7% with a 95% confidence level, meaning the sample

size is robust and reflective of a cross section of our community and results are statistically significant.

We have rounded fractions over 0.5 up to the nearest whole number.





Elected Members



Bernie Wanden
MAYOR

Chair – Community Wellbeing Committee
Chair – Chief Executive Employment and Performance Committee
Risk and Assurance Committee
Community Funding and Recognition Committee



David Allan
DEPUTY MAYOR

KERE KERE WARD
Chair – Hearings and Regulatory Committee
Deputy Chair – Chief Executive Employment and Performance Committee
Community Funding and Recognition Committee



Ross Brannigan

KERE KERE WARD
Chair – District Licensing Committee
Chair – Capital Projects Delivery Steering Group



Mike Barker

LEVIN WARD
District Plan Steering Group
Capital Projects Delivery Steering Group



Rogan Boyle

WAIIOPEHU WARD
Community Funding and Recognition Committee
Capital Projects Delivery Steering Group



Clint Grimstone

LEVIN WARD
Risk and Assurance Committee
Community Wellbeing Committee
District Plan Steering Group
Levin Town Centre Steering Group



Nina Hori Te Pa

HOROWHENUA (MĀORI WARD)
Community Wellbeing Committee
Community Funding and Recognition Committee



Sam Jennings

LEVIN WARD
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Chair – District Plan Steering Group
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Hearings and Regulatory Committee
Capital Projects Delivery Steering Group



Paul Olsen

MIRANUI WARD
Deputy Chair – Risk and Assurance Committee
Chief Executive Employment and Performance Committee
Capital Projects Delivery Steering Group



Jonathon Procter

WAIIOPEHU WARD
Risk and Assurance Committee



Justin Tamihana

HOROWHENUA (MĀORI WARD)
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Hearings and Regulatory Committee
District Plan Steering Group



Piri-Hira Tukapua
(Until end October 2024)

LEVIN WARD
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Hearings and Regulatory Committee
District Plan Steering Group
Levin Town Centre Steering Group



Alan Young

LEVIN WARD
Risk and Assurance Committee
Community Funding and Recognition Committee

Executive Leadership Team



Monique Davidson
CHIEF EXECUTIVE



Daniel Haigh
Group Manager
Community Infrastructure



Brent Harvey
Group Manager
Community Experience
and Services



David McCorkindale
Group Manager
Community Vision
and Delivery



Blair Spencer
Group Manager
Housing and Business
Development



Jacinta Straker
Group Manager
Organisation
Performance



Nicki Brady
(From 3 June 2025)
Group Manager
Capability and
Transformation

This year marked the official commencement of the new Capability and Transformation Group with the appointment of Nicki Brady on 3 June 2025 as the Group Manager, tasking her with working towards the following:

- Driving transformation and innovation at Horowhenua District Council.
- Leading a dynamic, flexible team model within the Executive Leadership Team.
- Shaping a high-performance culture and delivering exceptional community outcomes.

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Housing and Business
Development



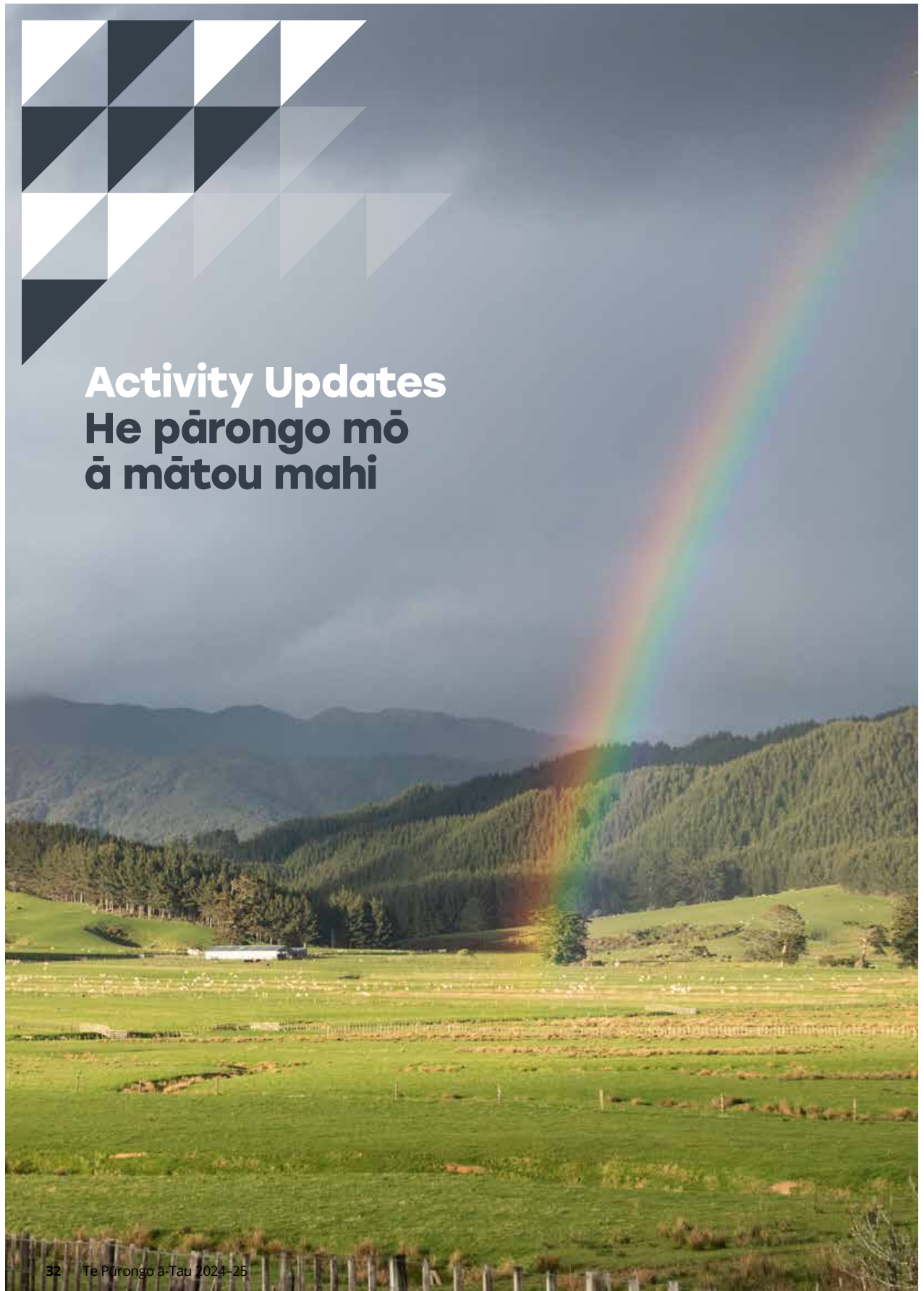
Jacinta Straker
Group Manager
Organisation
Performance



Nicki Brady
(From 3 June 2025)
Group Manager
Capability and
Transformation

This year marked the official commencement of the new Capability and Transformation Group with the appointment of Nicki Brady on 3 June 2025 as the Group Manager, tasking her with working towards the following:

- Driving transformation and innovation at Horowhenua District Council.
- Leading a dynamic, flexible team model within the Executive Leadership Team.
- Shaping a high-performance culture and delivering exceptional community outcomes.



Activity Updates

He pārongo mō ā mātou mahi

32 Te Pūrongo ā-Tau 2024-25

Activity Performance

This section contains comprehensive information on the performance of each activity carried out by Council in furthering Community Outcomes for the financial year 2024/25. It includes updates, financial information and non-financial performance measure information (Statement of Service Provision) for each of the activities.

It reports on Council's policies, objectives, activities, performance targets, indicative costs and sources of funds as outlined in the LTP for the 2024/25 financial year. Activity Statements for each significant activity are contained on the following pages.

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

In particular:

- Published planning documents including the District Plan, asset management plans, Revenue and Financing Policy, Investment Policy, Liability Management Policy, LTP, Annual Plans and Annual Reports are prepared in conjunction and consultation with the public and affected parties, internal peer review and in compliance with the requirements of relevant legislation.
- Internal reports are prepared by suitably qualified and experienced Officers and significant reports are subject to peer review.
- Capital works are constructed to design specifications and are inspected by suitably qualified and experienced Officers.

- Maintenance works are undertaken by employees or contractors under the supervision of suitably qualified and experienced engineers and are monitored in accordance with maintenance programmes.

WHAT'S DIFFERENT IN THIS REPORT

In this Annual Report we report back on the updated Statement of Service Provision (SSPs) adopted in the LTP 2024-44. Changes included reducing the number of SSPs, moving many to be Organisational Performance Measures (OPMs) adding some new measures, while amending others to ensure the reporting was more meaningful.

In August 2024, updated Non-financial Performance Measures from the Department of Internal Affairs took effect. To comply, we include additional reporting on some of the Water Supply performance measures, as well as direct reference to the relevant rules as required by the Drinking Water Quality Assurance Rules 2022.

Overall, performance measures provide valuable information on how Council is performing in the wide range of Council activities.

See the high level summary in the 'Our performance and position at a glance' section of this report or the Summary Annual Report.

*Please note the outcomes and associated bullet points in the outcomes are not intended to be read as a hierarchical list ordered by importance.

The significant activities reported on are:



Water Supply

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



Wastewater

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



Stormwater

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



Land Transport

Through the Land Transport Activity, Council provides and maintains roads, footpaths and cycle paths across our rohe (district) that meet the community's needs.



Solid Waste

Through the Solid Waste Activity Council provides rubbish collection and disposal, transfer stations, recycling, sewage sludge, hazardous waste management, management of our district's closed landfills and funding of waste minimisation educational programmes.



Community Facilities

The Community Facilities Activity includes:

- Aquatic Centres and Recreation – providing public access to swimming pools, the splash pad, fitness, rehabilitation, and swimming programmes to enhance wellbeing through providing healthy recreational and social opportunities.
- Community Centres and Libraries – providing locations where people can visit, spend time, and positively engage in activities and opportunities, whether that is through social interaction, personal development or recreation and leisure.



Community Infrastructure

The Community Infrastructure Group of Activity is made up of a number of sub-activities, that provide both passive and active amenities for our community's use, and also enhance community wellbeing and foster a sense of belonging through the effective management of community infrastructure.

This includes reserves, sports grounds, cemeteries, beautification, urban cleansing, public halls, and public toilets.



Property

Council owns a substantial number of properties throughout Horowhenua which support the delivery of Council's activities.

The Property Activity ensures that these assets are managed and maintained effectively.



Representation And Community Leadership

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



Community Support

The Community Support Activity is made up of a number of sub-activities which provide for the community's social and economic wellbeing. It includes:

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



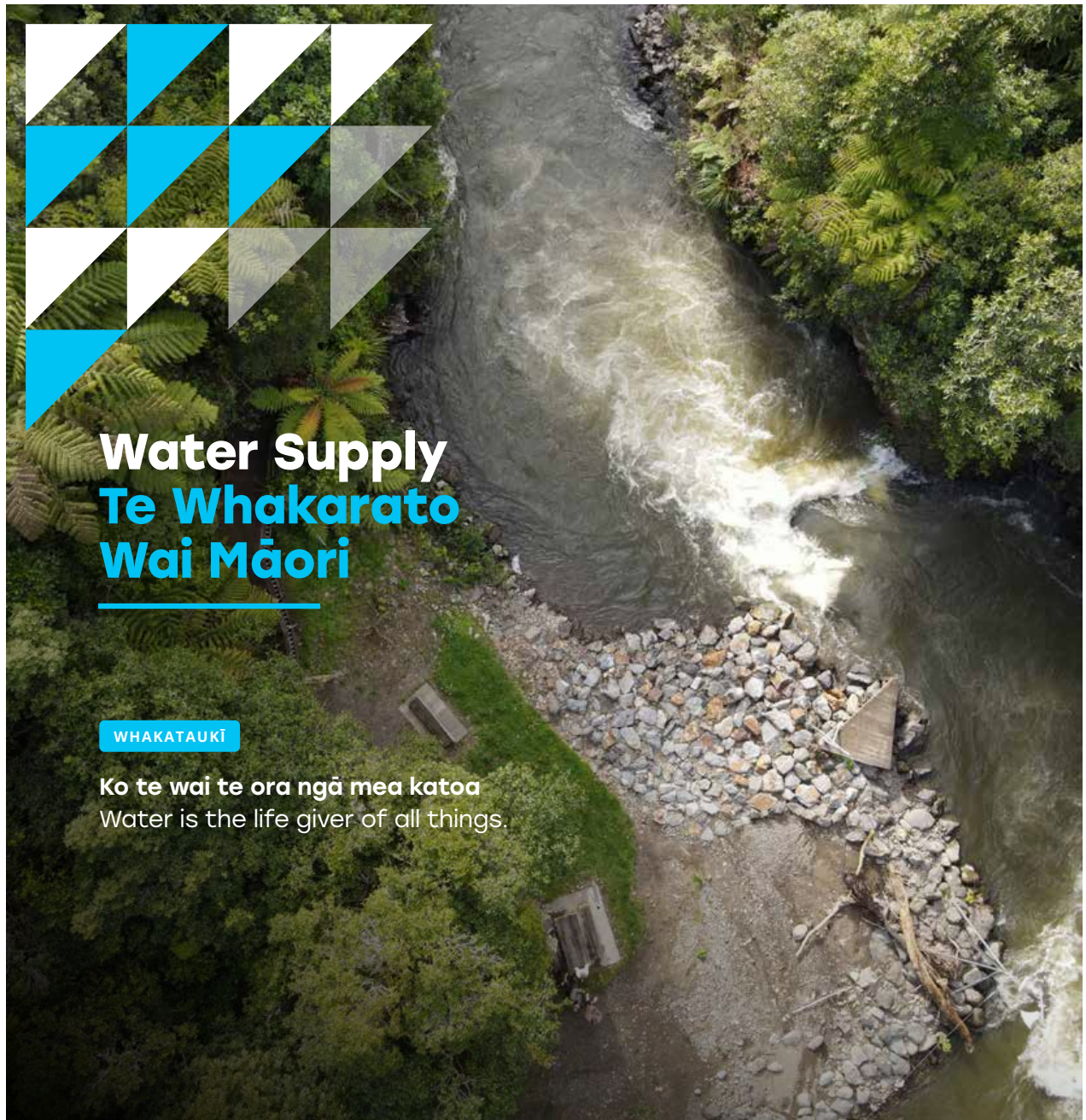
Regulatory Services

The Regulatory Services Activity provides advice, building and resource consenting services, assessment, education, compliance and enforcement. This Activity focuses on protecting the health and safety of our community and the environment they live within.

This includes:

- Resource Consenting
- Building Consenting
- Environmental and Alcohol Licensing
- Parking Enforcement
- Building Compliance
- Resource Management Compliance
- Animal Control
- General Regulatory Service

This part is prepared according to the requirements of the Local Government Act 2002, the Non-Financial Performance Measures Rules 2024 and the financial reporting standards issued by the External Reporting Board.



Water Supply Te Whakarato Wai Māori

WHAKATAUKI

Ko te wai te ora ngā mea katoa
Water is the life giver of all things.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Description of activity

The Water Supply Activity aims to provide a safe and reliable supply of water to urban (residential, industrial and commercial) and agreed rural properties, which adjoin urban areas.

What the activity involves

- The Council's water supply service treats and distributes water that we source from groundwater bores and rivers in our district. We plan, operate and maintain water treatment plants to meet water quality standards as well as maintaining 422km of water supply reticulation networks. Across our district, we provide fresh water to over 13,000 customers.
- Providing drinking water to defined urban and rural areas for Levin, Ōhau, Foxton Beach, Foxton, Shannon, Mangaore and Tokomaru.
- Management and maintenance of river intakes, groundwater bores, water treatment plants and treated water storage facilities, pump stations, underground pipe networks and associated infrastructure.
- Ensuring that water demand management kept current using tools such as the SCADA (Supervisory Control and Data Acquisition), i2O systems and PRVs (pressure reducing valves).
- Continuous improvements and extensions to Council's water supply pipe network that addresses leaky pipes through applying a good asset management process.
- Providing water for firefighting capability in areas where a Council reticulated water supply is provided and ensuring compliance with firefighting requirements in areas that are not reticulated.
- Ensuring compliance with relevant legislation:
 - Meeting resource consent requirements for water intakes and assets
 - Meeting the requirements of the Water Services Act 2021
 - Meeting the requirements of the Water Services (Drinking Water Standards for New Zealand) Regulations 2022
 - Meeting the requirements of the Drinking Water Quality Assurance Rules under the new regulator, Taumata Arowai 2022.

- Respond to and resolve (if possible) complaints relating to the Water Supply Activity.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Safe and aesthetically pleasing water throughout our district to promote good health and vitality.

ENVIRONMENTAL WELLBEING

Improve leak detection and lost water reduction meaning that less water is extracted from the natural environment, reducing our energy footprint.

ECONOMIC WELLBEING

Robust infrastructure to serve our current economy and provide for future growth.

Vastly improved resilience and reliability to supply water despite storms and power outages to ensure a positive future.

CULTURAL WELLBEING

Improved relationships with Iwi as a result of improved consultation, communication, and fostering of relationships.

LONG TERM PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
WATER NETWORKS	
Districtwide Water Network Renewals	Officers flagged the watermain in Margaret Street, Shannon as a priority due to its age and fragility. The project involved approximately 650 metres of pipe main and 400 metres of rider main being replaced along Margaret Street. Works commenced in mid-January 2025 and was completed by June 2025.
Districtwide Water Demand Management Renewals	Asset replacements due to ongoing reticulation maintenance requirements for (e.g. toby replacements).
Levin Water Network Renewals	• York Street – work started in April 2024 and was successfully completed in November 2024 with 254 metres (of 675 metres) being installed in the current financial year. • MacArthur Street – works commenced in mid-January 2025 and by end of the 2024/25 financial year, 711 metres of waterpipe was installed. • Tararua Road RAB – works entailed connecting a new stretch of water main, the outside diameter measuring at 710mm. The construction of the watermain was successfully completed on 4 May 2025.
WATER TREATMENT PLANTS	
Foxton Water Treatment Plant	Part of the scope of this project is to install a UV Treatment system and to commission a new reservoir. The project kicked off in May 2025 with awarding of the tender and is expected to be commissioned by end August 2025. This project will improve the compliance and resilience of the treatment plant.
Shannon Water Treatment Plant	Because of the better raw water quality, the membrane filters are in good condition and replacement is not required at this point in time. This membrane replacement work, originally planned for the 2023/24 financial year, was deferred to the 2024/25 financial year and again to the 2025/26 financial year. Regular maintenance is undertaken, and this work will be done when required.
Tokomaru Water Treatment Plant	The 2024/25 financial year saw installation of the pH correction system, the UV system and the Coagulation system. These systems are all working well and have improved the quality of treated drinking water and the resilience of the water treatment plant.
GROWTH	
WATER NETWORKS	
Districtwide Water Demand Management	This year saw 9,900 water meters being installed in Shannon, Levin, Foxton and Foxton Beach. Tokomaru is next to have meters installed.
WATER TREATMENT PLANTS	
Foxton Beach Water Treatment Plant	• Installation of UV treatment system was completed and commissioned on 4 July 2025. The UV disinfection unit is integrated with the filtration system. • Started upgrade works with Filtec, who are the initial supplier of the existing 'Green Sand Filters'. The upgrade will increase the treatment capacity at the Foxton Beach plant and will reduce the reliance of Foxton plant at Harbour Street, especially during the holiday season. The anticipated commissioning date is November 2025.

Levin Water Treatment Plant

- Fluoridation project completed in December 2024.
- Refurbishment work on filters 4 & 9 has been completed, and both the filters are working at 100% capacity – improving the quality of water that comes from this filter.
- Refurbishment of the filter 1 commenced early June 2025 and is on track for completion early in 2025/26.
- Planning works underway in 2024/25 to improve the resilience of the Levin WTP – with the introduction of a standby UV disinfection unit and the clarifier bypass. The Council Procurement review group approved the procurement plan in May 2025. Final design and the scope of work for both the standby UV and the clarifier bypass to be tendered early in 2025/26, with works to be completed in the same financial year.

Levin Water Source – Poad Road reservoir

In November 2024, Council applied to Horizons Regional Council (HRC) for a resource consent. The application was publicly notified by Horizons Regional Council and open to submissions from 21 March 2025 to 22 April 2025. The consenting process will continue into 2025/26. Officers continue to engage with Iwi partners and HRC as the consent process progresses.

Successes

DISTRICTWIDE WATER DEMAND MANAGEMENT

This project commenced in March 2024 with 14.8% of new digital water meters being installed in Shannon, Foxton and Levin during the 2023/24 financial year. Continuing with installations in these areas, Council also started installations in Foxton Beach. The 2024/2025 financial year saw an additional 68.2% of water meters being installed. This translated to a total of 83% completion across our district by end June 2025 – details are set out in the table right.

The primary goal – identifying leaks – has already proven successful with Shannon achieving record low water consumption during the 2024/25 financial year after repairing of identified leaks. We will be able to see savings in Levin and Foxton once installations are finalised and during a time when a water restriction is applicable. Tokomaru is next in line to have meters installed. Residential water meter installation is scheduled to be finished by December 2025, and commercial smart meter installs completed by July 2026.

Council is looking at doing a trial in early 2026, once all the residential meters are installed, setting up receivers and transmitters in rubbish trucks to collect meter readings every week on their daily routes.

Town	Total installation required	Completed (as at 30 June 2025)	Remaining	Percentage of completion
Foxton	1,339	1,279	60	96%
Foxton Beach	1,651	849	802	51%
Levin	9,384	8,270	1,114	88%
Shannon	735	718	17	98%
Tokomaru	226	0	226	0%
Total	13,335	11,116	2,219	83%

WATER NETWORK RENEWAL PROJECTS

MacArthur & York Streets

We successfully completed significant upgrades to the water mains in MacArthur and York Streets in Levin.

Officers identified the MacArthur Street upgrades as a top priority due to the necessary replacement of both the water supply and the wastewater mains. The watermain upgrade involved the renewal of approximately 1km of asbestos cement pipe that had been determined to have zero remaining years of life. Works commenced in mid-January 2025. By end of the 2024/25 financial year, 711

metres of waterpipe was installed. The project is estimated to be completed by October 2025.

Starting in the previous financial year (April 2024), the York Street upgrade was successfully completed in November 2024. It involved the installation of 675 metres of water main on York Street, 254 metres of which was installed in the current financial year.

Tararua Road Roundabout

The Ōtaki to North of Levin (Ō2NL) expressway project is being delivered by the New Zealand Transport Agency Waka Kotahi (NZTA Waka Kotahi), working closely with Iwi partners

Muaūpoko Tribal Authority and local Hapū of Ngāti Raukawa, as well as landowners, community groups, key stakeholders and local authorities.

Due to the construction of the new roundabout at the intersection of SH57 and Tararua Road, the water main had to be relocated. Council took this opportunity and worked with the contractor to connect a new stretch of watermain, the outside diameter measuring 710mm. The construction of the watermain was successfully completed in May 2025.

WATER TREATMENT PLANT UPGRADES

Levin Water Treatment Plant – Fluoridation Project

Horowhenua District Council was one of 14 councils directed by the Ministry of Health to add fluoride to the water in Levin and Ōhau. The Government's deadline was 30 December 2024, and Council met that timing and started fluoride dosing in mid-December 2024, gradually increasing it to a dose rate value instructed by the Ministry of Health.

All the money required to complete this project was recovered from the Ministry of Health, meaning that none of this was paid for by our ratepayers.

Associated with this project, and to address the concerns of some of our community members, a non-fluoride drinking water tap was made available to the public at the Levin Water Treatment Plant in late November 2024.

Tokomaru Water Treatment Plant Upgrades

After expanding the on-site water storage capacity in 2023/24, the focus this year turned to the plant's ability to improve the compliance of the drinking water and resilience of the treatment plant. In 2024/25 we introduced the pH correction system, the Coagulation system and installed a new UV system. The installation of these systems is all complete and they are all working to improve the quality of water and the resilience of the water treatment plant.

The water treatment plant was previously forced to shut down during weather events. With

these upgrades, this shutdown requirement is not necessary anymore unless the weather event is severe when there is an issue with turbidity. The treatment plant has a three-day storage capacity in the reservoirs. Next year's aim is to implement necessary changes required to the filtering system to reduce the turbidity issues and to make it operable even during the severe weather events.

The operators control room relocation and fencing was completed by the end of July 2025. The team will gain a Code of Compliance Certificate (CCC) before relocating the appliances to the new office.

LOCAL WATERS COMBINED BYLAW

On 14 May 2025, Council adopted the Local Waters Combined Bylaw. The bylaw replaces the previous Trade Waste Bylaw 2015 and Water Supply Bylaw 2020 and the lapsed Wastewater Bylaw 2015 and includes a new Stormwater section. The bylaw brings rules about drinking water, wastewater, stormwater and trade waste into one place, making it easier for businesses and the public to understand and comply with them. It protects public health and safety, safeguards the environment and helps Horowhenua District plan for future growth.

Although much of its content comes from combining existing bylaws, there were changes. One of the changes includes a new registration requirement for businesses operating from trade premises. The registration process will allow Council to determine whether trade waste is being generated, in which case businesses will need to apply for a consent.

BRINGING THE LOCAL WATERS TEAM IN-HOUSE

After working closely with the Horowhenua Alliance and Downers staff, the Horowhenua District Council brought the operation and maintenance of drinking water, wastewater and stormwater services back in-house on 1 November 2024. This move marked the end of the





Horowhenua Alliance agreement, under which utilities provider Downer had worked with Council to manage the services since 2017. In addition to transferring operation staff, Council has also recruited new staff to build a team to enhance the service delivery. Associated with this transition, our operational fleet and plant have been updated ready for the in-house Council crews.

Since transitioning, there has been a major focus on auditing our assets and further developing our proactive maintenance plans. We have conducted an assessment to better understand our asset condition and accurately prioritise proactive maintenance. This is being captured in our ongoing proactive works schedules. Other focus areas include improving maintenance schedules, reducing reactive maintenance and undertaking a number of functions in-house – including compliance monitoring and testing; developing and submitting annual Compliance and Monitoring Reports; in-house modelling and planning reducing the need for consultants, improved recording of capital recovery and removing contractor mark-ups on human resource costs and all goods and services.

We are committed to continually focus on getting the basics right and to help us meet and exceed community expectations, we have:

- Undertaken a skills review and recognition of any prior learnings to better understand our capabilities, to ensure our operating team is suitably qualified to undertake their role and to identify any gaps. The skills matrix is continuously reviewed to ensure ongoing certifications and compliance. Alongside this, we are currently auditing our Health & Safety training requirements with respect to individual roles and tasks required. This will allow us to individually tailor training plans for each of our team, adding value to their skill and experience levels, roles and productivity.
- Taken stock of critical spares. Ensuring we are well stocked allow for minimal down time at our Water and Wastewater Treatment Plants and with our reticulation network. This was the first review in the last 12 months and it covered any short fall from transitioning from the alliance previously.

- Started the process of documenting our Standard Operating Procedures (SOPs). Our aim is for these SOPs to be living documents, so that once drafted, they'll be developed and reviewed periodically.

Bringing this team in-house has saved Council \$1.6m in operational costs as at end of June 2025 and has placed Council in a better strategic position to meet Government's Local Waters Done Well programme.

CHALLENGES

Local Waters Done Well

As part of the Government's Local Water Done Well programme and new legislation, every council had to consult with their communities about how we deliver water services in the future.

The Government's reforms require all councils to ensure water service delivery is:

- Fit for purpose
- Financially sustainable, and
- Subject to more oversight and regulations on quality and cost.

During this process, we have explored the options for such a plan including what a jointly owned water services organisation could mean for Horowhenua. Three options were developed then consulted with the community on from 10 March to 10 April 2025:

- **Option 1 (Council's Preferred Option)** – A Water Services Organisation jointly owned by Horowhenua District Council, Palmerston North City Council, Manawātū District Council, and Kāpiti Coast District Council.
- **Option 2** – A Water Services Organisation jointly owned by all willing councils from the Manawātū Whanganui and Kāpiti regions.
- **Option 3** – Status quo (water remains in-house).

Council considered all written and verbal submissions and at a meeting on 4 June 2025 adopted Option 2. After decisions by Manawātū and Kāpiti District councils to each go alone, this resulted in Horowhenua District Council developing a Joint Water Service Organisation (JWSO) with Palmerston North City Council and Rangitikei District Council to deliver water services.

The JWSO is working through the next steps, which include delivering a Water Services Plan that meet regulatory and investment requirements.

Water Restrictions

We started the financial year with water restrictions, with Level 1 restrictions being initially introduced in Foxton and Foxton Beach on 6 December 2024 and then ongoing in Levin, Ōhau, Foxton, Foxton Beach, Shannon and Tokomaru. Restrictions were lifted districtwide on 6 May 2025.

Water use from rivers and bores is governed by Resource Consents, which limit extraction – especially during dry weather when river levels drop – to protect river health. At the same time, water demand increases in dry conditions and during summer

holidays as more people visit the area, prompting the need for conservation measures. Bores at Foxton and Foxton Beach have been under pressure and investigations have confirmed the need for a new bore at Lady's Mile.

Manganese in the Foxton Beach Water Treatment Plant (WTP)

Manganese occurs naturally in the bore water which supplies Foxton Beach. While unsightly, it is completely harmless at the current quantities in the network. Due to the variable population at Foxton Beach, regular flushing of the network is required to maintain the aesthetic quality of the drinking water. Increasing the capacity of the filters will reduce the need for regular flushing. An upgrade to the Foxton Beach WTP filters will see a reduction in the amount of manganese in the reticulation network. These upgrade works were planned for 2024/25 but have been deferred to the 2025/26 financial year due to delivery constraints.

LOOKING FORWARD

Levin Water Supply Reservoir (Poas Reservoir)

In June 2024 Council agreed to proceed with lodging a consent application with Horizons Regional Council (HRC) for the Poas Road Water Supply Reservoir, following the RMA process. The aim of this is to allow for additional water supply and resilience. The water take resource consent was publicly notified by HRC, and open to submissions from 21 March 2025 to 22 April 2025. The Project Team continued to work with HRC on the next steps in the process including setting a hearing date in the first quarter of 2025/26. Council Officers have continued to engage with Iwi/Hapū partners and keep them informed as we progress through the process.

Water Supply Activity Performance

Service/ Measure	Target	2024/25 Results	2023/2024 Results
The Department of Internal Affairs updated the mandatory 'Safe water supply' measure after the council had published its Long-term Plan 2024-2044, which sets our statement of service. The updated measure came into effect on 21 August 2024 and still covers the bacterial (row 1 below) and protozoal (row 2 below) compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against those rules.			
Service:		✓ ACHIEVED	✗ NOT ACHIEVED
Safe water supply*			
Measure as per LTP:			
Council's drinking water supply complies with: (a) part 4 of the Drinking Water Standards (bacteria compliance criteria) in			
Levin	Achieve		
Shannon	Achieve		
Foxton	Achieve		
Foxton Beach	Achieve		
Tokomaru	Achieve		
The New DIA Non-Financial Performance measures 2024 commenced 21 August 2024.			
New DIA measure :			
Council's drinking water supply complies with the following parts of the drinking water quality assurance rules			
(h) T3 Bacterial Rules.			
(j) D3.29 Microbiological Monitoring Rule in			
Levin	Achieve		
Shannon	Achieve		
Foxton	Achieve		
Foxton Beach	Achieve		
Tokomaru	Achieve		

Notes: Bacterial compliance

The supply is reporting against T3.1-6 chlorine and/or UV disinfection for bacterial treatment compliance. It reached full compliance with all targets met for the year, giving 100% compliance for these rules.

The supply is reporting against D3.29 E. coli and coliforms monitoring and reporting for compliance. One sample set was missed. It was carried out by HDC and arrived on time, and in order at the lab, however, was not processed. This breached reporting on one occasion for one week due at the end of December. Therefore, compliance as calculated as 1/52 giving= 98% compliance – almost met.

Notes: Microbiological Monitoring – positive result (NZ drinking water standards breach).

Foxton Beach:

- Coliform detected at Foxton Beach in Oct 2024, cross contamination at Boat club from high winds when sampling.

Service/ Measure	Target	2024/25 Results	2023/2024 Results																																				
			- Low FAcE at end points Foxton Beach. Non-compliant in distribution end points. The dead-end at Marine Parade North has been looped to allow more flow and a fresher supply. Regular flushing is undertaken. This has improved the result, but further ongoing flushing is required. - Foxton Beach chlorination was compliant for July 2024 and marked not compliant in the last reporting end of Aug 2024, low FAcE means it was not compliant for distribution rules D3, this error has been fixed 15 October 2024. All Supplies: - Samples due in the final week of December were taken as per schedule, transported to the service provider, left in the chilli-bins (not sampled by the service provider, then returned to the Levin depot one day after the minimum interval (no more than 9 days between sampling). Taumata Arowai and the service provider were both notified of this breach at this time, Process steps at the lab will ensure this does not happen again. <table><tr><th colspan="2">Bacterial Notifications to Taumata Arowai (unsafe supply of water)</th><th colspan="2">Total number of E.coli and coliform samples taken that did not meet drinking water standards and the response thereto.</th></tr><tr><th>Area</th><th>No. of Notifications</th><th colspan="2">E. coli and Coliform Samples not meeting standards</th></tr><tr><td>Levin</td><td>0</td><td colspan="2">0</td></tr><tr><td>Shannon</td><td></td><td colspan="2"></td></tr><tr><td>Mangaore</td><td>0</td><td colspan="2">0</td></tr><tr><td>Foxton</td><td>0</td><td colspan="2">0</td></tr><tr><td>Foxton Beach</td><td>2</td><td colspan="2">2</td></tr><tr><td>Tokomaru</td><td>0</td><td colspan="2">0</td></tr><tr><td>TOTAL</td><td>2</td><td colspan="2">2</td></tr></table> Notes Bacterial Notifications: 2 Coliform and E. coli recorded at Foxton Beach Distribution network. One sample at the fountain was unverified but assumed as a positive. The other was the boat club. Response E. coli and coliform samples: 2 Investigations and notifications, all cross-contamination events no risk to supplies – extensive investigations are always carried out at first notice of breach, there were no further positive samples, and this result was put down to high equinox winds contaminating the sample.	Bacterial Notifications to Taumata Arowai (unsafe supply of water)		Total number of E.coli and coliform samples taken that did not meet drinking water standards and the response thereto.		Area	No. of Notifications	E. coli and Coliform Samples not meeting standards		Levin	0	0		Shannon				Mangaore	0	0		Foxton	0	0		Foxton Beach	2	2		Tokomaru	0	0		TOTAL	2	2	
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TOTAL	2	2																																					

Service/ Measure	Target	2024/25 Results	2023/2024 Results																																				
Service: Safe water supply*		✓ ACHIEVED	✓ ACHIEVED																																				
Measure as per LTP: Council's drinking water supply complies with: (b) part 5 of the Drinking Water Standards (protozoal compliance criteria) in		<table><tr><th>Scheme</th><th>Section and Component</th><th>Outcome</th></tr><tr><td>Levin</td><td>Protozoal criteria for 1 treatment plant</td><td>Met</td></tr><tr><td>Shannon</td><td>Protozoal criteria for 1 treatment plant</td><td>Met</td></tr><tr><td>Foxton and Foxton Beach</td><td>Protozoal criteria for 2 treatment plants</td><td>Met</td></tr><tr><td>Tokomaru</td><td>Protozoal criteria for 1 treatment plant</td><td>Met</td></tr></table>	Scheme	Section and Component	Outcome	Levin	Protozoal criteria for 1 treatment plant	Met	Shannon	Protozoal criteria for 1 treatment plant	Met	Foxton and Foxton Beach	Protozoal criteria for 2 treatment plants	Met	Tokomaru	Protozoal criteria for 1 treatment plant	Met	<table><tr><th>Scheme & Served population</th><th>Section and Component</th><th>Outcome</th></tr><tr><td colspan="3">* Served population is estimated as per 2023 census (Total: 30,175)</td></tr><tr><td>Levin *20,849</td><td>Protozoal criteria for 1 treatment plant</td><td>All met</td></tr><tr><td>Shannon *1,819</td><td>Protozoal criteria for 1 treatment plant</td><td>All met</td></tr><tr><td>Foxton *3,234</td><td>Protozoal criteria for 1 treatment plants</td><td>All met</td></tr><tr><td>Foxton Beach *3,775</td><td>Protozoal criteria for 1 treatment plants</td><td>All met</td></tr><tr><td>Tokomaru *497</td><td>Protozoal criteria for 1 treatment plant</td><td>All met</td></tr></table>	Scheme & Served population	Section and Component	Outcome	* Served population is estimated as per 2023 census (Total: 30,175)			Levin *20,849	Protozoal criteria for 1 treatment plant	All met	Shannon *1,819	Protozoal criteria for 1 treatment plant	All met	Foxton *3,234	Protozoal criteria for 1 treatment plants	All met	Foxton Beach *3,775	Protozoal criteria for 1 treatment plants	All met	Tokomaru *497	Protozoal criteria for 1 treatment plant	All met
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Scheme & Served population	Section and Component	Outcome																																					
* Served population is estimated as per 2023 census (Total: 30,175)																																							
Levin *20,849	Protozoal criteria for 1 treatment plant	All met																																					
Shannon *1,819	Protozoal criteria for 1 treatment plant	All met																																					
Foxton *3,234	Protozoal criteria for 1 treatment plants	All met																																					
Foxton Beach *3,775	Protozoal criteria for 1 treatment plants	All met																																					
Tokomaru *497	Protozoal criteria for 1 treatment plant	All met																																					
New DIA measure : Council's drinking water supply complies with the following parts of the drinking water quality assurance rules (i) T3 Protozoal Rules.			Protozoal Notifications to Taumata Arowai (unsafe supply of water)																																				
Levin	Met		<table><tr><th>Area</th><th>Notifications</th><th>Comments</th></tr><tr><td>Levin</td><td>0</td><td>Compliance</td></tr><tr><td>Shannon & Mangaore</td><td>0</td><td>Compliance</td></tr><tr><td>Foxton</td><td>0</td><td>Compliance</td></tr><tr><td>Foxton Beach</td><td>0</td><td>Compliance</td></tr><tr><td>Tokomaru</td><td>0</td><td>Compliance</td></tr><tr><td>TOTAL</td><td>2</td><td>Compliance</td></tr></table>	Area	Notifications	Comments	Levin	0	Compliance	Shannon & Mangaore	0	Compliance	Foxton	0	Compliance	Foxton Beach	0	Compliance	Tokomaru	0	Compliance	TOTAL	2	Compliance															
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Service: Drinking water that tastes and looks satisfactory*		✗ NOT ACHIEVED	✗ NOT ACHIEVED																																																
Measure: The total number of complaints received about any of the following (expressed per 1,000 connections):		<table><tr><th>Description</th><th>Per 1000 connections</th><th>No. of Complaints</th></tr><tr><td>Clarity</td><td>0.38</td><td>5</td></tr><tr><td>Taste</td><td>0.38</td><td>5</td></tr><tr><td>Odour</td><td>0.15</td><td>2</td></tr><tr><td>Pressure or flow</td><td>1.59</td><td>21</td></tr><tr><td>Continuity of supply</td><td>3.7</td><td>49</td></tr><tr><td>Council's response</td><td>0</td><td>0</td></tr><tr><td>TOTAL</td><td>6.20</td><td>82</td></tr></table>	Description	Per 1000 connections	No. of Complaints	Clarity	0.38	5	Taste	0.38	5	Odour	0.15	2	Pressure or flow	1.59	21	Continuity of supply	3.7	49	Council's response	0	0	TOTAL	6.20	82	<table><tr><th>Description</th><th>Per 1000 connections</th><th>No. of Complaints</th></tr><tr><td>Clarity</td><td>1.44</td><td>20</td></tr><tr><td>Taste</td><td>0.14</td><td>2</td></tr><tr><td>Odour</td><td>0.07</td><td>1</td></tr><tr><td>Pressure or flow</td><td>3.16</td><td>44</td></tr><tr><td>Continuity of supply</td><td>6.25</td><td>87</td></tr><tr><td>Council's response</td><td>0.07</td><td>1</td></tr><tr><td>TOTAL</td><td>11.14</td><td>155</td></tr></table>	Description	Per 1000 connections	No. of Complaints	Clarity	1.44	20	Taste	0.14	2	Odour	0.07	1	Pressure or flow	3.16	44	Continuity of supply	6.25	87	Council's response	0.07	1	TOTAL	11.14	155
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Drinking water clarity;	1	Number of rated connections and above stats are the state of play currently for June, as of 1 July 2023 = 13,23/0	Number of residential connections in the drinking water network as at 1 July 2024: 12,950																																																
Drinking water taste;	1		Number of non-residential connections in the drinking water network as at 1 July 2024: 967																																																
Drinking water odour;	1		Total number of rated connections as of 1 July 2024 = 13,917.																																																
Drinking water pressure or flow;	1																																																		
Continuity of supply; and Council's response to any of these issues.	1																																																		
Total:	≤ 6																																																		

Service: Response to faults*		✓ ACHIEVED	✓ ACHIEVED																														
Measure: The median time from the time that Council received notification, to the time that service personnel:		<table><tr><th>Description</th><th>Median Result</th><th>Comment</th></tr><tr><td>Reach the site for urgent call-outs</td><td>33 minutes</td><td>40 urgent call-outs received</td></tr><tr><td>Resolution of the fault or interruption of urgent call-outs</td><td>2hrs, 0 minutes</td><td></td></tr><tr><td>Reach the site for non-urgent call-outs</td><td>16 hrs, 25 minutes</td><td>442 non-urgent call-outs received</td></tr><tr><td>Resolution of the fault or interruption of non-urgent call-outs</td><td>19 hrs, 33 minutes</td><td></td></tr></table>	Description	Median Result	Comment	Reach the site for urgent call-outs	33 minutes	40 urgent call-outs received	Resolution of the fault or interruption of urgent call-outs	2hrs, 0 minutes		Reach the site for non-urgent call-outs	16 hrs, 25 minutes	442 non-urgent call-outs received	Resolution of the fault or interruption of non-urgent call-outs	19 hrs, 33 minutes		<table><tr><th>Description</th><th>Median Result</th><th>Comment</th></tr><tr><td>Reach the site for urgent call-outs</td><td>34 minutes</td><td>Achieved</td></tr><tr><td>Resolution of the fault or interruption of urgent call-outs</td><td>1 hour 59 minutes</td><td>Achieved</td></tr><tr><td>Reach the site for non-urgent call-outs</td><td>18 hours 12 minutes</td><td>Achieved</td></tr><tr><td>Resolution of the fault or interruption of non-urgent call-outs</td><td>21 hours 6 minutes</td><td>Achieved</td></tr></table>	Description	Median Result	Comment	Reach the site for urgent call-outs	34 minutes	Achieved	Resolution of the fault or interruption of urgent call-outs	1 hour 59 minutes	Achieved	Reach the site for non-urgent call-outs	18 hours 12 minutes	Achieved	Resolution of the fault or interruption of non-urgent call-outs	21 hours 6 minutes	Achieved
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Reach the site for urgent call-outs ³ ;	< 1 hour		Note: With the Local Waters team moving in-house in November 2024 and having to learn new processes, results may not be 100% accurate. Training was provided to the team to reduce this risk.																														
Confirm resolution of the fault or interruption of urgent call-outs;	< 8 hours																																
Reach the site for non-urgent call-outs; and	< 3 days (72hrs)																																
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Service/ Measure	Target	2024/25 Results	2023/2024 Results																																																																	
Service: Water supply is sustainable* Measure: Average consumption of drinking water per person per day (lpcd) within the water supply areas (target based on Horizons One Plan - Section 5.4.3.1). lpcd – litres per capita per day.	2024/25 ≤ 350 lpcd 2023/24: ≤ 300 lpcd	✗ NOT ACHIEVED The calculated average consumption to date for the year was 309L/person/day.	✓ ACHIEVED <table><tr><th>Description</th><th>Results</th></tr><tr><td>Calculated average consumption for 2024/25</td><td>263L/person/day</td></tr><tr><td>Water supplied to the drinking water network (m3/year)</td><td>4,857,372m3</td></tr><tr><td>Non-residential (business) water use (m3/year)</td><td>436,494m3</td></tr><tr><td>Total population served by the drinking water network</td><td>Estimated 30,617 people (calculated at 2.2 x connections)</td></tr></table>	Description	Results	Calculated average consumption for 2024/25	263L/person/day	Water supplied to the drinking water network (m3/year)	4,857,372m3	Non-residential (business) water use (m3/year)	436,494m3	Total population served by the drinking water network	Estimated 30,617 people (calculated at 2.2 x connections)																																																							
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Service: Minimal water losses* Measure: Real water loss performance of the network as measured by the standard World Bank Institute Band for Leakage.	✗ NOT ACHIEVED <table><tr><th>Supply</th><th>'Snapshot' Infrastructure Leakage Index</th><th>Outcome</th></tr><tr><td>Levin</td><td>C</td><td>Not achieved</td></tr><tr><td>Shannon & Mangaore</td><td>C</td><td>Not achieved</td></tr><tr><td>Foxtton</td><td>A</td><td>Achieved</td></tr><tr><td>Foxtton Beach</td><td>A</td><td>Achieved</td></tr><tr><td>Tokomaru</td><td>B</td><td>Achieved</td></tr></table>	Supply	'Snapshot' Infrastructure Leakage Index	Outcome	Levin	C	Not achieved	Shannon & Mangaore	C	Not achieved	Foxtton	A	Achieved	Foxtton Beach	A	Achieved	Tokomaru	B	Achieved	✗ NOT ACHIEVED <table><tr><th>Supply</th><th>'Snapshot' Infrastructure Leakage Index</th><th>Outcome</th></tr><tr><td>Levin</td><td>C (4.25)</td><td>Not Achieved</td></tr><tr><td>Shannon & Mangaore</td><td>A (0.57)</td><td>Not achieved</td></tr><tr><td>A (0.1)</td><td>Achieved</td><td>Achieved</td></tr><tr><td>Achieved</td><td>A</td><td>Achieved</td></tr><tr><td>Foxtton</td><td>B (2.40)</td><td>Achieved</td></tr><tr><td>Foxtton Beach</td><td>A (0.38)</td><td>Achieved</td></tr><tr><td>Tokomaru</td><td>A (0.09)</td><td>Achieved</td></tr></table> <table><tr><th>Supply</th><th>Estimated loss (m3/year)</th><th>Water Supplied</th></tr><tr><td>Levin</td><td>Cannot report</td><td>3,992,643m3</td></tr><tr><td>Shannon & Mangaore</td><td>Cannot report</td><td>231,019m3</td></tr><tr><td>Foxtton</td><td>Cannot report</td><td>295,606m3</td></tr><tr><td>Foxtton Beach</td><td>Cannot report</td><td>285,396m3</td></tr><tr><td>Tokomaru</td><td>Cannot report</td><td>52,708m3</td></tr><tr><td>Foxtton Beach</td><td>A (0.38)</td><td>Achieved</td></tr><tr><td>Tokomaru</td><td>A (0.09)</td><td>Achieved</td></tr></table> Estimated total drinking water network water loss (m3/year): cannot report Levin cannot report Shannon & Mangaore cannot report 29.3% estimate: Foxtton cannot report Foxtton Beach cannot report Tokomaru cannot report Water supplied to the drinking water network (m3/year): 4,857,372m3/year Real water loss from network reticulation system: Monthly leakage totals were not calculated for the 2024/25 financial period but will be factored into reporting from the 2025/26 financial year as per the DIA guidance which became available in June 2025. Note: For Horizons consent compliance ILI needs to be less than 3.31 for less than 284L water loss per connection per day.	Supply	'Snapshot' Infrastructure Leakage Index	Outcome	Levin	C (4.25)	Not Achieved	Shannon & Mangaore	A (0.57)	Not achieved	A (0.1)	Achieved	Achieved	Achieved	A	Achieved	Foxtton	B (2.40)	Achieved	Foxtton Beach	A (0.38)	Achieved	Tokomaru	A (0.09)	Achieved	Supply	Estimated loss (m3/year)	Water Supplied	Levin	Cannot report	3,992,643m3	Shannon & Mangaore	Cannot report	231,019m3	Foxtton	Cannot report	295,606m3	Foxtton Beach	Cannot report	285,396m3	Tokomaru	Cannot report	52,708m3	Foxtton Beach	A (0.38)	Achieved	Tokomaru	A (0.09)	Achieved
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Service: Sustainable water supply management Measure: The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions received by Council in relation to Horizons Regional Council resource consents* for discharge from its water supply system.	✓ ACHIEVED <table><tr><th></th><th>2023/2024</th></tr><tr><td>Abatement Notices</td><td>0</td></tr><tr><td>Infringement Notices</td><td>0</td></tr><tr><td>Enforcement Orders</td><td>0</td></tr><tr><td>Convictions</td><td>0</td></tr></table>		2023/2024	Abatement Notices	0	Infringement Notices	0	Enforcement Orders	0	Convictions	0	✓ ACHIEVED <table><tr><th></th><th>2024/2025</th></tr><tr><td>Abatement Notices</td><td>0</td></tr><tr><td>Infringement Notices</td><td>0</td></tr><tr><td>Enforcement Orders</td><td>0</td></tr><tr><td>Convictions</td><td>0</td></tr></table>		2024/2025	Abatement Notices	0	Infringement Notices	0	Enforcement Orders	0	Convictions	0																																														
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* These performance measurements are provided by the Department of Internal Affairs, and they are mandatory.

**Water Supply Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		6,985	6,833	7,772	8,043
Subsidies and grants for operating purposes		-	-	400	105
Fees and charges		49	94	94	44
Local authorities fuel tax, fines, infringement fees, and other receipts					6
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		7,034	6,927	8,266	8,198
Applications of operating funding					
Payments to staff and suppliers	1	3,873	3,798	3,638	2,671
Finance costs		688	555	1,041	919
Internal charges and overheads applied	1	1,060	1,054	983	1,969
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		5,621	5,407	5,662	5,560
Surplus (deficit) of operating funding (A-B)		1,413	1,520	2,604	2,638
Sources of capital funding					
Subsidies and grants for capital expenditure	2	500	980	-	1,062
Development and financial contributions		185	296	436	582
Increase (decrease) in debt	3		(8,335)	4,015	6,886
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		685	(7,059)	4,451	8,530

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2	326	2,799	2,950	3,337
- to improve the level of service	2	1,675	-	1,637	3,507
- to replace existing assets	2	5,247	7,476	2,788	2,539
Increase (decrease) in reserves	3	(956)	(15,814)	(320)	1,785
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		6,293	(5,539)	7,055	11,168
Surplus (deficit) of capital funding (C-D)		(5,608)	(1,520)	(2,604)	(2,638)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation					
	4	2,904	4,078	4,998	4,368

Notes:

- Overall, there were savings with the establishment of local water team within the Council in November 2024. There were also some changes in how the spending is classified between overheads and maintenance with the contract coming in house.
- Unbudgeted capital funding and overspending in Capital expenditure due to MacArthur Street project being brought forward from 2025/26.
- The increase in debt is due to the increase in the work programme for water with projects being carried forward from 2023/24 year.
- Depreciation is lower than budget due to more work-in-progress being held until project completion, for example committed projects such as Levin Water Treatment Plant, and Districtwide Water Network proposed to be carried forward to 2025/26.

	Internal \$000
Loans	
Loans as at 01/07/2024	19,522
Raised during year	12,172
Repaid during year	(5,286)
Loans as at 30/06/2025	26,408
Interest expense	
	919

Wastewater Te Wai Para

WHAKATAUKI

**Tiakina te Wai para kia
Ora ai te Whenua**
Look after the wastewater
so the land is healthy

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Description of activity

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

What the activity involves

- Council's Wastewater (sewage) reticulation network and pump stations collect sewage from households, businesses and industrial customers. It is then transported to wastewater treatment plants (Levin, Foxton, Foxton Beach, Shannon, Tokomaru and Waitārere Beach) where it is biologically treated and the treated effluent is then applied to land (except from Tokomaru).
- Our activities include operating and maintaining Levin Wastewater treatment plant (advanced wastewater treatment plant), five oxidation pond type WWTPs, 78 pump stations, 342 kilometres of sewer network and over 12,000 service connections. We also monitor the flow of trade waste into the sewer reticulation network in Levin and Foxton.

- Meeting resource consent conditions for the discharge of treated effluent wastewater or for the construction or upgrade of assets. Responding to and resolving (if possible) customer complaints relating to the Wastewater Treatment Activity.
- Incorporate new environmental requirements (national regulatory driver) in our new infrastructure plans.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Resilient and reliable wastewater collection and safe irrigation of treated wastewater effluent to agricultural blocks ensuring good community health.

ENVIRONMENTAL WELLBEING

Safe irrigation of treated wastewater to agricultural blocks which utilise the nitrogen and phosphorous as a valuable resource and minimise energy requirements and greenhouse gas emissions.

ECONOMIC WELLBEING

Robust infrastructure to serve our current economy and provide for future growth.

Well maintained and reliable wastewater collection, treatment and disposal to cater for the communities needs both now and, in the future.

CULTURAL WELLBEING

Improved relationships with Iwi as a result of improved consultation, communication, and fostering of relationships.

CULTURAL WELLBEING

Improved relationships with Iwi as a result of improved consultation, communication, and fostering of relationships.

LONG TERM PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
WASTEWATER NETWORKS	
Districtwide Wastewater Network Upgrades	A burst in the rising main in Bryce Street, Shannon, brought this renewal to the top of the renewal list. Tatana Contracting started construction in April 2025 and at financial year end 738 metres (of approximately 915 metres) was installed. The remainder is expected to be installed by August/ September 2025.
Levin Wastewater Network Upgrades	- The remaining 41.2 meters of pipe were successfully completed in York Street in August 2024. - SH1 Oxford Street/Tyne Street project completed in November 2024. - Upgrade at MacArthur Street ongoing. - Two level sensors installed in the wastewater reticulation system in October 2024.
WATER TREATMENT PLANTS	
Foxton Wastewater Treatment Plant	- New aerator unit was installed in the first half of the financial year at the Foxton WWTP which has helped resolve odour issues. - Council is working to minimise the chances of discharging wastewater into the Foxton Loop by expanding the irrigation area at Matarapa Island. Adding an additional 13 hectares to the existing 59 hectares will provide more capacity for discharging. The tender for this work was awarded to Think Water Hawke's Bay in May 2025. Work started in June 2025 and is expected to be completed by end August 2025. - The designing phase and engineers estimate for waveband rehabilitation was completed during the 2024/25 financial year. This project is currently on hold.
Levin Wastewater Treatment Plant	- Council completed the optimisation of the irrigation system during this financial year. The system was 40 years old. The newly implemented infrastructure will improve the environmental outcomes and controllability on the irrigation infrastructure. - Council Officers have completed work with the Bioreactor trial as per the consent conditions, which included working with a PhD student at Massey University to do a research and design on a Bioreactor at 'the Pot' and engaging with Iwi in the progress and impacts. Officers are currently looking at the value of the planned bioreactor size and capacity and assessing the impact on the flow against the impacts of the LWWTP Master plan upgrades. - Planning with the Māori landowners for the Wetlands work commenced in 2024/25 with the planting of 11,000 plants scheduled to be undertaken between July –September 2025. - Planning for the Tucker block wetlands continues as part of the scope associated with the irrigation expansion project.
Shannon Wastewater Treatment Plant	- The floating wetland was reinstated to its original condition. - During 2024/25 the fencing of the High Rate Land Passage was completed. Initial planting of around 400 plants was completed, with planning undertaken for a further 1,200 plants to be introduced. This project is being delivered in partnership with the local Hapū and is part of an ongoing commitment to build a more sustainable future for our local environment.

LONG TERM PLAN AMENDMENT / ANNUAL PLAN KEY PROJECTS

Tokomaru Wastewater Treatment – Resource Consent	- Council is still adhering to the wastewater resource consent from HRC as granted on 31 July 2020. The application for a renewal is currently on hold as the Regulator is intending to revise the wastewater standards. The draft wastewater standards were provided in February 2025, for feedback with the final standards now expected around August /September 2025. Once the new rules are in place the best decisions around a new Waste Treatment Plant design can be made, thus informing the nature of consent conditions for the application, the associated with discharge to land methods chosen, and chemical / biological limits and sampling that is associated with different plant designs. - Council Officers will review the final standards when it becomes available, identify implications, amend our resource consent application where necessary, and submit thereafter.
Waitārere Beach Wastewater Treatment Plant	No reactive renewals work was required at the Waitārere Beach WWTP during this financial year.
LEVELS OF SERVICE	
WASTEWATER TREATMENT PLANTS	
Levin Wastewater Treatment – Planting	We planted pines on 13 hectares of 'the Pot' in August 2024. Work included pruning and weed controlling activities.
GROWTH	
WASTEWATER TREATMENT PLANTS	
Foxton Beach Wastewater Treatment Plant	Eight irrigation beds were successfully refurbished by March 2025 to address an issue with ponding.
Levin Wastewater Treatment Plant	Operations: - New aerator unit was installed during the first quarter of this financial year at Levin WWTP. - Operational improvements during the 2024/25 financial year included the optimisation of the dewatering process through maintenance work to seal the gas leaks on Digester 2. Masterplan: - Lutra has been providing support to Officers about the best approach for upgrading the Levin WWTP. Lutra has prepared an Options Study and a Digester Study to assist in this process. Officers will also collaborate with Lutra to develop a concept design, define headworks scope, and create a preliminary design for the digester associated with the Levin WWTP.
Levin Wastewater Treatment – Effluent Discharge	Future expansion works were deferred to the 2025/26 financial year. The conceptual and preliminary phase started in January 2024, but the project has been paused due to uncertainties in the new draft wastewater standards received in February 2025. The final wastewater standards are expected in August/ September 2025, after that this project will restart.
WASTEWATER NETWORKS	
Levin Wastewater Network – Inlet Pipe	Visual inspections and necessary repairs have been conducted on the current inlet. This project was rescheduled to 2025/26 to ensure alignment with the masterplan.
Tara-Ika – Tararua Road Wastewater Stage 3	After completion of Stage 3 of the Wastewater main upgrade for Tararua Road in May 2024, Council approved an additional 770 metres of Wastewater main to be installed, extending from the completed main towards the proposed future Tara-Ika main road connection. The works commenced in mid-May 2024 and were completed at the end of November 2024. The additional works will help provide wastewater connectivity for the South end of Tara-Ika and potentially South of Tararua Road.
Tara-Ika Wastewater Network – Queen – North South	The delivery timeline for this project has been reforecast to 2025/26 in order to align it with the Ōtaki to North of Levin (Ō2NL) initiative.

Successes

LEVIN WASTEWATER NETWORK RENEWALS

Several wastewater infrastructure projects have progressed successfully, improving the resilience and capacity of the network.

York Street

The York Street wastewater renewal was largely completed in the previous financial year, with the final 41.2 metres delivered in August 2024. This critical project enhances network connectivity to accommodate anticipated growth, linking key upgraded sections from the Kennedy pump station through to Cambridge and Tyne Streets, and connecting to Weraroa Road and Kings Drive sections.

SH1 Oxford/Tyne Street

The improvements from the SH1 Oxford/Tyne Street upgrade maximises the capacity utilisation of the Northeast Levin wastewater network. Council Officers worked collaboratively with KiwiRail during this project to ensure the under-rail works caused no unnecessary disruptions to the community. This project was completed November 2024.

MacArthur Street

The MacArthur Street upgrade, a top priority due to the concurrent renewal of both water and wastewater mains, is well underway. The wastewater main upgrade involves replacing 1 km of aging 71-year-old earthenware pipe, with 613 metres installed by the end of the financial year and full completion expected by October 2025.

Other renewal work

Two level sensors were trialled in key 'hot spot' areas of the reticulation network in October 2024, helping maintenance teams better manage wastewater levels and reduce the risk of overflows.

These collective efforts highlight significant progress in strengthening wastewater infrastructure and preparing the network for future demands.

Challenges

FOXTON WASTEWATER TREATMENT PLANT

The Foxton Wastewater Treatment Plant ponds at Matararapa Island have suffered erosion damage from high water levels and storms, especially in 2022. While the operations team is working to keep pond levels low and have carried out minor repairs leading into winter 2025, there is still a risk of further erosion during major storm events. A long term fix raising the bund and adding a protective liner was previously designed but removed from the 2021 upgrade due to budget constraints.

The designing phase and engineers estimate for waveband rehabilitation was completed during the 2024/25 financial year. This project is currently paused due to monitor further any further degradation of damaged waveband.

Looking Forward

DRAFT WASTEWATER STANDARDS

The draft Wastewater Standards were released in February 2025 by Taumata Arowai seeking feedback to the revised standards from all councils by April 2025. Horowhenua

District Council agreed to take part in a Wastewater standards case study from April to June 2025 – Tokomaru Wastewater Treatment Plant being the main focus of the case study. As part of the case study Council Officers met with the Department of Internal Affairs and NIFF agency representatives. They were impressed with our thinking on all things wastewater. This case study, alongside others in the South Island, were a major contributor to the wastewater standards feedback. The final wastewater standards are expected in August / September 2025.

LEVIN WASTEWATER NETWORK - INLET PIPE

Visual inspections and necessary repairs have been conducted on the current inlet. The proposed upgrade of the LWWTP inlet pipe is intended to enhance redundancy and resilience for this critical asset, as well as to address projected population growth in North-East Levin, Tara-Ika, and other areas of development. This project was rescheduled to 2025/26 to ensure alignment with the masterplan. This work was tendered in July 2025, and the contract awarded in August 2025, with targeted completion in December 2025.



Wastewater Activity Performance

Service/ Measure	Target	2024/25 Results	2023/2024 Results																																											
Service: Reliable wastewater collection and disposal*.	≤ 2	ACHIEVED	ACHIEVED																																											
Measure: The number of dry weather wastewater overflows from the wastewater system per 1,000 connections.		<table><tr><th>Target per 1,000 connections</th><th>Result per 1,000 connections</th><th>No. of overflows</th></tr><tr><td>Number of dry weather overflows</td><td>0.62</td><td>8</td></tr><tr><td colspan="3">Number of connections as at 1 July 2023 = 12,825.</td></tr></table>	Target per 1,000 connections	Result per 1,000 connections	No. of overflows	Number of dry weather overflows	0.62	8	Number of connections as at 1 July 2023 = 12,825.			<table><tr><th>Target per 1,000 connections</th><th>Result per 1,000 connections</th><th>No. of overflows</th></tr><tr><td>Number of dry weather overflows</td><td>1.25</td><td>16</td></tr><tr><td colspan="3">Number of connections as at 1 July 2024 = 12,817.</td></tr></table>	Target per 1,000 connections	Result per 1,000 connections	No. of overflows	Number of dry weather overflows	1.25	16	Number of connections as at 1 July 2024 = 12,817.																											
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Service: Council provides a good response to wastewater system faults reported*.		ACHIEVED	ACHIEVED																																											
Measure: The median time (hrs) from the time that Council receives a notification, to the time that services personnel reach the site in responding to an overflow resulting from a wastewater blockage or other fault*.	< 1 hour	<table><tr><th>Target Response Time</th><th>2023/2024</th></tr><tr><td>< 1 hour</td><td>20 minutes</td></tr><tr><td colspan="2">Process changes resulting in improved information capture and entry, and fewer weather events compared to the previous year helped improve response times in this financial year.</td></tr></table>	Target Response Time	2023/2024	< 1 hour	20 minutes	Process changes resulting in improved information capture and entry, and fewer weather events compared to the previous year helped improve response times in this financial year.		<table><tr><th>Target Response Time</th><th>2024/2025</th></tr><tr><td>< 1 hour</td><td>15 minutes</td></tr><tr><td colspan="2">Process changes resulting in improved information capture and entry, and fewer weather events compared to the previous year helped improve response times in this financial year.</td></tr></table>	Target Response Time	2024/2025	< 1 hour	15 minutes	Process changes resulting in improved information capture and entry, and fewer weather events compared to the previous year helped improve response times in this financial year.																																
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The median time (hrs) from the time that Council receives a notification, to the time that services personnel confirm a resolution of a blockage or other fault within the wastewater system causing the overflow*.	< 12 hours	<table><tr><th>Target Response Time</th><th>2023/2024</th></tr><tr><td>< 12 hours</td><td>2 hours, 42 minutes</td></tr></table>	Target Response Time	2023/2024	< 12 hours	2 hours, 42 minutes	<table><tr><th>Target Response Time</th><th>2024/2025</th></tr><tr><td>< 12 hours</td><td>3 hours, 25 minutes</td></tr><tr><td colspan="2">Note: With the Local Waters team moving in-house in November 2024 and having to learn new processes, results may not be 100% accurate. Training was provided to the team to reduce this risk.</td></tr></table>	Target Response Time	2024/2025	< 12 hours	3 hours, 25 minutes	Note: With the Local Waters team moving in-house in November 2024 and having to learn new processes, results may not be 100% accurate. Training was provided to the team to reduce this risk.																																		
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Note: With the Local Waters team moving in-house in November 2024 and having to learn new processes, results may not be 100% accurate. Training was provided to the team to reduce this risk.																																														
Service: The service is satisfactory*.		ACHIEVED	NOT ACHIEVED																																											
Measure: The total number of complaints received (expressed per 1,000 connections to the wastewater system) regarding:		<table><tr><th>Per 1,000 Connections</th><th>Total No of complaints</th></tr><tr><td>Odour</td><td>0.55</td><td>7</td></tr><tr><td>Faults</td><td>1.01</td><td>13</td></tr><tr><td>Blockages</td><td>8.11</td><td>104</td></tr><tr><td>Council's response</td><td>0.16</td><td>2</td></tr><tr><td>Total</td><td>9.82</td><td>126</td></tr><tr><td colspan="3">Number of connections as at 1 July 2023 = 12,825.</td></tr></table>	Per 1,000 Connections	Total No of complaints	Odour	0.55	7	Faults	1.01	13	Blockages	8.11	104	Council's response	0.16	2	Total	9.82	126	Number of connections as at 1 July 2023 = 12,825.			<table><tr><th>Per 1,000 Connections</th><th>Total No of complaints</th></tr><tr><td>Odour</td><td>2.65</td><td>34</td></tr><tr><td>Faults</td><td>1.64</td><td>21</td></tr><tr><td>Blockages</td><td>10.30</td><td>132</td></tr><tr><td>Council's response</td><td>0.08</td><td>1</td></tr><tr><td>Total</td><td>14.67</td><td>188</td></tr><tr><td colspan="3">Number of connections as at 1 July 2024 = 12,817.</td></tr><tr><td colspan="3">Note: Number of blockages higher than the target of <8 per 1,000 connections.</td></tr></table>	Per 1,000 Connections	Total No of complaints	Odour	2.65	34	Faults	1.64	21	Blockages	10.30	132	Council's response	0.08	1	Total	14.67	188	Number of connections as at 1 July 2024 = 12,817.			Note: Number of blockages higher than the target of <8 per 1,000 connections.		
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Wastewater system blockages;	< 8																																													
and Council's response to issues with its wastewater system.	< 4																																													
Total number of complaints received about any of the above.	< 22																																													
Service: Safe disposal of wastewater*.		ACHIEVED	NOT ACHIEVED																																											
Measure: The number of:		<table><tr><th></th><th>2023/2024</th></tr><tr><td>Abatement Notices</td><td>0</td></tr><tr><td>Infringement Notices</td><td>0</td></tr><tr><td>Enforcement Orders</td><td>0</td></tr><tr><td>Convictions</td><td>0</td></tr></table>		2023/2024	Abatement Notices	0	Infringement Notices	0	Enforcement Orders	0	Convictions	0	<table><tr><th></th><th>2024/2025</th></tr><tr><td>Abatement Notices</td><td>1</td></tr><tr><td>Infringement Notices</td><td>0</td></tr><tr><td>Enforcement Orders</td><td>0</td></tr><tr><td>Convictions</td><td>0</td></tr></table>		2024/2025	Abatement Notices	1	Infringement Notices	0	Enforcement Orders	0	Convictions	0																							
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Enforcement Orders;	0																																													
and Convictions	0																																													
received by Council in relation to Horizons Regional Council resource consents* for discharge from its wastewater system.			Note: One Abatement notice received end July 2024 for Tokomaru WWTP. Frequency of working group meetings not met. New schedule of meetings arranged.																																											

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

**Wastewater Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		7,686	7,494	8,812	8,831
Subsidies and grants for operating purposes		-	-	-	39
Fees and charges		1,430	1,309	1,485	1,576
Local authorities fuel tax, fines, infringement fees, and other receipts		114	120	90	84
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		9,230	8,923	10,387	10,529
Applications of operating funding					
Payments to staff and suppliers	1	4,940	4,572	4,040	3,789
Finance costs		1,754	1,663	1,945	2,152
Internal charges and overheads applied	1	998	1,012	1,168	2,402
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		7,692	7,247	7,153	8,343
Surplus (deficit) of operating funding (A-B)		1,538	1,676	3,234	2,186
Sources of capital funding					
Subsidies and grants for capital expenditure	2	1,609	-	2,402	630
Development and financial contributions		350	712	1,048	601
Increase (decrease) in debt	3	6,629	5,372	3,236	333
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		8,588	6,084	6,686	1,564

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand	2	1,285	5,919	5,839	1,923
- to improve the level of service		5	1,227	140	317
- to replace existing assets		7,134	8,885	3,973	3,781
Increase (decrease) in reserves	4	1,702	(8,271)	(33)	(2,271)
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		10,126	7,760	9,919	3,751
Surplus (deficit) of capital funding (C-D)		(1,538)	(1,676)	(3,233)	(2,186)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation					
		4,457	5,292	6,260	6,233

Notes:

1. The higher spending relates to additional maintenance costs during the year.
2. Capital funding and Capital expenditure is lower than budgeted due to the Capital Grant from NIFF for the Wastewater Inlet Pipe at the Levin Wastewater Treatment Plant (\$1.9M) and the Tara-Ika Queen Street Wastewater North South connection (\$400K) being completed in 2025/26. A total of \$1.5m worth of wastewater projects proposed to be carried forward to 2025/26.
3. Increase in debt is lower than expected due to less capital expenditure.
4. Reserves is drawn more due to more operating expenditure mentioned above.

	Internal \$000
Loans	
Loans as at 01/07/2024	45,697
Raised during year	6,066
Repaid during year	(5,733)
Loans as at 30/06/2025	46,030
Interest expense	
	2,152

Stormwater Te Wai Ua

WHAKATAUKĪ

Matariki tāpuapua

The pooling waters of Matariki.
(Relating to Waipunarangi the star
that associates with rain.)

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Description of activity

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

What the activity involves

- Providing and maintaining drainage systems (including reticulation pipes, open culverts, pump stations, soak pits, discharge outlets and detention areas) in settlements across the district to remove stormwater from the road corridor and some residential and commercial properties.

- Continuous improvements and extensions to the stormwater network utilising stormwater catchment management plans.
- Meeting resource consent requirements for stormwater discharges and drainage systems.
- Responding to and resolving (if possible) customer complaints relating to the Stormwater Activity.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Improvements to stormwater drainage and network to prevent flooding into people's homes and businesses.

ENVIRONMENTAL WELLBEING

Improvements to stormwater drainage contributed to the environment and safety of the people in the community.

ECONOMIC WELLBEING

Enabling for environment for the business community.

CULTURAL WELLBEING

Compliance with present and future resource consent conditions. Minimisation of any impacts on the natural environment, people and property.



LONG TERM PLAN AMENDMENT / ANNUAL PLAN KEY PROJECTS

What we planned	What we did
LEVELS OF SERVICE	
Districtwide Stormwater Improvement	- These funds were used to install a stormwater flow meter in Foxton Beach near the Holben Creek outlet, with the work completed in May 2025. - A portion of the funds was allocated to initiate a LiDAR surveying project aimed at capturing highly accurate ground elevation data. This data will assist in identifying low-lying areas, overland flowpaths, and potential ponding locations. It will also enhance the accuracy of flood models and support long term stormwater planning efforts.
Foxton Beach Stormwater Consenting	A comprehensive monitoring programme was completed during 2024/25, and a draft improvement plan was developed.
Levin Stormwater – Consent	- We have significantly progressed developing an updated Assessment of Environmental Effects (AEE) and drafting a Conditions Framework, whilst also completing a monitoring programme. - The project is currently on hold to allow for initial engagement with the Lake Horowhenua Trust, with broader Iwi and Hapū engagement to follow.
Levin Stormwater improvement	The Mako Mako Road Stormwater Downstream Defender was successfully installed by Tatana Contractors at the beginning of April 2025. There are some current manufacturer performance issues.
GROWTH	
Levin Stormwater – North East	The investigations and design work for the extension of the Northeast Levin stormwater main was completed throughout 2024/25. The proposed extension runs from Okarito Avenue through to the existing main on Magnolia Place and discharges into Coley Pond. Construction is planned to be undertaken over the 2026/27 summer.
Tara-Ika – Stormwater	Funding is allocated to ensure integrated stormwater system in the Tara-Ika area.
Tara-Ika – Queen St Stage 1 Stormwater	- For the first stage of Tara-Ika coming off Queen Street East, Council collaborated with the landowner to create a stormwater management system. Goodman's were awarded the contract and successfully constructed a wetland and soakage basin. Both the construction and planting were successfully completed by the end of 2024. - Further work is required to determine the ultimate capacity in line with the overall Site Integrated stormwater design currently being developed by majority landowner. - Council Officers successfully obtained the grant funding from NIFF.

Successes

TE AWAHOU FOXTON FLOOD MITIGATION PROJECT

This is a multi-agency initiative to strengthen Foxton's flood resilience. The Te Awahou Foxton Climate Resilience Governance Group comprises of representatives from local Iwi and Hapū, the community, Horowhenua District Council (HDC), Horizons Regional Council (HRC) and the Te Awahou Foxton Community Board. This group is focused on working through longer term solutions.

Key project updates are:

- Sheet Piling along Kings Canal Drain – Installation of sheet piling was completed by HRC in June 2025. This work will help reduce water seepage, prevent erosion, and improve the strength of existing flood protection.
- Future Wetland/Retention Basin Site – HRC has purchased a property near the eastern end of Cook Street. The site is being considered for the development of a wetland or retention basin in the future, which would help slow down and store stormwater during heavy rain, reducing flood risk and improving water quality.
- New Tractor Pumps for Stormwater Management – Two tractor-driven pumps have been ordered to help manage surface flooding during heavy rain and high tides. These pumps arrived in August 2025. Horowhenua District Council will own them and contract local operators to use them when needed.
- An erosion protection structure on Kings Canal near the corner of Purcell Street and Harbour Street has been installed by HRC.
- Stormwater pipe assessments and Stormwater flow monitoring – Horowhenua District Council has used some project funds for CCTV inspections of critical stormwater pipes. In addition, a new flow monitoring device was installed on one of the major stormwater pipes within the

Foxton stormwater network, near an outlet to the River Loop. This data will help inform future flood mitigation projects and contribute to improved flood modelling.

Challenges

- Climate change continues to pose a significant challenge to our stormwater activities, contributing to more frequent and intense rainfall events. These events place increasing pressure on our stormwater network, highlighting the importance of incorporating climate projections and historical flooding data into our catchment management planning and asset renewal programmes.
- Customer expectations remain high. There is a growing demand for faster response times and higher levels of service, yet Council's ability to deliver is constrained by budget, resource capacity, and infrastructure limitations. Managing this tension between service expectations and practical delivery continues to require careful management.
- Water quality management is an ongoing challenge. Stormwater runoff carries contaminants – such as sediment, nutrients, heavy metals, and other pollutants – into our waterways. While many of these pollutants originate from sources beyond Council's control, they ultimately enter natural systems through Council infrastructure. The National Policy Statement for Freshwater Management 2020 (NPS-FM) remains a significant driver for improvements to stormwater quality and catchment-level planning. While the Government is currently reviewing the NPS-FM as part of broader reforms to the Resource Management system, the current policy remains in force. Any future changes will likely seek to simplify planning and reduce compliance costs, but the core objective of protecting freshwater remains. Council continues to work towards compliance with current NPS-FM

requirements, particularly through stormwater consents and water quality improvement initiatives, while monitoring the potential implications of upcoming policy changes.

- Our stormwater network's performance remains impacted by historic underinvestment, rapid urban growth, and increasingly extreme weather. Communities such as Waitārere Beach and Foxton Beach experience recurring localised flooding, sometimes affecting the wastewater network as well. Multi-agency involvement across stormwater, flood protection, and water quality functions further complicates project coordination, slowing progress on long term improvements.

To effectively address these challenges, Council will need to:

- Continue improving collaboration with regional and national agencies.
- Secure sustainable funding streams for stormwater upgrades and treatment.
- Engage early and often with Iwi/Hapū and community stakeholders.
- Invest in modern stormwater technologies and smart monitoring tools.

Looking Forward

SHANNON – ŌTAURU STREAM IMPROVEMENTS

The Ōtauru Stream Riparian Planting project aims to improve the water quality and ecosystem of the stream and will be completed through community planting initiatives involving several groups in our hāpori (community).

In 2024/25, 1,250 native plants were established along the stream. This is a three-year project and as time evolves more New Zealand native flora will be planted. A sitting area has been added to the project that looks over the Ōtauru Stream, which has received positive feedback from local Hapū and the wider community. It's been great to work with Hapū



and community volunteers at place, utilising a regional council grant towards this work. Over the next few years, more than 7,500 native plants will be established in a 1.7km stretch alongside the stream.

STORMWATER CONSENTS

Levin

We have made significant progress during the 2024/25 year in developing an updated Assessment of Environmental Effects (AEE) and drafting a Conditions Framework to support the Levin Stormwater Consent application. A comprehensive monitoring programme was also completed, involving sampling at various discharge points, source tracking, and detailed analysis of the results. The project is currently on hold to allow for initial engagement with the Lake Horowhenua Trust, whereafter broader Iwi and Hapū engagement will follow. In the meantime, Council has maintained a strong focus on identifying and assessing options

for water quality interventions and additional monitoring to support the removal of contaminants from the stormwater network.

The Freshwater Improvement Fund (FIF) project team is also exploring the installation of a second stormwater intervention device within either the Queen Street or Domain Drain catchment to support improved water quality outcomes in the Levin catchment. This proposed device will contribute to Council's "In-Network Improvements" strategy, a key component of the consent application.

Foxton Beach

Council Officers have been progressing work to secure resource consent for stormwater discharges from the Foxton Beach township. In the 2024/25 financial year, Council completed a comprehensive monitoring programme for stormwater discharges at Foxton Beach. This included collecting water quality

samples from various discharge points and comparing them with samples taken upstream and downstream within the receiving environment.

In addition to monitoring, Council has developed a draft improvement plan for the Foxton Beach stormwater system aimed at enhancing the quality of discharged water. We are currently preparing proposed consent conditions, which will be submitted to HRC as part of our Section 92 (Resource Management Act, 1991) response.

We are actively engaging with Iwi to understand cultural values associated with the Manawatū Estuary. This engagement will inform the development of a culturally appropriate and affordable strategy to improve stormwater quality. The outcomes of this work will be incorporated into the information provided to HRC in support of our consent application.

Stormwater Supply Activity Performance

Service/ Measure	Target	2023/2024 Results				2024/25 Results																									
Service: An adequate stormwater system*	< 5 per year	ACHIEVED There was 0 flooding event that met the definition of a flooding event set by Department of Internal Affairs for this measure.				ACHIEVED There were no flooding events that met the definition of a flooding event set by Department of Internal Affairs for this measure.																									
Measure: Number of flooding events that occur in the District.																															
Service: An adequate stormwater system*.	2 or less	ACHIEVED				ACHIEVED																									
Measure: For each flooding event the number of habitable floors affected per 1,000 connections to Council's stormwater networks.		<table><tr><th>Target</th><th>Result</th><th>Per 1,000 Connections</th><th>Habitable Floors Affected</th></tr><tr><td>2 or less</td><td>0</td><td>0</td><td>0</td></tr><tr><td colspan="4">Number of connections as at 1 July 2023 = 13, 415.</td></tr></table>	Target	Result	Per 1,000 Connections	Habitable Floors Affected	2 or less	0	0	0	Number of connections as at 1 July 2023 = 13, 415.				<table><tr><th>Target</th><th>Result</th><th>Per 1,000 Connections</th><th>Habitable Floors Affected</th></tr><tr><td>2 or less</td><td>0</td><td>0</td><td>0</td></tr><tr><td colspan="4">Number of connections as at 1 July 2024 = 13, 623.</td></tr></table>	Target	Result	Per 1,000 Connections	Habitable Floors Affected	2 or less	0	0	0	Number of connections as at 1 July 2024 = 13, 623.							
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2 or less	0	0	0																												
Number of connections as at 1 July 2023 = 13, 415.																															
Target	Result	Per 1,000 Connections	Habitable Floors Affected																												
2 or less	0	0	0																												
Number of connections as at 1 July 2024 = 13, 623.																															
Service: Response to faults*	< 1 hour	ACHIEVED				ACHIEVED																									
Measure: The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.		<table><tr><th>Target</th><th>Result</th><th>Comment</th></tr><tr><td>< 1 hour</td><td>0</td><td>No flooding events</td></tr></table>	Target	Result	Comment	< 1 hour	0	No flooding events	<table><tr><th>Target</th><th>Result</th><th>Comment</th></tr><tr><td>< 1 hour</td><td>0</td><td>No flooding events</td></tr></table>	Target	Result	Comment	< 1 hour	0	No flooding events																
Target	Result	Comment																													
< 1 hour	0	No flooding events																													
Target	Result	Comment																													
< 1 hour	0	No flooding events																													
Service: Customer satisfaction*.	< 10 per year	ACHIEVED				ACHIEVED																									
Measure: The number of complaints received by Council about the performance of its stormwater system expressed per 1,000 properties connected to the system.		<table><tr><th>Target (per 1,000 connections)</th><th>Per 1,000 Connections</th><th>No. of Complaints</th></tr><tr><td>< 10 per year</td><td>0.96</td><td>13</td></tr><tr><td colspan="3">Number of connections as at 1 July 2023 = 13,415.</td></tr></table>	Target (per 1,000 connections)	Per 1,000 Connections	No. of Complaints	< 10 per year	0.96	13	Number of connections as at 1 July 2023 = 13,415.			<table><tr><th>Target (per 1,000 connections)</th><th>Per 1,000 Connections</th><th>No. of Complaints</th></tr><tr><td>< 10 per year</td><td>2.5</td><td>34</td></tr><tr><td colspan="3">Number of connections as at 1 July 2024 = 13,623.</td></tr></table>	Target (per 1,000 connections)	Per 1,000 Connections	No. of Complaints	< 10 per year	2.5	34	Number of connections as at 1 July 2024 = 13,623.												
Target (per 1,000 connections)	Per 1,000 Connections	No. of Complaints																													
< 10 per year	0.96	13																													
Number of connections as at 1 July 2023 = 13,415.																															
Target (per 1,000 connections)	Per 1,000 Connections	No. of Complaints																													
< 10 per year	2.5	34																													
Number of connections as at 1 July 2024 = 13,623.																															
Service: A sustainable stormwater service*.		ACHIEVED				ACHIEVED																									
Measure: The number of: Abatement Notices; Infringement Notices; Enforcement Orders; and Convictions.	 0 0 0 0	<table><tr><th colspan="2">2023/2024</th></tr><tr><td>Abatement Notices</td><td>0</td></tr><tr><td>Infringement Notices</td><td>0</td></tr><tr><td>Enforcement Orders</td><td>0</td></tr><tr><td>Convictions</td><td>0</td></tr></table>	2023/2024		Abatement Notices	0	Infringement Notices	0	Enforcement Orders	0	Convictions	0	<table><tr><th colspan="2">2024/2025</th></tr><tr><td>Abatement Notices</td><td>0</td></tr><tr><td>Infringement Notices</td><td>0</td></tr><tr><td>Enforcement Orders</td><td>0</td></tr><tr><td>Convictions</td><td>0</td></tr></table>	2024/2025		Abatement Notices	0	Infringement Notices	0	Enforcement Orders	0	Convictions	0								
2023/2024																															
Abatement Notices	0																														
Infringement Notices	0																														
Enforcement Orders	0																														
Convictions	0																														
2024/2025																															
Abatement Notices	0																														
Infringement Notices	0																														
Enforcement Orders	0																														
Convictions	0																														
received by Council in relation to Horizons Regional Council resource consents* for discharge from its stormwater system**.																															

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

** Currently there is no discharge consent for Levin's stormwater.

**Stormwater Supply Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025**

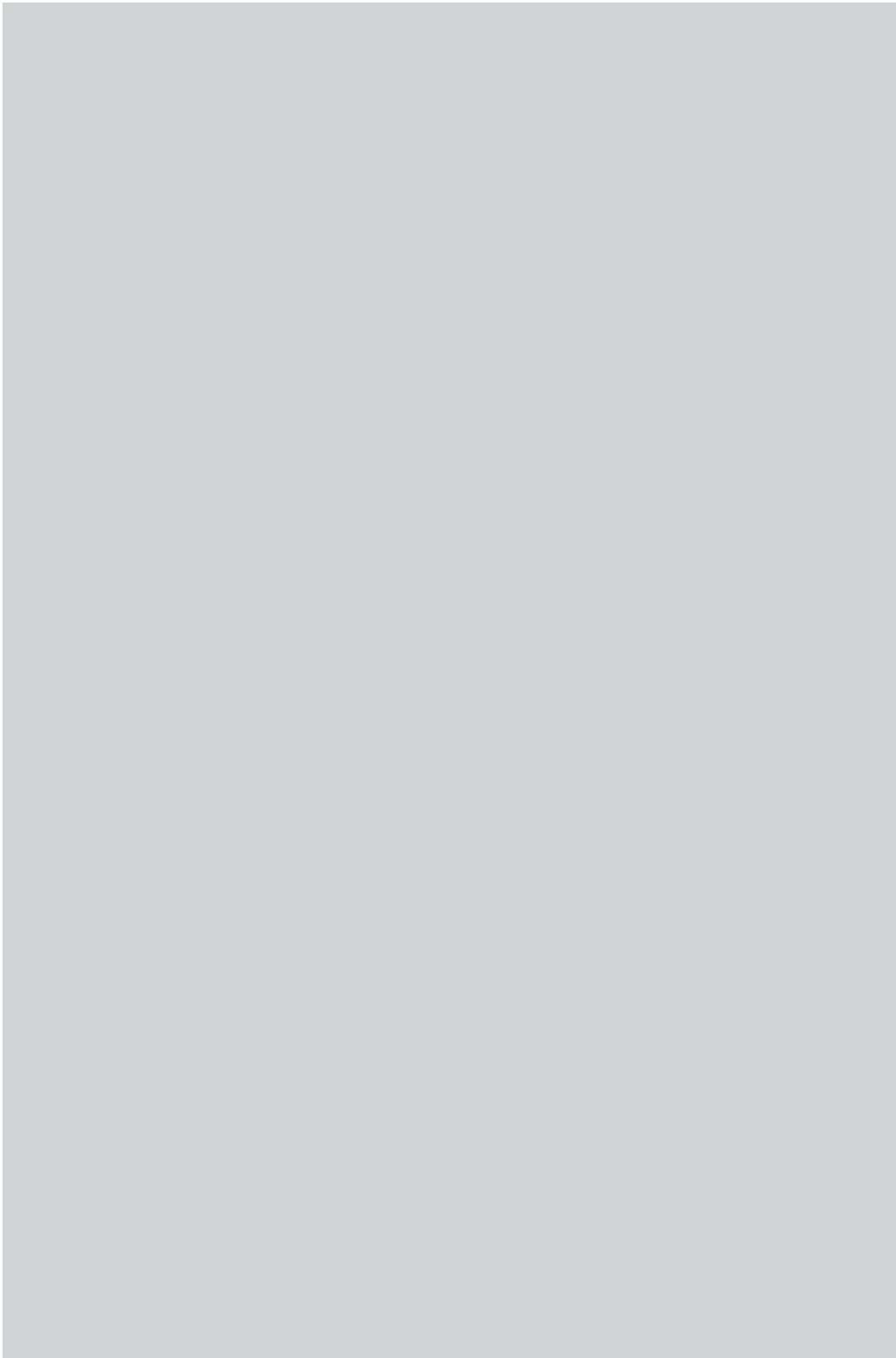
	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		1,863	1,816	2,471	2,476
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1	-	-	-	192
Local authorities fuel tax, fines, infringement fees, and other receipts	1	503	-	-	113
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		2,366	1,816	2,471	2,781
Applications of operating funding					
Payments to staff and suppliers	2	706	836	774	1,108
Finance costs		627	520	743	909
Internal charges and overheads applied		469	432	281	523
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		1,802	1,788	1,798	2,541
Surplus (deficit) of operating funding (A-B)		564	28	673	240
Sources of capital funding					
Subsidies and grants for capital expenditure	3	-	-	-	1,348
Development and financial contributions		40	105	155	121
Increase (decrease) in debt	4	5,345	2,751	389	(485)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		5,385	2,856	544	983

Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Applications of capital funding				
Capital expenditure				
- to meet additional demand	349	3,768	412	345
- to improve the level of service	(269)	1,546	844	1,314
- to replace existing assets	2,476	206	19	129
Increase (decrease) in reserves	3,392	(2,636)	(58)	(564)
Increase (decrease) of investments	-	-	-	-
Total applications of capital funding (D)	5,949	2,884	1,217	1,223
Surplus (deficit) of capital funding (C-D)	(564)	(28)	(673)	(240)
Funding balance ((A-B)+(C-D))				
	-	-	-	-
Depreciation				
	919	818	1,125	1,480

Notes:

1. Higher revenue resulted from private service connections now performed in-house by the Local Water team.
2. The additional spending includes debt funded costs of \$335k for long term consenting conditions which were originally budgeted as part of the capital budget.
3. Capital funding from NIFF for Tara-Ika Queen St Stage 1 (\$1.3m) has been received this year, this was originally expected at the end of 2023/24 financial year.
4. Less debt was required due to the unbudgeted Capital funding received.

	Internal \$000
Loans	
Loans as at 01/07/2024	19,307
Raised during year	2,108
Repaid during year	(2,594)
Loans as at 30/06/2025	18,822
Interest expense	
	909





Land Transport Ngā Ara Whenua

WHAKATAUKI

Manaaki whenua
Manaaki tangata
Haere whakamua
Care for the land
Care for the people
Go forward

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



**Strong
Communities**



**Vibrant
Economy**



**Fit for purpose
Infrastructure**

Description of activity

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

What the activity involves

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

How our work delivers on community wellbeing

SOCIAL WELLBEING

Access to safe and easy transport enables communities to access more opportunities for work, social and recreational activities. This helps grow thriving communities.

We're building new footpaths, and making existing footpaths safer and easier to use, especially for people with mobility issues.

We're making our land transport network safer by focusing on areas we know have high risks of death and serious injury crashes, and building improvements.

Council provides advocacy and leadership to Ōtaki to North of Levin (Ō2NL) expressway project.

ENVIRONMENTAL WELLBEING

Sustainability is a large part of how Council maintains and improves its network. Almost all the material that is dug out of the network is reused in some way. Council tries to incorporate sustainable construction methodologies whenever practicable in our projects and monitor contractors closely to ensure Council work causes minimal adverse environmental effects.

ECONOMIC WELLBEING

Providing the right infrastructure at the right time and cost enables our community to take advantage of the many opportunities coming in the near future. This includes our district's growth, the Ōtaki to North of Levin (Ō2NL) expressway and Levin town centre.

CULTURAL WELLBEING

Transport infrastructure allows our community to freely move across our district and engage in cultural activities of all kinds. Our physical works programme considers potential cultural impacts of our activity, and we work with relevant community members to ensure cultural impacts are controlled and opportunities for betterment are realised.



LONG TERM PLAN ACTIVITY INSIGHTS

What we planned	What we did
*Budgets reduced as part of NZTA funding changes	
RENEWALS	
Bridge and structures renewals	This budget (\$160,000) was carried over to the 2025/26 Financial Year.
Drainage Renewals	We spent \$574,493 on renewing catchpits, culverts and kerb and channel around the district.
Footpath Renewals	3km of footpaths renewed, for \$622,542 expenditure.
Sealed Road Pavement Rehabilitation	2.6km of roads rehabilitated for \$1,489,913 expenditure.
Sealed Roads Resurfacing	18.6km of roads resurfaced for \$805,504 expenditure. Underspend due to contractor delays.
Structures Component Replacements	Budget (\$109,000) was fully spent on guardrail and retaining wall replacements.
Traffic Services	Budget (\$567,000) was fully spent on street lighting renewals and linemarking remark. Signs were also replaced.
Unsealed Roads Metaling	Budget (\$47,000k) fully spent on metalling of unsealed roads.
LEVELS OF SERVICE	
Cycling Improvements	* No work was done due to the funding assistance from NZTA being removed.
Footpath Improvements	* \$45,666 budget spent of pram crossing improvements.
Resilience Improvements	* Budget was spent on Gladstone Road retaining walls and Waitāre Road drainage improvements.
Road improvements	* \$88,961 was spent on road improvements.
GROWTH	
Safety Improvements	*\$281,521 was spent on a number of safety improvements.
Tara-Ika – Tararua Road Intersection upgrade	This project is being delivered by NZTA Waka Kotahi. Fulton Hogan has progressed construction of the roundabout at the intersection of Tararua Road and SH57 and have been onsite since January 2025. This was enabled by land acquisition and advanced material procurement enabled by Council working with NZTA Waka Kotahi and NIFF.
Tara-Ika – East West Arterial	- A key milestone was achieved with signing of an Agreement with NZTA Waka Kotahi for provision of the EWA connection as part of the Ōtaki to North of Levin (Ō2NL) project specifically for mitigating the impacts of Ō2NL. The Principle Development Agreement (PDA) outlines roles and responsibilities for both Council and NZTA Waka Kotahi. - In August 2024, Council secured one of the properties required for construction. - The design has been developed with the Ō2NL Northern Alliance. - The East West Arterial Notice of Requirement has been lodged.

Successes

RESILIENCE IMPROVEMENTS

A longstanding stormwater issue which had regularly caused flooding at the Waitārere Beach Road / Waitārere Rise intersection has been resolved with the installation of a new stormwater line which runs west on Waitārere Beach Road to the existing stormwater system. Previously the roundabout would flood in sustained periods of rain, causing a significant traffic safety hazard.

SAFETY IMPROVEMENTS

With reduced National Land Transport Programme funding, our focus for road safety investment has been on lower cost treatments, over higher risk sites.

Speed bumps and associated safety improvements, targeting schools with safety concerns have been delivered at Fairfield Road (Fairfield School), Weraroa Road (North School), Collingwood Street (Levin Intermediate), Kinross Street and Balmoral Street (Taitoko School).

Challenges

NEW ZEALAND TRANSPORT AGENCY WAKA KOTAHİ FUNDING

NZTA Waka Kotahi have decreased all National Land Transport Programme funding for capital improvements. We applied for \$20.44m from the government for the 2024 to 2027 financial years, but only \$14.18m was approved, which is 31% less than what we planned for. Additional significant cuts were made in several renewal and operational budgets, resulting in a total funding reduction of \$1.65m for the 2024/25 financial year. This had Council focused on reprioritising the capital work programme to adapt to the subsidised budget cuts whilst still progressing maintenance and operations work as usual and ensuring roads and footpaths were well maintained. Our focus remained on mitigating the impacts on our network's condition as much as practicable, with Council seeking to refocus investment to limiting the deterioration of roading and footpath

assets, while reducing investment in improvements to network performance, safety or amenity.

LAND TRANSPORT PROGRAMME

As a result of the reprioritisation mentioned in the paragraph above, a different capital works programme than what was planned for prior to September 2024, was established in order to meet the objectives of the LTP 2024-2044. Replanning and designing new projects for delivery have, in some cases, pushed the start date of construction back.

RESURFACING PROGRAMME

The 2024/25 resurfacing programme has had difficulties. Our contractor delayed starting the resurfacing programme until extremely late, which prevented completion of the full year's programme. Approximately 15% of the programme will need to be added to next year's programme to catch up. There were also several sites where the incorrect resurfacing treatment was applied. Council is addressing these issues with the contractor.

Looking Forward

ŌTAKI TO NORTH LEVIN EXPRESSWAY (Ō2NL)

The Ō2NL expressway project is the northernmost section of the Wellington Northern Corridor and will improve the safety and resilience of the transport network connecting Ōtaki and Levin, and the wider region. The project is being delivered by the NZTA Waka Kotahi, working closely with Iwi partners Muaūpoko Tribal Authority and local Hapū of Ngāti Raukawa, as well as landowners, community groups, key stakeholders and local authorities.

During the 2024/25 financial year, Council has been consistently advocating for clarity and progress on the Ō2NL revocation through active participation in a shared operational programme. Council Officers remained engaged in planning efforts and sought to align revocation with infrastructure and land-use needs.

Legacy Outcomes Investment Framework

– Legacy Outcomes Officers have been consistently attending the Legacy Outcomes Investment Framework hui and actively contributing to the discussions. One legacy outcome that the Council strongly advocated for was the inclusion of local economic benefits. It is encouraging to see that local businesses are already involved in the project, positively contributing to the economy.

Another key legacy outcome was the shared operational programme. Officers feel sufficiently integrated into the project, enabling them to provide timely input on designs and offer valuable feedback. Although outside the scope of the Legacy Outcomes Investment Framework, the Council's role as a community advocate led to a significant outcome when the NZTA Waka Kotahi board overturned proposed design changes and reinstated several of the design changes to meet consent conditions. Without this advocacy, the community could have faced negative legacy impacts, particularly concerning the local land transport network.

Land Transport Business Case

– Officers worked on developing the Horowhenua Land Transport Programme Business Case (PBC) which was in final draft format by the end of the financial year. Council received a briefing on Wednesday 23 July 2025 to confirm final details. A report seeking endorsement for the final PBC is expected to be presented at the September 2025 Council meeting.

Land Transport Activity Performance

Service/ Measure	Target	2023/2024 Results	2024/25 Results
Service: A safe road network*.	No (or Zero) change or a reduction from previous year.	✗ NOT ACHIEVED There have been 15 death or serious injury crashes in the local road network, exceeding the 9 crashes which occurred in 2022/23.	✓ ACHIEVED There have been 14 death or serious injury crashes in the local road network, 1 less than the 15 crashes which occurred in 2023/24.
Measure: The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.			
Service: Roads in good condition*.	Minimum 85%	✓ ACHIEVED The Smooth Travel Exposure for this reporting period is 92%.	✓ ACHIEVED The Smooth Travel Exposure for this reporting period is 91%.
Measure: The average quality of ride on a sealed local road network measured by smooth travel exposure.			
Service: Roads that are maintained well*.	2024/25: Minimum of 3.5% of total area.	✓ ACHIEVED 5.7% of the sealed road network has been resurfaced.	✗ NOT ACHIEVED 2.8% of the sealed road network has been resurfaced. Roads have been carried over 2025/26 due to delays in sealing by the contractor.
Measure: The percentage of the sealed local road network that is resurfaced annually.	2023/24: Minimum of 5% of total area.		
Service: Footpaths are in an acceptable condition*.	2024/25: 97% of footpaths in average to excellent condition.	✗ NOT ACHIEVED 13% of the network is in excellent condition and 4% is in poor or very poor condition.	✗ NOT ACHIEVED 96.76% of footpaths were in average to excellent condition and 3.24% in a poor or very poor condition.
Measure: Target footpath condition rating (% compliant with Council's standards found in the Land Transport Activity Plan).	2023/24: Minimum 30% in excellent condition Maximum 10% in poor condition.		Note: Reporting includes the percentage of footpaths in an average condition due to the change in measure during the LTP process.
Service: Good response to service requests*.	> 95%	✓ ACHIEVED 1,187 out of 1,248 requests were closed within the target timeframe, resulting in a 95.1% result.	✗ NOT ACHIEVED 94.5% (1,222/1,293) requests relating to roads and footpaths were responded to within the target timeframe.
Measure: The percentage of customer service requests relating to roads and footpaths to which Council responds within 15 working days.			Note: During the 2024/25 Christmas and New Year period, the Contractor completed the CRMs; however, they remained open until their administration staff returned to work. This led to them being reported as overdue CRMs.
Service: Provision of safe and effective walking and cycling infrastructure.	Determine the baseline and Increase year on year.	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✗ NOT ACHIEVED We were unable to determine a baseline during this financial year. NZTA Waka Kotahi reduced funding for this work and no work was done in this space.
Measure: Percentage of the transport network which includes safe and effective walking and cycling infrastructure.			

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

**Land Transport Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		4,670	4,553	4,956	4,966
Subsidies and grants for operating purposes		1,786	1,932	2,195	2,266
Fees and charges	1	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1	340	285	285	290
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		6,796	6,770	7,436	7,522
Applications of operating funding					
Payments to staff and suppliers		3,141	3,282	3,755	3,557
Finance costs		211	290	599	380
Internal charges and overheads applied		1,140	1,392	1,177	835
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		4,492	4,964	5,531	4,772
Surplus (deficit) of operating funding (A-B)		2,304	1,806	1,905	2,750
Sources of capital funding					
Subsidies and grants for capital expenditure	1	3,822	6,320	6,447	3,983
Development and financial contributions		58	139	205	107
Increase (decrease) in debt	2	3,351	2,942	8,404	4,128
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		7,231	9,401	15,056	8,218

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand	3	467	2,222	11,837	6,170
- to improve the level of service	3	1,007	735	1,674	537
- to replace existing assets	3	5,714	8,251	3,449	3,415
Increase (decrease) in reserves	4	2,347	(1)	1	846
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		9,535	11,207	16,961	10,968
Surplus (deficit) of capital funding (C-D)		(2,304)	(1,806)	(1,905)	(2,750)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation					
		4,752	4,752	5,634	5,457

Notes:

1. Lower Capital funding reflects NZTA Waka Kotahi's decision to decrease all National Land Transport Programme (NLTP) funding for capital improvements, in addition to significant cuts in several renewal and operational budgets. This has resulted in a total funding reduction of \$1.65M for the 2024/25 financial year.
2. The reduced required for debt is due to less capital expenditure.
3. The impacts of NZTA Waka Kotahi funding cuts mentioned above have been mitigated as much as practicable through a budget reprioritisation process undertaken with Council. This process has focused on limiting the deterioration of roading and footpath assets, while reducing investment in improvements to network performance, safety, or amenity. This has resulted in lower Capital Expenditure. \$379k sealed roads resurfacing (chipseal) project proposed to be carried forward to 2025/26.
4. Increase in reserve is higher due to less operational expenditure.

	Internal \$000
Loans	
Loans as at 01/07/2024	8,059
Raised during year	10,122
Repaid during year	(5,994)
Loans as at 30/06/2025	12,187
Interest expense	
	380

Solid Waste Te Para Totoka

WHAKATAUKI

Toitū te marae a Tāne Mahuta
Toitū te marae a Tangaroa
Toitū te tangata

If the land is well and the sea is well,
the people will thrive

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Description of activity

The Solid Waste Activity covers refuse collection and disposal, transfer stations, kerbside recycling, rural mobile recycling stations, hazardous waste management, management of our district's closed landfills and funding of waste minimisation educational programmes.

What the activity involves

- The provision of waste transfer stations to accept municipal wastes, various recyclable materials and some hazardous waste streams.
- The provision of kerbside collections to uplift bagged municipal waste and listed recyclable materials that will be diverted from going to landfill.
- The management of our district's closed landfills in accordance with regulatory conditions.

- Responding to and resolving customer complaints relating to the solid waste activity.
- Educating the community in how to reduce, and what is suitable for reuse and recycling.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Waste education is made available to all schools in our district, while various Council funded workshops and initiatives seek broader community engagement and educational opportunities.

ENVIRONMENTAL WELLBEING

The Council's recycling services encourage landfill diversion while our easily accessible kerbside rubbish collection waste service promotes waste diversion through the use of a small sized rubbish bag, which residents can purchase on an as required basis. As the provision of Council rubbish bags reduces

the monthly resident disposal costs, it reduces the incidence of illegal dumping. The landfill and other sites are operated in line with approved consent conditions.

The Solid Waste management team is consulting with Iwi partners on various consenting topics. These include the landfill consents along with operational matters of particular focus such as Council approval to investigate the extraction of leachate contaminated ground water emanating from the Levin Old Dump.

ECONOMIC WELLBEING

The Solid Waste Bylaw oversees the waste collectors' licence terms and conditions, ensuring health and safety standards are maintained and annual waste data is collected. The Solid Waste activity also manages and oversees a number of closed landfill discharges permits and consent conditions.

What we planned

What we did

RENEWALS

Wheelie Bins & glass crates

384 Wheelie bins and 400 glass crates were distributed to the community during this financial year.



Successes

WASTE MANAGEMENT MINIMISATION PLAN (WMMP)

One of the initiatives in the WMMP was to trial an urban kerbside collection of food scraps. Some 400 Levin residents were invited to participate in the trial. Each participating resident was given a 23-litre bin. The trial commenced on 9 April 2025 and ended on 2 July 2025. Every week the contents of the bin were collected and transported to a local composting facility to be converted into compost. At the end of the trial, we had collected 5,147 kilograms of food scraps which has been offered to local schools who have an environmental focus towards waste reduction.

A Council report demonstrating the community benefits and costs of a weekly urban kerbside food scraps collection is expected to be presented to elected members early in the 2025/26 financial year.

RECYCLING STATIONS

- Since October 2024 the Foxton Waste Transfer Station can receive rechargeable batteries from portable devices. This includes batteries such as lithium ion and nickel metal hydride batteries.
- The Ōpiki Mobile Recycling Station was upgraded with new infrastructure. This provided an improved level of service to the local community with associated cost savings due to purpose-built collection systems.

WASTE EDUCATION

A total of four waste education workshops were held during this financial year at schools and other public facilities within our district.

Classroom deliveries of Zero Waste education were provided at five schools with over 952 students in attendance. The subjects covered were composting, rubbish, reuse, recycling, rural waste, litter-less lunches, resource sustainability and water conservation.

Presently the Council supports the facilitation of 16 Enviroschools within our district. Enviroschools is an imbedded holistic approach that supports and empowers young people to plan, design, and implement sustainable actions that are good for them and the wider community. Every participating school has at least one teacher who actively champions the environmental sustainability values which are imbedded in all the school teaching units.

Challenges

LEVIN OLD LANDFILL REMEDIATION

Consent planning is underway to investigate options to address the dilute leachate plume eliminating from the old Levin Landfill.

Testing showed that there is no landfill leachate in nearby private bores, and an ecological survey confirmed the contaminated ground water flowing into the Hōkio Stream is not having a measurable negative effect on the fresh fish habitat.

Treatment options are being assessed – either onsite or at the Levin Wastewater Treatment Plant. Both involve significant cost. An Elected Member decision on which method or alternatives to implement will be decided upon in the 2025/26 year.

LEVIN CLOSED LANDFILL (LCLMP)

Council is obligated to maintain the integrity of not only the recently closed New Landfill but the two other historical Levin landfills. The Levin Closed Landfill Management Plan (LCLMP) is being developed to ensure this work is undertaken in a prescribed manner based on various Regional Council regulatory consent conditions and guidelines from the Ministry for the Environment. Community groups have provided input into the draft with the recommendations considered and included in the Plan. Council Officers will present the final draft LCLMP to Council for discussion and comment in early 2025/2026 financial year.

Looking Forward

SOLID WASTE WORK PROGRAMME

A Solid Waste Work Programme was developed and presented to Council in December 2024. It outlines four key milestone deliverables to be consulted on and delivered within planned timeframes. These include the Levin Closed Landfill (BPO & Closed Landfill Management Plan); the WMMP and the development of the WMMP Action Plan; Solid Waste Business and Agreement Review and the Solid Waste Bylaw.

The Solid Waste Agreement Review paper was submitted to Council on 25 June 2025 with approval to negotiate the Transfer Station and Kerbside Bag Collection Agreements which will take effect from 2 October 2025. The existing combined service agreement document will be separated into three separate agreements representing each service. Council agreed with Officer's recommendations of service continuation of current service provider – with a number of agreed adjustments to the contract. This ensures each contract is individually fit for purpose and maximises the benefits for the community.

The existing Kerbside Recycling Agreement has been reviewed, it is expected to be presented to the Council later in 2025 as the existing agreement remains in place until 1 July 2026.

Solid Waste Activity Performance

Service/ Measure	Target	2023/2024 Results	2024/25 Results																								
Service: Ensuring the health, safety and wellbeing of our community by collecting refuse and recycling in a timely and sanitary Measure:	Recycling: 5 legitimate complaints per 1,000 bins issued annually.	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✓ ACHIEVED <table><thead><tr><th>Recycling 5 per 1,000 bins</th><th>Total no of complaints received</th><th>No of complaints per 1,000 bins</th></tr></thead><tbody><tr><td>*79</td><td>61</td><td>0.06</td></tr><tr><td colspan="3">Number of bins: 15,919</td></tr><tr><td colspan="3">*Target: (15,919/1,000) x 5 = 79.59</td></tr></tbody></table> <table><thead><tr><th>Kerbside collection 1 per 800 bags</th><th>Total no of complaints received</th><th>No of complaints per 800 bags</th></tr></thead><tbody><tr><td>*70</td><td>32</td><td>0.04</td></tr><tr><td colspan="3">Number of bags sold during 2024/25: 56,200</td></tr><tr><td colspan="3">*Target (56,200/800) x 1 = 70.25</td></tr></tbody></table>	Recycling 5 per 1,000 bins	Total no of complaints received	No of complaints per 1,000 bins	*79	61	0.06	Number of bins: 15,919			*Target: (15,919/1,000) x 5 = 79.59			Kerbside collection 1 per 800 bags	Total no of complaints received	No of complaints per 800 bags	*70	32	0.04	Number of bags sold during 2024/25: 56,200			*Target (56,200/800) x 1 = 70.25		
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Number of bags sold during 2024/25: 56,200																											
*Target (56,200/800) x 1 = 70.25																											
Measure: Number of legitimate complaints* Recycling bins Kerbside collection.	Kerbside collection: 1 legitimate complaint per 800 bags sold annually.																										
Service: Embedding circular thinking into our waste management systems.	100% of targets	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✗ NOT ACHIEVED 67% of the 12 targets have been met as set in the Waste Management Minimisation Plan (WMMP). Note: The Council has a 6-year period to meet these other targets. There is a risk that if a kerbside organics collection of some form is not introduced the WMMP diversion targets (30%-2026, 40%-2028 and 50% by 2030) will not be reached.																								
Measure: Meet the targets set in the Waste Management Minimisation Plan (WMMP).																											

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

⁴ Legitimate complaints do not include when bin was put out on the wrong week; bin was not out at time of collection and the bin was not collected due to contamination.

**Solid Waste Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025**

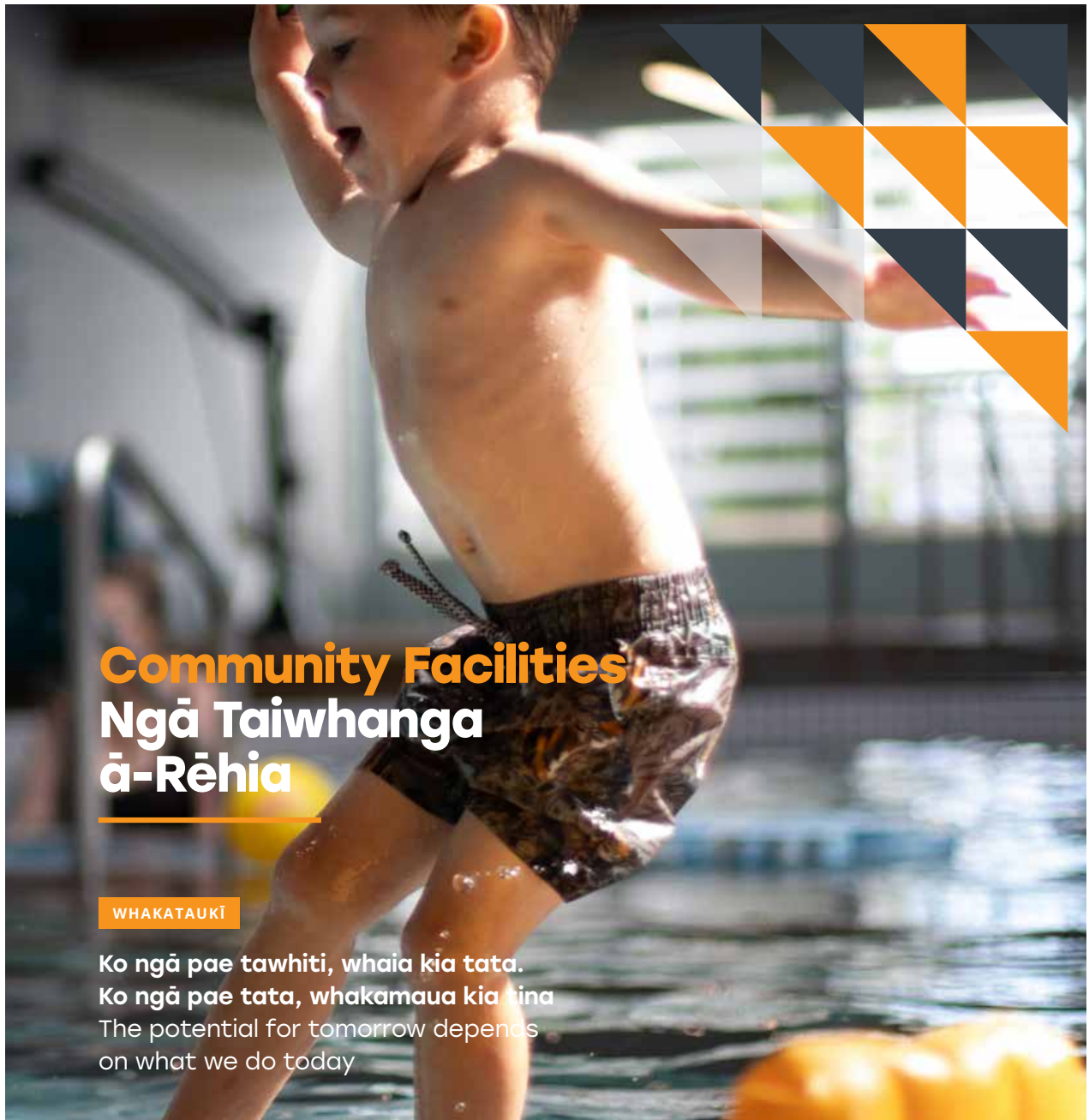
	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		2,805	2,735	5,479	5,491
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges	1	438	442	582	990
Local authorities fuel tax, fines, infringement fees, and other receipts		7	-	-	2
Internal charges and overheads recovered		-	-	-	(1)
Total operating funding (A)		3,250	3,177	6,061	6,481
Applications of operating funding					
Payments to staff and suppliers		3,391	3,707	3,990	2,926
Finance costs		278	305	352	302
Internal charges and overheads applied		488	626	1,338	1,335
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		4,157	4,638	5,680	4,562
Surplus (deficit) of operating funding (A-B)		(907)	(1,461)	381	1,919
Sources of capital funding					
Subsidies and grants for capital expenditure		51	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		217	2,592	(324)	(337)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		268	2,592	(324)	(337)

	Note	Actual 2023 \$000	LTP 2021-2041 Y2 \$000	LTPA 2021-2041 Y3 \$000	Actual 2024 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand		73	42	14	11
- to improve the level of service		-	410	-	-
- to replace existing assets		18	680	43	33
Increase (decrease) in reserves	2	(730)	(1)	-	1,538
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		(639)	1,131	57	1,583
Surplus (deficit) of capital funding (C-D)		907	1,461	(381)	(1,919)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation		390	388	579	541

Notes:

1. This is due to higher waste rebate levies being received and \$253k of this is being ringfenced in a reserve fund.
2. Decrease in reserve is due to the Landfill aftercare costs (\$4.950m) being funded by Council's Landfill Provision.

	Internal \$000
Loans	
Loans as at 01/07/2024	6,403
Raised during year	44
Repaid during year	(381)
Loans as at 30/06/2025	6,066
Interest expense	
	302



Community Facilities Ngā Taiwhanga ā-Rēhia

WHAKATAUKĪ

Ko ngā pae tawhiti, whaia kia tata.
Ko ngā pae tata, whakamaua kia tina
The potential for tomorrow depends
on what we do today

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



**Strong
Communities**



**Vibrant
Economy**



**Fit for purpose
Infrastructure**



**Partnership
with
Tangata Whenua**

Description of activity

The Community Facilities and Services Activity includes the following sub-activities:

- Aquatic Facilities and Recreation
- Community Centres and Libraries

What the activity involves

AQUATIC FACILITIES AND RECREATION

The Aquatic Facilities and Recreation Activity aims to provide public access to swimming pools, the splash pad, fitness, rehabilitation, and swimming programmes to enhance wellbeing through providing healthy recreational and social opportunities.

What it involves

- Providing opportunities for recreation to improve physical fitness and wellbeing including off site and outreach services.
- Providing a focal point for local communities where they can meet and participate in leisure and recreational activities.
- Providing swimming pools for general use including assisting clubs and organisations to host and run events.
- Providing a splash pad at Jubilee Park for free active water play.
- Providing a certified Swim School Programme in Levin and Foxton.
- Providing safe venues for fun activities and social interaction.
- Providing a venue for Aquatic Sports and competitive activity.
- Providing land- and water-based fitness and rehabilitation classes both on- and off-site.
- Managing Shannon School Swimming Pool during the summer school holidays.
- Facilitating a targeted swimming programme for the rural community within Horowhenua.
- Assist in the delivery of recreation opportunities for all communities to participate in.

COMMUNITY CENTRES AND LIBRARIES

This Activity aims to provide locations where people can visit, spend time, and positively engage in activities and opportunities, whether that be through social interaction, personal development or recreation and leisure.

What it involves

Multi-functional facilities and districtwide Library Services provide a wide range of services to both the community and to visitors to the Horowhenua District, including:

- Spaces for social interaction.
- Bookable rooms and spaces for community and commercial entities.
- A creative hub that allows for music and visual performance and exhibition.
- Museums that share stories and insight into the lives of the people in our area, and beyond.
- Events that enrich our community.
- Mahi Space, a purpose built co-working office facility.
- Providing AA Services for our community.
- Providing Visitor information services through two sites (Levin and Foxton).
- Delivery of Council Services (e.g. dog registrations at Shannon and Foxton).
- Districtwide library services in Levin, Foxton and Shannon deliver programmes and services that:
 - Provide equitable access to information for leisure, entertainment, research, education and career development across our district
 - Foster and enhance literacy (including digital) and lifelong learning
 - Deliver events and programmes for children, young people, adults and elders

- Recognise and support those members of our community with different needs and requirements
- Encourage the development of partnerships for the delivery of services and programmes
- Promote opportunities for people and communities to connect with each other
- Protects, conserves and maintains heritage resources of Horowhenua and provide opportunities for access to local history and heritage resources
- Spaces for our rangatahi to feel a sense of belonging (e.g. The Youth Space at Te Takeretanga o Kura-hau-pō) that promotes inclusion, safety and interaction

How our work delivers on community wellbeing

SOCIAL WELLBEING

Te Takeretanga o Kura-hau-pō and Te Awahou Nieuwe Stroom are multifunctional facilities that provide a wide range of services and events that contribute to the wellbeing of the community and to visitors to the Horowhenua.

Horowhenua District Council provides public access to swimming pools, fitness, play, rehabilitation, and swimming programmes to enhance community wellbeing through providing healthy recreational and social opportunities.

Our facilities and the services they provide, create an environment for organic community development and connection.

ENVIRONMENTAL WELLBEING

Careful management of aquatic facility water quality and implementing water conservation measures contributes to improving environmental outcomes.

ECONOMIC WELLBEING

Community facilities contribute to the local economy through employment and financial sustainability. They also provide opportunities for people of all ages and all phases of life to enjoy quality of living.

Any development of community facilities is planned and developed for our district to meet current and future needs.

Council actively promotes its facilities as destinations to visit, enjoy and share their stories, welcoming even more visitors.

CULTURAL WELLBEING

Council acknowledges its partnership with tangata whenua and value the important role they play within our community facilities.

Additionally, partnerships have been undertaken to deliver programmes such as Matariki, Youth Development Programmes and Capacity Building.



LONG TERM PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
Te Awahou Nieuwe Stroom Renewals Roof replacement	Council had budgeted \$525,000 in the LTP 2024-2044 for this financial year to replace the roof of the facility. The roof was leaking, and it was vital to replace it to protect the important and significant taonga being housed inside this building. This project was successfully completed towards the end of June 2025 and was done so, within budget.
Te Takeretanga o Kura-hau-pō Renewals	This work included the replacement of some furniture including seating and some shelving. It also allowed for the replacement of some technology equipment.
Purchase of Library Books	This year, we continued our existing approach and purchased a wide range of books to add to our existing collection.
Foxton Aquatic Centre Plan Renewals	When Foxton Pools received its refresh in 2023/24, some additional funding was set aside to assist with any additional work that may be required. In this instance, the budget was spent on plantroom equipment and a new inflatable toy for in the Pool.
Strategic and Growth-Related Aquatics Projects	This piece of work has progressed well throughout the year. The Strategic Recreation Investment Framework itself was adopted in June 2025. Work is still underway to understand some more data about the sport and recreation network for Horowhenua.

Successes

LIBRARY OUTREACH

Over the financial year, Council proudly hosted and supported a wide range of programmes that connected, educated, and inspired our community. Examples include programmes like the Book Battle ‘Meet the Author’ event, several older persons programmes – including Tea & Tales sessions and Memory Care Reading – and ‘Discover Family History’ workshop, which focused on

the fundamentals of family history research was offered in collaboration with the Horowhenua Family History Group. We also welcomed 102 local students to enjoy The Tempest performed by Ugly Shakespeare, with some Horowhenua College students participating in follow-up workshops.

Our commitment to young learners continued through the launch of the Rural Schools Readers Challenge and the development of a new Dog Safety education programme.

By combining the children’s and adult reading programmes into one inclusive challenge, the Read for Trees initiative was born. This initiative encouraged whānau to read together, strengthening intergenerational bonds and reinforcing adults as reading role models. The challenge inspired the community to log over 208,000 pages between December 2024 and February 2025. The shared success culminated in a community planting day in April 2025, where

40 native trees were planted at Kowhai Park – leaving a lasting legacy of both learning and nature, and demonstrating the power of working together for a common purpose.

DIGITAL INCLUSION INITIATIVES

Council secured \$20,000 in external funding this year to boost our Library's digital inclusion efforts, and the results have been anything but low-key. Our Digital Outreach programme continues to earn recognition well beyond Horowhenua, with members of our team recently contributing an editorial to the Digital Inclusions Alliance Aotearoa Annual Report. The editorial spotlighted the incredible mahi (work) we've been doing alongside our Kaumātua group. Now in its second year, the programme is thriving, reflected in the growing relationships and the increased participation of Kaumātua in wider Library activities.

We also continue to act as kaitiaki for the only complete hard copy set of the Horowhenua Chronicle, carefully preserved in our archive room at Te Takeretanga o Kura-hau-pō. Thanks to the support of the Horowhenua Historical Society and the Family History Group, we're making major moves in the preservation space, digitising our local newspaper collection in collaboration with the National Library of New Zealand. The latest milestone? The Horowhenua Chronicle is now digitised up to 1949 and available on Papers Past, helping to protect and share our community's rich history for generations to come.

EVENTS PROGRAMME

Our events programme was buzzing with energy this year, offering something special for everyone in our diverse community. From school visits to the stunning Manawatū Estuary, to the annual Morning Tea celebrating our Friends of Horowhenua Libraries, every moment was crafted with connection in mind. We lit up December with the festive joy of the Horowhenua Christmas Parade, honoured our past through a moving ANZAC Day commemoration, and embraced reflection and renewal with

our mid-year Puanga Matariki events. From education to remembrance, celebration to community, it was a year rich in meaningful moments and shared experiences.

SUPPORTING THE ARTS AND OUR PARTNERS

The Kororī-Kororā and a local Art Exhibition at Te Awahou Nieuwe Stroom were two of the events where Council supported arts and our partners. The Kororī-Kororā exhibited native birds of Aotearoa, featuring diverse artistic mediums, focusing particularly on the birds of the Manawatū Estuary; celebrating both their ecological importance and cultural significance to Māori. The local Art Exhibition highlighted the vibrant and diverse works of talented artists in our community, all inspired by New Zealand's unique birds and wildlife.

Through the Creative Communities scheme Council funded the 'From Struggle to Strength: Portraits and Stories of Former Refugee Students' exhibition. This was a joint effort to highlight the resilience and personal growth of former refugee students through powerful photography and compelling stories.

Challenges

- A major challenge that continues to face Council for this Activity is the change in demand and community expectations as well as the ongoing increases in operational costs, coupled with the desire to make fees and charges affordable for our community. Council is continuing to actively investigate areas for increasing revenue to subsidise other areas of public access. As a result, this year a business review was undertaken in the Aquatics activity which led to changing the ways that operate our swim school and for our fitness classes, either reducing the number of offerings or increasing the cost to participate.

- Throughout most of the year, we haven't had a café operating at Te Awahou Nieuwe Stroom due to being unable to find an appropriate tenant for the space. This contributes to less people visiting the facility and the offerings available at Te Awahou Nieuwe Stroom.

Looking Forward

Strategic Investment Framework

The Strategic Investment Framework will inform future growth-related aquatics projects. This Framework was adopted by Council on 25 June 2025, and more detail is included in the Community Infrastructure Activity update.

LEVIN AQUATIC CENTRE PLAN RENEWALS

A significant maintenance shutdown is scheduled for the Levin Aquatic Centre to allow for major plantroom upgrades and essential infrastructure improvements. Pre-procurement work is now underway to ascertain the work and approach. This planned closure, scheduled for the first half of next year, will ensure the long term reliability and efficiency of key systems, including water filtration and property maintenance. The shutdown represents a proactive investment in asset longevity and public safety, and staff are working to minimise disruption to the community during this period.

Community Facilities and Services Activity Performance

Service/ Measure	Target	2023/2024 Results	2024/25 Results																												
Service: Our aquatic centres support and enhance community wellbeing and safety.	500 opportunities per calendar month	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	 ACHIEVED <table><tr><th>Month</th><th>No of opportunities</th></tr><tr><td>July 2024</td><td>1,045</td></tr><tr><td>Aug 2024</td><td>1,151</td></tr><tr><td>Sept 2024</td><td>1,043</td></tr><tr><td>Oct 2024</td><td>990</td></tr><tr><td>Nov 2024</td><td>1,123</td></tr><tr><td>Dec 2024</td><td>886</td></tr><tr><td>Jan 2025</td><td>301</td></tr><tr><td>Feb 2025</td><td>1,027</td></tr><tr><td>March 2025</td><td>1,128</td></tr><tr><td>April 2025</td><td>942</td></tr><tr><td>May 2025</td><td>1,006</td></tr><tr><td>June 2025</td><td>914</td></tr><tr><td>Total 2024/25</td><td>11,556</td></tr></table>	Month	No of opportunities	July 2024	1,045	Aug 2024	1,151	Sept 2024	1,043	Oct 2024	990	Nov 2024	1,123	Dec 2024	886	Jan 2025	301	Feb 2025	1,027	March 2025	1,128	April 2025	942	May 2025	1,006	June 2025	914	Total 2024/25	11,556
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June 2025	914																														
Total 2024/25	11,556																														
Service: Community has access to a range of current information that inspires, entices and informs in both print and digital format.	≥3 resources per capita	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	 ACHIEVED The community had access to a minimum of 3.5 resources per capita • 65,801 physical resources • 67,722 digital resources (owned) Measured by 38,000 capita.																												
Measure: Contribute to community literacy by providing curated collections of physical and digital resources.																															
Service: Libraries and community facilities meet the community's needs.	2024/25: ≥ 92% 2023/24: > 90%	 ACHIEVED Customer satisfaction was 95%.	 ACHIEVED The Annual Customer Satisfaction Survey result showed that 93.9% of residents and non-residents were satisfied with library and community services.																												
Measure: Percent of residents and non-residents satisfied with library and community services based on the Annual Customer Satisfaction Survey.																															

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

⁵ Swim schools, clubs, organisations

Community Facilities And Services Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		-	-	-	-
Targeted rates		8,459	8,247	10,062	10,083
Subsidies and grants for operating purposes		21	-	223	122
Fees and charges		1,060	1,002	1,122	1,196
Local authorities fuel tax, fines, infringement fees, and other receipts		5	5	2	29
Internal charges and overheads recovered		63	214	100	1
Total operating funding (A)		9,608	9,468	11,509	11,432
Applications of operating funding					
Payments to staff and suppliers	1	6,656	6,028	6,427	7,102
Finance costs		671	644	611	737
Internal charges and overheads applied		1,740	1,778	2,888	2,648
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		9,067	8,450	9,926	10,487
Surplus (deficit) of operating funding (A-B)		541	1,018	1,583	945
Sources of capital funding					
Subsidies and grants for capital expenditure		531	500	-	4
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		705	2,269	(479)	(487)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		1,236	2,769	(479)	(484)

	Note	Actual 2023 \$000	LTP 2021-2041 Y2 \$000	LTPA 2021-2041 Y3 \$000	Actual 2024 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand		-	171	186	183
- to improve the level of service		-	500	-	-
- to replace existing assets		4,125	2,905	818	817
Increase (decrease) in reserves	2	(2,349)	211	100	(539)
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		1,777	3,787	1,104	461
Surplus (deficit) of capital funding (C-D)		(541)	(1,018)	(1,583)	(945)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation		1,192	962	1,484	1,475

Notes:

1. Additional spending was driven by reactive maintenance costs and staffing requirements, primarily to cover leave entitlements and ensure service levels were maintained.
2. Reserves is drawn more due to more operating expenditure mentioned above.

Loans	Internal \$000
Loans as at 01/07/2024	15,656
Raised during year	1,000
Repaid during year	(1,487)
Loans as at 30/06/2025	15,169
Interest expense	
	737



Community Infrastructure Tūāhanga Hapori

WHAKATAUKI

Me mahi tahi tātou mo te
oranga o te katoa
We should work together for
the wellbeing of everyone

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



**Strong
Communities**



**Vibrant
Economy**



**Outstanding
Environment**



**Fit for purpose
Infrastructure**



**Partnership
with
Tangata Whenua**

Description of activity

The Community Infrastructure Activity is dedicated to enhancing community wellbeing through various sub-activities. These activities not only aim to provide both passive and active amenities for the community's use but also contribute to fostering a sense of belonging and overall wellbeing among our residents.

The Community Infrastructure Activity includes:

- Beautification
- Cemetery administration, maintenance and management
- Maintenance and administration of Public Halls for hire
- Maintenance and management of Public Toilets
- Maintenance and management of Parks, Playgrounds and Reserves
- Maintenance, management and administration of Sports Grounds
- Urban cleansing – the maintenance and management of the roading network in the urban residential zone.

What the activity involves

This Activity aims to provide management of reserves, sports grounds, cemeteries, street beautification, urban cleansing, public halls and public toilets.

- Maintenance of neighbourhood reserves, riverside and lakeside picnic areas, public gardens, and sports grounds.
- Maintenance of street trees and street gardens.
- Rubbish bin emptying, and the urban roading weed spraying program.
- Providing Reserve Management Plans (RMPs) for Council reserves.
- Establishment and maintenance of public toilets for the purpose of tourism and public health.
- Establishment and maintenance of cemeteries under the Burial and Cremation Act 1964.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Parks, reserves, and community facilities play a central role in supporting health and wellbeing. They provide places for people to connect, enjoy nature, and take part in activities that promote mindfulness and general wellness. Access to these spaces reduces negative impacts on community wellbeing and contributes to stronger, healthier relationships. The benefits of exercise and time spent in green spaces for both physical and mental health are well established.

ENVIRONMENTAL WELLBEING

This activity makes a significant contribution to environmental outcomes. Open spaces help capture carbon, provide resilience against flooding in urban environments, and protect and restore indigenous biodiversity. By working alongside our community, these spaces create opportunities for positive environmental outcomes now and into the future.

ECONOMIC WELLBEING

Green spaces deliver measurable economic benefits. Evidence shows tree-lined streets can lift property values by 10–20%, while access to urban greenspace is linked with lower levels of crime and vandalism. Parks and reserves also enhance productivity by supporting mental and physical wellness, while landscaped commercial areas attract more business and foot traffic. In addition, Horowhenua's parks and fields regularly host first-class sporting events, bringing a direct boost to the local economy.

CULTURAL WELLBEING

The preservation of natural landscapes and open spaces directly supports cultural wellbeing. Many of the landscapes and buildings in Horowhenua hold deep value to local communities, while native bush, dunes, and historic reserves remain of particular cultural significance to Iwi and Hapū. Protecting these spaces ensures they continue to reflect and uphold our shared heritage.



LONG TERM PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
Cemetery – Foxton – Development	Cemetery extended with new burial and ash beams to provide more capacity.
Coastal reserve resiliency programme	Council continues to partner with community and ecological groups and schools to organise planting days. Spinifex and Pingao were planted along multiple areas of our coast to build resilience. Sites included Waikawa Beach, Waitārerere Beach, Kuku Beach and Foxton Beach.
District halls and pavilions reactive renewals	New lock system at Shannon Memorial Hall, carpet replacement at Ohau Pavilion and floor renewal at Mangaore Hall.
District play equipment	Replaced play equipment at multiple playgrounds across our district.
Manakau Domain initiative projects	Green by Nature (GBN) took over full maintenance of the Manakau Domain in October 2024 following a decade of the Manakau Football Club maintaining this site. A new toilet and shower facility was added to the park.
Public toilets – Minor renewals	- Foxton train station toilets upgraded. - Balance Street toilets in Shannon upgraded.
Reserves renewals (buildings)	New shade sails were installed at the Holben Reserve in Foxton and Jubilee Park in Levin.
Reserves renewals (non-building)	- Flagstaff Reserve in Foxton Beach, retaining wall and planting. - Resurfaced internal roads at a number of reserves across our district. - Pump track at Holben Reserve was resurfaced.
Sportsgrounds renewals (buildings)	- Easton Park in Foxton – training lights replaced. - A number of improvements made to Donnelly Park in Levin. - We've built new foul ball fencing for baseball at Western Park – this will be installed when ground is dry.
LEVELS OF SERVICE	
Cemetery – Avenue Rd – Development	Extension at Avenue Road Cemetery Levin – ash beams and burials. Included a new pergola (reflection area).
District fencing contingency	Undertook new or updated fencing as required by the Fencing Act at numerous sites.
Mangahao tracks renewals / improvements	Budget not spent.
GROWTH	
Playford Park	This project was carried forward from previous year. We provided a storage shed for the rugby club.
Strategic parks development – Reserve development for growth	Developed the Strategic Recreation Investment Framework which was adopted by Council on 25 June 2025.
Te Maire Park Development	Council worked with tangata whenua and key stakeholders to finalise concept plans to create a shared pathway connecting the open space from Te Maire Park with the Shannon town centre. On 5 May 2025, a special blessing took place at the southern end of Te Maire Park in Shannon to mark the start of construction on the stage area and amenities. This part of the project was completed in time for the Matariki 2025 celebrations and included a performance stage and a BBQ area for the community. We also installed a Pā Harakeke/flax garden, and a nature play area.

Successes

OXFORD STREET PLANE TREE CONSENT

The Oxford Street Plane Tree consent was issued in April 2025 and included crown reductions, crown lifting and root trimming. These works, carried out from 3–13 June 2025 via our maintenance contract, aimed to address long-standing concerns from business owners and the community regarding infrastructure damage, blocked gutters, leaf litter and the overshadowing of commercial premises – while still preserving the commemorative value and visual contribution of the tree avenue.

MANAWATŪ ESTUARY PLAN

Officers celebrated the official launch of the Papangaio Te Wharangi Manawatū – the long-awaited Manawatū Estuary Management Plan – at a special event at the Marine Boat Club at Foxton Beach, complete with a blessing to honour the future protection of the estuary. The plan, two years in the making, was developed in partnership with DOC, Horizons Regional Council, Iwi, and the local community. Officers are already getting stuck into a number of priority actions from the plan, including progress on a Coastal Reserves Management Plan, setting the stage for long term wetland protection.

LAKE DOMAIN DEVELOPMENT PLAN

Although the Lake Domain Development for Muaūpoko Park is still in draft, the Lake Domain Board approved key activities for the Better-Off Funding at an extraordinary meeting in May 2025. These priority actions were focused on beautification and restoring the Lake Domain's natural character. Works included collection of 14 trucks' worth of rubbish, ground tidying, water blasting of the playground, graffiti removal, installation of security cameras and a new fence and gate.

TAKING CARE OF OUR ENVIRONMENT

To help protect and restore the environment, Officers supported a wide range of community-led planting, clean-up, and restoration efforts across our district. In September 2024, six community groups took part in 'Clean Up Week' activities, including a well-attended Save our River Trust (S.O.R.T.) tree planting day at the Foxton Closed Landfill. Officers provided tools, advice on suitable species, and hands-on support. This was followed by the successful planting of 800 cabbage tree seedlings at Ōhau Riverside Reserve in October 2024, and events with groups like Waikawa Beach Environmental and Waitārerere Beach Progressive and Ratepayers Association focused on dune stability, pest plant removal, and entrance beautification. Across sites like Levin's Prouse Bush, Officers worked with volunteers and Forest & Bird members on native restoration and weed control to preserve ecological integrity. Coastal resilience was a key focus, with 10,800 spinifex and 200 pingao planted at Waikawa Beach, Waitārerere Beach, Kuku Beach and Foxton Beach through community planting days. Monthly beach clean-ups at Waitārerere Beach were supported by the Open Spaces Maintenance (Green by Nature) team, who organised the removal of collected rubbish. Officers also addressed invasive species like Phragmites in Wairarawa Stream and Hudson Reserve and collaborated with the Prouse Bush Volunteer group for regular pest plant control. Planting efforts extended to schools, early childhood centres, and sites like Graham Street, Te Maire Reserve planting, the Piriharakeke Walkway in Foxton, and Ōhau Gravels Reserve – combining environmental action with education and community engagement.

These collective efforts not only enhanced our environment but also fostered strong community stewardship.

Challenges

WAIKAWA BEACH ACCESS

The issue of vehicle access to Waikawa Beach has long been complex, deeply emotive, and increasingly fraught. Historically, the community relied on a single access point crossing privately owned land from the mouth of the Waikawa River, located at the end of Manga Pirau Street. Erosion, consent expiry, and landowner withdrawal have rendered this route unviable. Community pressure to re-establish access led to formal petitions and extensive investigations by Council, culminating in consultations on several access options. Legal, environmental, and cultural concerns – including the presence of rare and sensitive habitats – have significantly limited viable alternatives, and any proposed access is now considered a non-complying activity under the Horizons Regional Council's One Plan. Community submissions revealed deep divisions and legal risks have emerged, particularly if Council proceeds without comprehensive re-engagement on newer options. Mana whenua, represented by Ngāti Wehi Wehi, have expressed strong opposition rooted in kaitiakitanga and ecological protection, while also demonstrating a willingness to remain engaged in meaningful partnership. Meanwhile, some community groups remain committed to vehicle access and have proposed a trial of controlled, permit-based beach access at Manga Pirau Street.

Despite tensions, the formation of a community working group – including voices both for and against vehicle access – has marked a turning point. This group has achieved an in-principle agreement on shared values: safety, environmental protection, and responsible use. There is cautious consensus emerging around a tightly regulated accessway via

Manga Pirau Street, though many details remain unresolved. The development of a beach bylaw is widely viewed as essential to support any access, and discussions have begun.

Looking ahead, Officers are continuing to support the community group as they explore the idea of a trial for controlled vehicle access. However, more work is needed to address legal, regulatory, and consenting requirements. Officers are working closely with both the community group and Ngāti Wehi Wehi to explore potential access options while also staying alert to any new opportunities that could affect the feasibility or direction of future arrangements. This includes ongoing evaluation of both a controlled access approach and the option of no vehicle access

– recognising that any long term decision will need to be guided by environmental assessments, legal advice, Iwi involvement, and strong community backing.

BERM MOWING

After considerable feedback from the community, particularly regarding confusion about the responsibility for mowing, and an inspection of Levin, showing signs of neglect in some areas and highlighting unintended consequences of the decision to stop mowing, berm mowing was partially reinstated in November 2025.

Looking Forward

DEVELOPMENT OF THE STRATEGIC RECREATION INVESTMENT FRAMEWORK

This Framework was developed in collaboration with Visitor Solutions and responds to Council's desire for greater strategic clarity following

previous LTP discussions, particularly around large-scale projects such as Levin Aquatic Centre and Donnelly Park. It provides a transparent and consistent approach to prioritising recreation investments across the Horowhenua District, and establishes key evaluation criteria, investment principles, and alignment with growth and wellbeing strategies.

The Framework also reflects national and regional best practice, drawing on documents such as Sport NZ's Spaces and Places Framework and He rā ki tua – Horizons Region Spaces and Places Plan.

Council formally adopted this Framework on 25 June 2025, enabling Council Officers to proceed with the development of an Action Plan (Key Moves) and the completion of the network needs analysis.



Community Infrastructure Activity Performance

Service/ Measure	Target	2023/2024 Results	2024/25 Results
Service: A range of parks and reserves that are affordable, well maintained, safe and provide for the recreational (play and sport), cultural and environmental wellbeing of the community. Measure: Playground facilities receive a monthly inspection by a suitably qualified person to ensure they comply with relevant National Playground Standards and findings of inspection are actioned (or plan put in place) before the next inspection.	≥ 90% of playgrounds resources per capita	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process. A similar measure for 2023/24 was that playground facilities comply with relevant National Playground Standards. This measure was achieved during the 2023/24 financial year. Playgrounds were assessed by ROSPA qualified contractors and any defects found on playground equipment were either isolated from the use by the public, or if required the whole playground was closed to maintain public safety, until remediation was actioned.	✓ ACHIEVED 96% (22/23) of playgrounds were inspected by a suitably qualified person. 100% failures identified during the inspections were actioned before the next inspection.
Service: A range of parks and reserves that are affordable, well maintained, safe and provide for the recreational (play and sport), cultural and environmental wellbeing of the community. Measure: Parks and reserves maintenance contracts are administered and monitored on a regular basis, as per contract specifications.	Achieve	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✓ ACHIEVED 95% (target of 95% as per the contract) of parks and reserves maintenance contracts were administered and monitored as per contract specifications.
Service: A range of parks and reserves that are affordable, well maintained, safe and provide for the recreational (play and sport), cultural and environmental wellbeing of the community. Measure: Sports grounds are made available for use with appropriate ground condition.	0 complaints made about sports grounds availability and conditions	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process. Similar measures for 2023/24 were that (1) sports grounds were available for at least 95% available for use during their opening hours and (2) that the number of Customer Request Management complaints reporting of ground conditions be less than 5 per annum. Both these measures were achieved during the 2023/24 financial year with 100% of sports fields being available for use during their opening hours and zero complaints received regarding ground conditions.	✗ NOT ACHIEVED One complaint was made about sports grounds availability, and no complaints were made about sport ground conditions.
Service: A range of parks and reserves that are affordable, well maintained, safe and provide for the recreational (play and sport), cultural and environmental wellbeing of the community. Measure: Public toilet maintenance contracts are administered and monitored on a regular basis, as per contract specifications.	Achieve	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✓ ACHIEVED 97% (target is 85% as per contract) of public toilet maintenance contracts were administered and monitored as per contract specifications.
Service: Cemeteries are fit for purpose and meet the changing needs of our community now and into the future. Measure: Across the district's cemeteries, there is a continuous availability of 10% of developed burial plots (of any type) at any given time.	Achieve	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✗ NOT ACHIEVED There was a continuous availability of 6.7% of developed plots (of any type) across the district's cemeteries at any given time. Availability increased over the year due to additional beams created at Levin and Foxton cemeteries with further work scheduled for 2025/26.

Community Infrastructure Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		5,954	5,805	6,355	6,369
Targeted rates		–	–	–	–
Subsidies and grants for operating purposes		110	365	80	84
Fees and charges		618	290	339	495
Local authorities fuel tax, fines, infringement fees, and other receipts		158	(365)	–	8
Internal charges and overheads recovered		–	–	–	–
Total operating funding (A)		6,840	6,095	6,774	6,956
Applications of operating funding					
Payments to staff and suppliers	2	4,354	4,385	4,372	4,819
Finance costs		419	287	260	356
Internal charges and overheads applied		1,170	1,041	1,161	1,132
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		5,943	5,713	5,793	6,308
Surplus (deficit) of operating funding (A–B)		897	382	981	648
Sources of capital funding					
Subsidies and grants for capital expenditure		732	586	586	637
Development and financial contributions		–	207	306	286
Increase (decrease) in debt	4	(1,771)	(3,355)	(2,879)	(271)
Gross proceeds from sale of assets		–	5,558	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		(1,039)	2,996	(1,987)	652

		Actual 2023 \$000	LTP 2021-2041 Y2 \$000	LTPA 2021-2041 Y3 \$000	Actual 2024 \$000
	Note				
Applications of capital funding					
Capital expenditure					
- to meet additional demand	3	23	261	687	158
- to improve the level of service	3	80	1,031	174	595
- to replace existing assets	3	1,491	2,743	1,090	475
Increase (decrease) in reserves	4	(1,736)	(657)	(2,957)	72
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		(142)	3,378	(1,006)	1,300
Surplus (deficit) of capital funding (C-D)		(897)	(382)	(981)	(648)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation		1,373	724	1,405	1,498

Notes:

1. Higher than budgeted revenue resulted from user charges related to Parks and Reserve grounds rentals.
2. Payments to Staff and Suppliers was over budget largely due to an unplanned ground maintenance, increased tipping fees for general/ green waste and increased cleaning costs.
3. Capital expenditure is lower than budget mainly due to underspending in reserve renewals. \$48k Strategic Recreation Investment Framework being proposed to carry forward to 2025/26.
4. Planned proceeds from sale of assets did not eventuate causing timing differences in repayment of debt and changes in reserves.

	Internal \$000
Loans	
Loans as at 01/07/2024	7,555
Raised during year	2,056
Repaid during year	(2,328)
Loans as at 30/06/2025	7,284
Interest expense	
	356

Property Ngā Rawa

WHAKATAUKĪ

Hei āwhina i te hāpori, ka ora ai te hāpori.
Helping the community to thrive.



THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



**Strong
Communities**



**Vibrant
Economy**



**Outstanding
Environment**



**Fit for purpose
Infrastructure**



**Partnership
with
Tangata Whenua**

Description of activity

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

What the activity involves

- Overseeing the management, upkeep, acquisition, and divestment of Council-owned properties.
- Issuing permits and facilitating community and commercial leases and licenses.
- Aligning these actions with the guidelines outlined in the Property Strategy 2015 (as amended in May 2025), guiding future decisions regarding property maintenance, investment, or disposal.

Council owns a range of properties including:

- The Council Civic building in Levin.
- Endowment property – Council owns land in Foxton Beach that was formerly owned by the Foxton Harbour Board. Much of this land is subject to perpetual 21-year leases including a number of residential properties with rights of purchase. There are also

a number of other properties including Gazetted Reserve, development land, and the Foxton Beach Holiday Park.

- General Properties and land including – historic and cultural buildings, depots, carparks, and residential and commercial land.
- Council has interest in two campgrounds: Waitāre Beach Motor Camp and Playford Park Motor Camp, both of which are full Operational Leases in the General Property sub-activity.

How our work delivers on community wellbeing

SOCIAL WELLBEING

The Property function is responsible for ensuring that Building Warrants of Fitness are achieved across its portfolio. Council completes an annual renewals programme on its property portfolio to ensure the portfolio is maintained in a fit for purpose state. However, this does not include infrastructure buildings or Community Facilities (Te Awahou Nieuwe Stroom, Te Takeretanga o Kura-hau-pō or aquatics), where renewals budgets are generated by the relevant activity.

Council continues to facilitate a range of voluntary organisations through its community leases

policy that contribute to developing community sustainability and community outcomes.

ENVIRONMENTAL WELLBEING

Council considers environmental impact when completing property renewal works where opportunities present themselves, including upgrading buildings with LED lighting to reduce energy demand and lessen its carbon footprint. The main Council building utilises grey water for flushing its wastewater and considers sustainability matters in developing its property projects.

ECONOMIC WELLBEING

Council provides leases to a number of corporate clients in its commercial property portfolio. Council employs a number of local tradespeople in managing its assets and provides jobs for a range of locals via its contracted services portfolio.

CULTURAL WELLBEING

Iwi are our partners when working together within this activity. Officers also work with many of the local groups including Progressive Associations and special interest groups. Council looks to incorporate tikanga and ways to improve cultural connectedness within the property activity.

LONG TERM PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
Community buildings programmed renewals	New signage at Foxton Beach Community Centre to promote the centre and services they provide.
Levin Town Centre Development – property purchase – Better Off Funded	Council purchased two further properties identified as meeting specific criteria to support the Levin Town Centre Transformation Strategy during this financial year. This has brought the total number of properties purchased to six. Four properties were purchased during the 2023/24 financial year.
Property renewals programme	- Renewals were made at numerous buildings across our district. These include fire compliance work at Foxton Coronation Hall, and alarm system upgrade at the Levin Depot, new lights in the Civic building, new fencing in Foxton Main Street, new security cameras in Shannon, replaced H-vac piping at Te Takeretanga o Kura-hau-pō (Levin Community Centre and Library) and a new light at Levin Public Garden. - Council spent \$88,099 of this budget. The remainder to be carried over, subject to Council approval, to replace the Civic building roof.

Successes

PROPERTY STRATEGY AMENDMENT – FIRST RIGHT OF REFUSAL

Since 2014, Council has been refining its approach to managing its property portfolio, following expert advice to split assets into core and non-core. The Property Strategy providing a structured assessment framework to guide decisions and long term planning. Over time, non-core properties have been sold in line with this Strategy. In 2023, Council resolved to explore including a Right of First Refusal clause for mana whenua on the disposal of non-core property. Since then, Council Officers have met and liaised via email and phone with Te Tūmatakahuki, Muaūpoko Tribal Authority, Rangitāne and Ngāti Tūkorehe regarding the proposed amendment. In May 2025, Council resolved by majority to amend the Property Strategy to include a Right of First Refusal clause meaning any non-core properties that are to be disposed on the open market are offered to Iwi/Hapū first, at market value for 30 working days, before it is listed publicly.

TRADES SERVICES PANEL

Council has established a refreshed Trades Services Panel to respond quickly and cost-effectively to urgent repairs and maintenance across

its operations – ensuring value for ratepayers and reliable service delivery. A total of 41 businesses applied, including previous providers who were required to reapply. Applicants were assessed on key criteria like response times, experience, local impact, and alignment with Council's Community Outcomes. The process was designed not just to secure great service, but to support businesses that positively contribute to the district. While not all were successful, five businesses took the opportunity to meet with the panel for feedback. Agreements are now in place, with each trade category supported by two to three preferred suppliers ready to step in when needed.

LICENCES TO OCCUPY

Mobile traders often provide an additional service to communities, particularly during peak periods such as summer at our local beaches. This year we have had a few enquiries for Licence to Occupy Agreements at Council owned locations and with our new process in place it has been easier to negotiate and work with these businesses on an agreement. The licenses also allow for additional income for Council. Over summer we have signed agreements with two mobile traders for Foxton Beach and one for Waitāre Beach.

Challenges

Due to Council's financial constraints, Officers prioritised high risk asset renewals for capital expenditure (CAPEX) during this financial year. As a result, not all of the CAPEX was spent. Renewals that were not completed were either deferred or deemed unnecessary due to changing circumstances for that asset.

Looking Forward

REPLACING THE CIVIC BUILDING ROOF

We are looking to replace the Civic Building roof upon approval from Council. It was part of the 2024/25 asset renewal programme; however, work is more extensive than anticipated due to the mini tornado hitting Levin on 8 April 2025 and changing building codes. We are expecting this work to start at the beginning of 2026.

LEASING PORTFOLIO AUDIT

Officers are continuing an audit of our leasing portfolio and tidying up legacy issues. This coincides with the bigger review of our Community Leases Policy which is expected to be brought back to Council with amendments in the new financial year.

**Property Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		1,006	981	946	948
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		315	267	334	441
Local authorities fuel tax, fines, infringement fees, and other receipts	1	27	27	11	253
Internal charges and overheads recovered		276	452	719	570
Total operating funding (A)		1,624	1,727	2,010	2,212
Applications of operating funding					
Payments to staff and suppliers	2	1,149	625	565	1,180
Finance costs		407	424	295	179
Internal charges and overheads applied		386	357	302	300
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		1,942	1,406	1,162	1,659
Surplus (deficit) of operating funding (A-B)		(318)	321	848	552
Sources of capital funding					
Subsidies and grants for capital expenditure		2,201	1,233	735	729
Development and financial contributions		-	-	-	-
Increase (decrease) in debt	3	(5,248)	(3,288)	295	(57)
Gross proceeds from sale of assets	3	196	6,316	2,533	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		(2,851)	4,261	3,563	672

	Note	Actual 2023 \$000	LTP 2021-2041 Y2 \$000	LTPA 2021-2041 Y3 \$000	Actual 2024 \$000
Applications of capital funding					
Capital expenditure					
- to meet additional demand		-	53	53	26
- to improve the level of service	4	-	1,500	-	1,413
- to replace existing assets	4	3,687	4,709	1,107	182
Increase (decrease) in reserves	3	(6,856)	(1,680)	3,251	(398)
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		(3,169)	4,582	4,411	1,224
Surplus (deficit) of capital funding (C-D)		318	(321)	(848)	(552)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation		660	266	715	754

Notes:

1. This relates to the Boys Brigade Buildings coming into Council ownership.
2. This largely relates to the Boys Brigade Buildings coming into Council ownership and is partially offset by the revenue above. There was also increased costs in reactive facility maintenance, roadside rubbish bin emptying, and property rates for Council owned properties.
3. Planned proceeds from sale of assets did not eventuate causing timing differences in repayment of debt and changes in reserves.
4. Additional capital expenditure to improve level of service was completed through projects with the Better Off Funding initiatives, offset by underspending in property renewal projects with \$275k proposed to be carried forward to 2025/26.

Loans	Internal \$000
Loans as at 01/07/2024	3,807
Raised during year	1,070
Repaid during year	(1,127)
Loans as at 30/06/2025	3,750
Interest expense	
	179



Representation and Community Leadership

Te Whakakanohi me te Hautū i te Hapori

WHAKATAUKĪ

Mā pango, mā whero ka oti ai te mahi.
If the leaders work together with the
community, the job will get done.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



Strong
Communities



Vibrant
Economy



Outstanding
Environment



Fit for purpose
Infrastructure



Partnership
with
Tangata Whenua

Description of activity

This Activity includes how Council meets its responsibility to represent and provide leadership for the Community as well as how Council will involve the Community in its strategic planning and decision making.

What the activity involves

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

- Growth planning at a district and regional level including preparing a district growth strategy and working collaboratively with neighbouring councils including those that are members of the Wellington Regional Leadership Committee.
- Representing the views and interests of residents and ratepayers.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Focused engagement with key stakeholders when developing Community Plans, Plan Changes, Bylaws, Policies, Strategies and the Annual Plan 2025/26 ensured community input into local decisions and priority projects. The development of the Shannon Community Plan provided opportunity for local communities to identify the 'sense of place' that is important to not only the community at the centre of the plan, but also the wider Horowhenua community. Awarding of Civic Honours ensures recognition of those who have contributed to community outcomes and who have longstanding volunteer roles within the various groups, clubs and organisations across our district.

ENVIRONMENTAL WELLBEING

District Plan Changes have increased the supply of urban land – primarily Residential, to meet the needs of a growing population. These include provisions/rules to ensure that the environment is protected as development occurs.

Council has also retained the focus on the Manawatū River Loop at Foxton and Lake Horowhenua.

ECONOMIC WELLBEING

Timely and efficient delivery of services within statutory time limits ensures that legislatively governed processes are not an impediment to economic progress while also ensuring that due process is applied correctly. Economic development is delivered in collaboration with The Horowhenua Company Limited, who work with local businesses to realise local opportunities, source economic data for informed decision making and facilitate access to capability and funding mechanisms.

The Levin Town Centre Transformation will deliver an attractive and vibrant urban town centre environment that supports economic growth, fosters community engagement and promotes sustainable development, ultimately enriching the quality of life for residents and visitors in Levin and the Horowhenua District.

CULTURAL WELLBEING

Engaging and consulting with tangata whenua has continued to be a priority. Resourcing Agreements have been developed as one way of supporting participation, growth and capacity of our Iwi partners. Regular hui take place with Te Tūmatakahuki (a Ngāti Raukawa Hapū collective) as well as representatives from Muaūpoko where discussion takes place regarding projects, review of strategies and plans, and Council's work programme.

LONG TERM PLAN ACTIVITY INSIGHTS

What we planned	What we did
	RENEWALS
Levin Town Centre strategy activation projects	This update reflects the strides made and the strategic adjustments shaping our path forward on the Levin Town Centre Transformation. Following the reprioritisation of key initiatives, most of the project capex budget has been carried over to the next financial year, due to the succession of future projects pending confirmation of the Levin War Memorial Hall and Village Green development. This ensures resources are aligned with our community's most pressing priorities. Significant milestones have been achieved. The Project Steering Group and Reference Group have been established, providing invaluable guidance and fostering inclusive decision-making. Completed projects include the Earthquake Prone Building Plan and the Strategic Property Acquisition – both critical steps in ensuring the east west connectivity. The Levin War Memorial Hall and Village Green EO/RFP process progressed through community consultation and commercial negotiations, laying the groundwork for transformative development. Collaboration with KiwiRail and Greater Wellington Regional Council has advanced the Transport Hub analysis, while the Levin Town Centre Access and Carparking Strategy is under preparation to enhance connectivity and convenience. Additionally, pre-work on the former Women's Bowling Green Space has been completed, setting the stage for future activation and use of this space.

Successes

PREPARING FOR THE 2025 ELECTIONS AND POTENTIAL REFERENDUM

- Development and publication of the Chief Executive's Pre-election Report before the legislative due date.
- Public Places Bylaw adopted with clear provisions for election signage, improving processes and ensuring compliance.
- Attendance at key local events to promote voter enrolment and awareness of the 2025 local election, resulting in over 50 enrolments or updates.
- Detailed Project and Communications Plan developed to increase voter turnout, encourage candidate nominations, promote enrolment, and raise public understanding of the referendum and electoral process.

DISTRICT PLAN

Plan Change 6A

Plan Change 6A (a greenfield rezoning in North West Levin) was lodged with Council as a private plan change at the end of 2024, before being adopted by Council as its own plan change. This is our first

plan change in ePlan format. It was notified in April 2025 and, if approved, will enable 500+ additional homes within our district. The submission period for this plan change closed in May 2025. The next step in the process is to notify the summary of submissions, which will commence the further submission period.

Other District Plan Matters

During 2024/25 Council was working on a 'omnibus' plan change to introduce standardised definitions, updated land development provisions to address implementation challenges, and reviewed the notable tree list. This was intended to be progressed in 2025/26.

UPDATE JULY 2025: In July 2025 the Minister for Resource Management Reform announced that councils must stop almost all District Plan work in anticipation of wider resource management reform. As such, work on this omnibus plan change has ceased. Council is now focusing on engaging in the reform process and preparing for transition.

Annual Plan 2025/26

Development and adoption of the Annual Plan 2025/26.

COMMUNITY PLANS

Foxton and Foxton Beach Community Plan on a Page

Momentum for this plan grew as a shared vision began to take shape in 2024, weaving together the aspirations of a vibrant future for Foxton and Foxton Beach. Community members, actively engaged in workshops where voices from all corners of Foxton and Foxton Beach were heard. These sessions saw ideas flowing freely, and the community's priorities emerge. Through thoughtful dialogue the Community Plan on a Page emerged as a concise yet clear plan toward a thriving future.

In November 2024, the Te Awahou Foxton Community Board endorsed this vision, a milestone that marked the community's unity and resolve. By December 2024, the Council lent its full support, solidifying the plan as a guiding light for progress. The momentum carried into 2025 as community members came together with enthusiasm breathing life into the plan, drafting detailed action plans to outline clear steps to transform vision into reality. The Community Plan on a Page is not just a document, but a living, evolving commitment to a brighter future for Foxton and Foxton Beach.

Shannon/Otāuru Community Plan

The journey to develop the first Shannon Community Plan began in October 2024 with Council and Ngāti Whakareta inviting Shannon residents to the Whakawehi Marae, followed by two public meetings at the Shannon Memorial Hall and the Shannon Library. The Shannon Community Plan Working Group was established to drive the development of the plan. Wider community feedback was sought through extensive engagement from mid-January to late February 2025, including a maildrop to all homes in Shannon. A total of 297 submissions were received – very impressive at 18.5% of the town's population. If we consider representation by households (297 submissions against 624 households in Shannon), that would be a 48% response rate. There was strong representation from Māori, Pasifika, and younger people. These are groups who have historically been underrepresented in local government consultations. Of the 297 submissions, we received 85 online, 97 in paper form and 115 from children through the tailored activity sheets, showing participation across generations.

Submissions were analysed and shaped the first draft Community Plan on a Page, finalised by the Working Group. During May 2025 the Working Group presented the draft Plan on a Page, firstly to the community and then to Council. In June 2025 Council held its first meeting in Shannon to adopt the Shannon Community Plan. This marked a significant milestone of this journey. This plan has been a truly lwi and community-led initiative, championed through the leadership of Councillor Olsen and strong support from the community. Everyone involved was very proud when our project *To Kotahitanga o te Hāpori – Engaging as One, Thriving Together* was awarded Highly Commended at the Local Government New Zealand Conference Awards. This Award

focused on the engagement work carried out with the Shannon working group and wider community on the Shannon Community Plan.

POLICY AND STRATEGIC REVIEWS

Delivered stocktakes of Council's Strategies, Policies and Bylaws to inform the review programme, and reviewed the following

- Land Transport Bylaw – adopted 30 October 2024
- Climate Action Plan – adopted 27 November 2024
- Public Places Bylaw – adopted 27 November 2024
- Responding to External Consultations Policy – adopted 14 May 2025
- Local Waters Combined Bylaw – adopted 14 May 2025
- Review of Dog Policy and Dog Control Bylaw – adopted 25 June 2025

COUNCIL ADVOCACY

Advocated for Horowhenua to Parliament, central government agencies and other councils through the following submissions:

- Council has actively and consistently advocated to central government and NZTA Waka Kotahi on key issues affecting our district. Council's strong advocacy contributed to the successful reinstatement of critical Ōtaki to North of Levin (Ō2NL) design elements that, if removed, would have had negative impacts on the community – an excellent outcome for our district. In parallel, Council continues to seek clarity on the State Highway 1 and 57 revocation process and is actively participating in a shared operational programme to ensure smooth integration into the wider project.

Legislation

- Māori Wards
- Tolling Proposal for the Ōtaki to North of Levin (Ō2NL) Highway – October 2024

- Term of Parliament (Enabling 4-year Term) – May 2025
- Vocational education and training reform – Mayor Bernie, along with mayors from Palmerston North, Ruapehu, Taranaki, Rangitikei, Manawātū, Masterton and Kāpiti, and Rangitāne o Manawātū made a joint submission on the vocational education and training reform, calling for the restoration and enhancement of UCOL as one of the region's vocational education and training providers.

Central Government Agencies

- Emergency Management Bill – May 2025
- NZTA Waka Kotahi Manawātū-Whanganui proposed Speed Limit Reversals – March 2025
- Commerce Commission Levy for the economic regulation of water services – Jan 2025
- MBIE submission form making it easier to build granny flats – August 2024
- MfE Proposed Amendments to Waste Legislation – May 2025

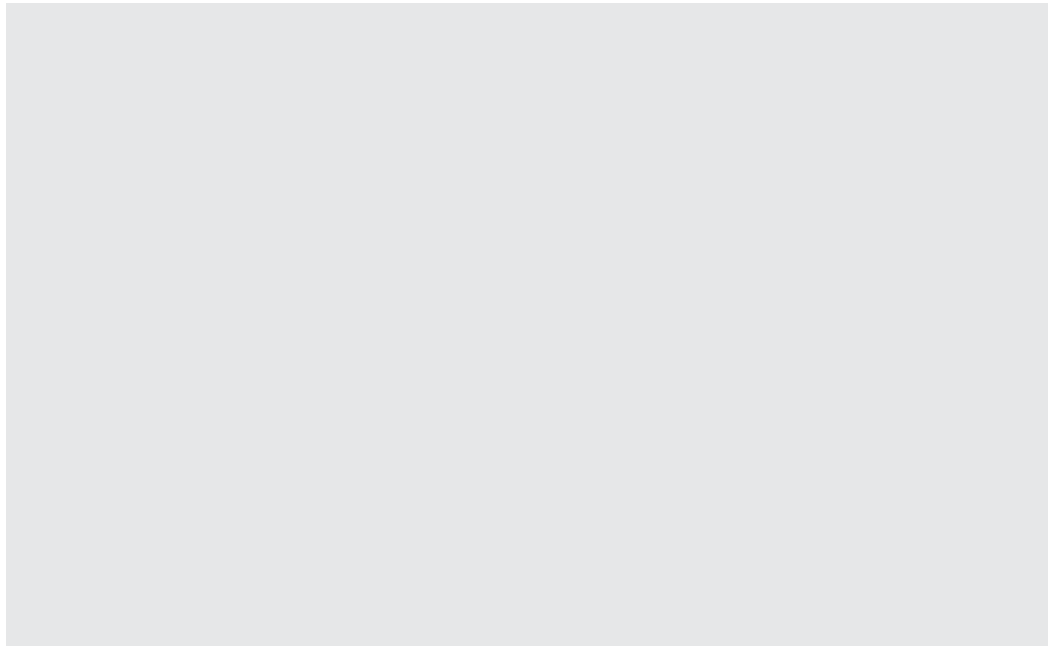
Other Councils

- Greater Wellington Regional Council – Public Transport options – April 2025
- Horizons Regional Council – LTP Amendment re Public Transport – May 2025

CHALLENGES

Resource Management Act (RMA) Changes

The New Zealand Government is proposing to replace the Resource Management Act 1991 (RMA). An Expert Advisory Group was established to prepare a 'blueprint' for the replacement legislation. This 'blueprint' was released in March 2025 and included 21 key recommendations, which Cabinet have since released recommendations on. Cabinet's recommendations give an indication of the likely content of subsequent Bills, which are currently being drafted and are expected to be introduced to the House later



in 2025. Current indications are that the RMA will be repealed and replaced by two acts – the Planning Act and the Natural Environment Act. If passed into law, these will require major changes to resource management planning nationwide – including the replacement of District Plans.

Under the proposed changes, District Plans would be replaced by new regional level planning documents, made up of regional spatial strategies and individual chapters from each territorial authority, among other components. We are closely monitoring the reforms and will continue to factor them into our planning. We also intend to participate in the process, including through submissions, when opportunities arise.

As mentioned above, almost all District Plan Change work must stop in the interim. This may limit Council's ability to respond to resource management issues, including growth, in the short term.

Looking Forward

CENTRAL GOVERNMENT DIRECTION AND REFORMS

The reform programme remains busy, and Council will continue to advocate in our community's interests. There are some key challenges and opportunities ahead. Some of these are set out below.

Local Government reforms

The Government has signalled that a number of pieces of local government reform are coming. A Local Government (Systems Improvement) Amendment Bill has been signalled and is expected to remove the four wellbeings from the Act, and to 'refocus' local government on core services.

Rates capping and changes to development contributions have also been signalled. Further detail about each of these reforms is expected in the next financial year, and before the end of 2025.

Regional and City Deals

Regional and City Deals are a Government initiative to establish long term agreements between

central and local government to promote economic growth, deliver infrastructure and improve the supply of quality housing. The programme aims to unlock funding and resource opportunities to support councils in delivering regional improvements. Each deal will be based on a 30-year vision for the region and a 10-year strategic plan with clear outcomes and actions. Regions for City and Regional Deals can include regional, sub-regional, or other suitable areas as long as they are clearly defined economic and geographic areas with functioning local authorities. Horowhenua is part of the Greater Manawātū City and Regional Deal proposal that was submitted to the Department of Internal Affairs (DIA) in February 2025. The Greater Manawātū City and Regional Deal includes Horowhenua, Manawātū, Palmerston North, Tararua districts, and Horizons Regional Council. The next steps will be dependent on the timing and nature of the response from DIA to this proposal.

Representation and Community Leadership Activity Performance

Service/ Measure	Target	2023/2024 Results	2024/25 Results
Service: Council supports residents and ratepayers to have their views heard and considered in Council decision-making. Measure: Regular opportunities are provided for the community to influence decision-making.	100 opportunities	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✓ ACHIEVED 113 opportunities were provided for the community to influence decision-making.
Service: We are transparent and accountable to the community. Measure: Council agendas are available on the website 2 working days prior to the relevant meeting Council meeting minutes are available on the website 2 working days after the relevant meeting⁶.	≥ 95% of agenda and minutes	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✗ NOT ACHIEVED 100% of Council agendas were available on the website two working days prior to the relevant meeting Council and 81% of Council meeting minutes were available on the website two working days after the relevant meeting. From 42 meetings, 8 were published on the website late.
Service: Develop and deliver strategic projects, plans and corporate documents that achieve or contribute to our Community Outcomes. Measure: Community Outcomes are achieved or contributed to by milestones of strategic projects, plans and corporate documents being met.	100% of milestones	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✓ ACHIEVED 100% of strategic projects, plans and corporate documents developed and delivered contributed to our Community Outcomes. Activating the Levin Town Centre - Council voted to sell the Levin War Memorial Hall and Village Green properties to The Wellington Company Ltd for redevelopment after requesting an additional step to provide iwi partners' further opportunity to assess the proposal. - Preparation of Draft Access and Car Parking Strategy for Levin Town Centre. - Engaged THCL to provide a Retail Transformation strategy and plan. - Work has begun on a 3D digital visualisation of the Levin Town Centre. Annual Plan 2025/26 - Annual Plan budget and consultation approach agreed by Council – 11 Dec 2024. - Annual Plan 2025/26 and Fees and Charges Schedule 2025/26 adopted – 14 May 2025. - Rates set by Council – 25 June 2025. Annual Report 2023/24 - Annual Report Adoption within statutory timeframe – 30 Oct 2024. - Annual Report clean Audit Report received – 30 Oct 2024.

⁶ Council meetings, committee meetings, and Board Meetings.

Service/ Measure	Target	2023/2024 Results	2024/25 Results
			Climate Action Plan - Climate Action Plan adopted – 27 Nov 2024. District Plan Changes - District Plan Changes are on track – namely Plan Change 6A (North West Levin) was notified in April 2025. - The District Planning and Growth steering group confirmed the scope of the 'omnibus' plan change. Foxton and Foxton Beach Community Plan - Foxton Community Plan developed with high level of community engagement; contributing to successful adoption of the Community Plan and a refreshed Foxton Futures Group, with new members engaged in defining the action plan to bring the Community Plan to life. Shannon/Otāuru Community Plan - Shannon/Otāuru Community Plan developed in community-led process, receiving wide response to engagement (18.5% population), presented to a Council Workshop then adopted by Council, in Shannon, on 18 June 2025.

**Representation and Community Leadership Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		149	146	2,535	2,372
Targeted rates		5,940	5,791	2,281	2,454
Subsidies and grants for operating purposes		735	–	954	556
Fees and charges		–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts		4	–	25	5
Internal charges and overheads recovered		–	–	211	47
Total operating funding (A)		6,828	5,937	6,006	5,434
Applications of operating funding					
Payments to staff and suppliers	1	2,051	3,383	4,575	2,754
Finance costs		137	259	231	285
Internal charges and overheads applied		5,281	5,090	2,608	2,713
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		7,469	8,732	7,414	5,752
Surplus (deficit) of operating funding (A–B)		(641)	(2,795)	(1,408)	(318)
Sources of capital funding					
Subsidies and grants for capital expenditure		–	–	–	–
Development and financial contributions		–	–	–	–
Increase (decrease) in debt	2	3,000	5,596	3,623	(1,211)
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		3,000	5,596	3,623	(1,211)

		Actual 2023 \$000	LTP 2021-2041 Y2 \$000	LTPA 2021-2041 Y3 \$000	Actual 2024 \$000
	Note				
Applications of capital funding					
Capital expenditure					
- to meet additional demand		-	-	500	5
- to improve the level of service		-	-	-	-
- to replace existing assets	3	277	2,875	1,500	15
Increase (decrease) in reserves	4	2,081	(74)	215	(1,550)
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		2,359	2,801	2,215	(1,530)
Surplus (deficit) of capital funding (C-D)		641	2,795	1,408	318
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation					
		-	-	54	-

Notes:

1. Mainly savings identified in professional services costs related to District Plan.
2. Increase in debt is lower than expected due to less capital expenditure.
3. Capital expenditure is lower than budget due to the Levin Town Centre Strategy activation projects having not yet commenced. Unspent funds is proposed to be carried forward to 2025/26, pending a decision by Council on current opportunities associated with the Levin Town Centre programme.
4. Increase in reserve is higher due to less operational expenditure.

	Internal \$000
Loans	
Loans as at 01/07/2024	6,047
Raised during year	20
Repaid during year	(1,232)
Loans as at 30/06/2025	4,836
Interest expense	
	285



Community Support Te Tautāwhi i te Hapori

WHAKATAUKI

Mahia i runga i te rangimārie
me te ngākau māhaki
With a peaceful mind and
respectful heart, we will
always get the best results

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



**Strong
Communities**



**Vibrant
Economy**



**Partnership
with
Tangata Whenua**



**Outstanding
Environment**

Description of activity

The Community Support Activity is made up of a number of sub-activities which aim to provide for the Community's social and economic wellbeing.

The Community Support Activities includes the following:

- Emergency Management
- Community Development
- Visitor Information
- Destination Management
- Economic Development
- Communications and Engagement

What the activity involves

EMERGENCY MANAGEMENT

The Emergency Management Activity aims to ensure the Horowhenua District is ready for, and able to respond to, emergencies or natural hazards that may cause loss of life, injury, or illness.

What it involves

- Facilitating community resilience and emergency preparedness planning with external agencies and community groups through the Manawatū-Whanganui Emergency Management Group and the Horowhenua Emergency Management Committee. This includes identifying hazards and developing and implementing measures to minimise impacts (reduction).
- Readiness plans are in place and that the Community is aware of the 'hazardscape' and is prepared.
- Engaging with, and educating, our community about 'Being Prepared' (readiness).
- Providing a fully functional Emergency Operating Centre (EOC) to co-ordinate response activities during an emergency. Ensuring critical services can be provided during and after an emergency (response).
- Co-ordination of recovery activities (recovery).
- Being an active member of the Manawatū-Whanganui Civil Defence Emergency Management Group.

COMMUNITY DEVELOPMENT

The Community Development Activity aims to enhance community wellbeing within the Horowhenua District, to improve Council's cultural competency and community empowerment. This function focuses on fostering a sense of belonging, encouraging civic participation, and nurturing social cohesion. By implementing programmes that address local needs and aspirations, we promote an inclusive and thriving community spirit.

What it involves

- Deliver on the Horowhenua Community Wellbeing Strategy Hāpori (He Hāpori Pakari | Strong Communities).
- Support and implement the Community Wellbeing Strategy Action Plan.
- Support community-led development within the Community to help the community respond to local needs.
- Facilitate and enable the following community networks to be meaningful and effective in their delivery and grassroots community engagement:
 - Access and Inclusion
 - Youth Services
 - Youth Voice
 - Older Persons
 - Education Horowhenua
 - Horowhenua Former Refugee Support Committee and Welcoming Communities
- Advocate on behalf of the Community for better health, safety, housing and social belonging outcomes through the Community Wellbeing Committee.
- Facilitate a Community Capacity Building Programme: provide free or subsidised training to the not-for-profit sector and the wider community with the aim to increase their ability to respond to the community's needs.

- Provide funding support for local Surf Life Saving, Waitāre and Foxton Beach Wardens, Neighbourhood Safety providers, Neighbourhood Support and other contracted community services.
- Provide the following contestable grant schemes:
 - Youth Empowerment Fund
 - Climate Action Fund
 - Community Events and Programme Fund
 - Operations and Small Assets Fund
 - Horowhenua Rural Halls Fund
 - Waste Minimisation Fund
 - Urupā Whānau Maintenance Fund
- Provide administrative support to externally funded contestable grant schemes:
 - Creative Communities New Zealand Scheme
 - Shannon Community Development Trust

Cultural Outcomes

- Create and support implementation of Council's Iwi/Hapū Relationships Framework.
- Facilitate and support Officers to be equipped in Tikanga and Te Ao Māori.
- Enable opportunities for the community to celebrate our diverse cultures.
- Assist with the development of tikanga-led protocols and processes for Council.

VISITOR INFORMATION

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

What it involves

- Domestic travel and accommodation bookings.
- Horowhenua attractions, activities and accommodation bookings.
- Local regional and national visitor information, travel maps and resources.

- Working partnerships with local tourism providers and operators to promote local experiences.

DESTINATION MANAGEMENT

Destination Horowhenua works to sustainably grow tourism so that our community benefits first. The Destination Management Activity supports local businesses and jobs, enhances community pride and sense of place, protects and shares our natural and cultural heritage, and contributes to a thriving local economy that aligns with Council's priorities.

What it involves

- Drive sustainable visitor growth to our district.
- Build Local Tourism Capability.
- Provide strategic direction, coordinate and implement Destination Management and Development efforts.
- Create resources and facilitate collaboration between Council, Businesses, Iwi/Hapū and Community.
- Identify, grow and diversify key visitor markets.
- Attract Major Events to our district.
- Maintain, grow and optimise destination Horowhenua NZ digital channels and marketing efforts:
 - www.horowhenuanz.co.nz
 - <https://www.facebook.com/HorowhenuaNZ/>
 - <https://www.instagram.com/horowhenuanz/>

ECONOMIC DEVELOPMENT

The purpose of the Economic Development Activity is to facilitate economic growth to support improved social and economic wellbeing in the Horowhenua District.

What it involves

- The District is poised for significant change and has the opportunity to considerably advance its economic wellbeing and prosperity. This will require quality leadership and decision

making, as well as, coordinated action with businesses and the wider community to take advantage of available opportunities and investment in our district.

- On behalf of Council, The Horowhenua Company Limited (THCL) provide business support and advice to local businesses, support Iwi and Māori economic development, inward investment, training opportunities, communications and economic data. All these services are designed to promote local businesses and attract people to our retail areas and attracting a more diverse range of businesses.

COMMUNICATIONS AND ENGAGEMENT

The Communications and Engagement Activity develops and grows the connection between community and Council, in a bid to show the value Council provides and in turn building trust and confidence in the organisation.

What it involves

- Monitor, update and create relevant content for Council's social media channels.
- Respond and provide information to media outlets.
- Ensure internal Officers and Elected Members are kept up to date with what Council is doing.
- Produce and distribute Council publications (e.g. media releases, Community Connection, public notices, Antenno updates and strategies).
- Define and deliver Council's content strategies.
- Oversee, maintain and optimise Council's websites:
 - www.horowhenua.govt.nz
 - www.teawahou.com
 - www.tetakere.org.nz
 - www.aquatics.horowhenua.govt.nz
- Lead the delivery of community engagement initiatives via www.letskorero.horowhenua.govt.nz.

- Lead Public Information Management for Civil Defence Emergency Management.

How our work delivers on community wellbeing

SOCIAL WELLBEING

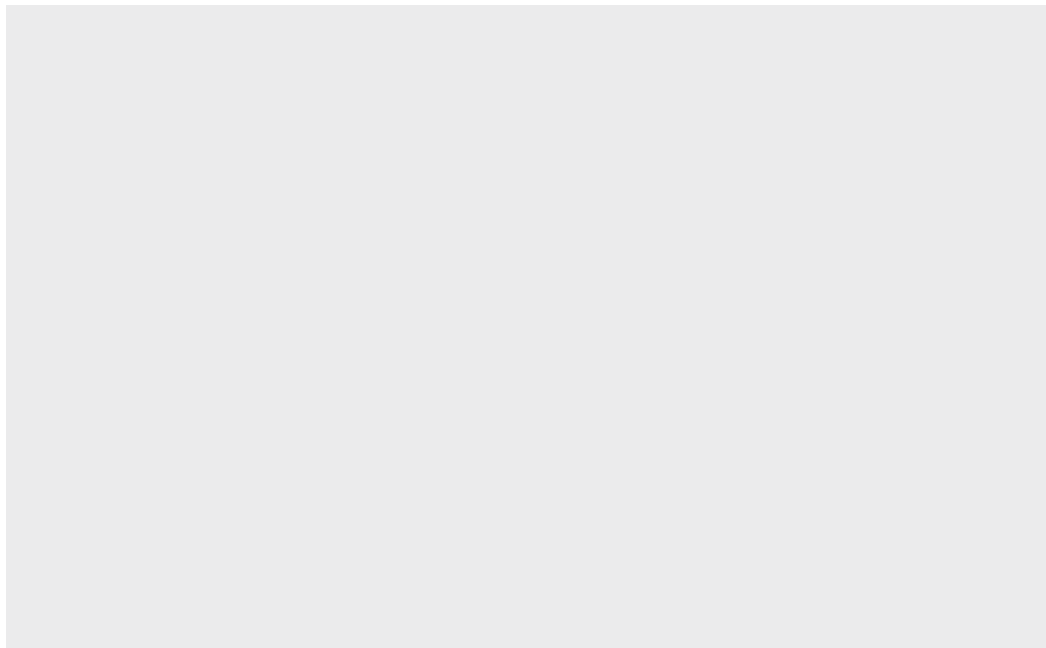
Council continues to engage and connect with its community through a range of campaigns and channels, including Let's Kōrero (our community engagement platform), Citizens' Panels, the delivery of our Strategic Communications Framework and an always on multi-channel media strategy.

Council continues to invest in promoting Horowhenua as a visitor destination, building on the foundations laid through its refreshed destination brand. This year, our focus on digital marketing, storytelling, and visitor information has driven strong growth across key channels. From July 2024 to June 2025, the website had 148,557 views, 99,242 sessions, from 82,739 active users, with an engagement rate of 60.36%.

The average monthly domestic visitor population remains strong for Horowhenua, with domestic tourism electronic card spend reaching \$116.3 million in the year to March 2025. International visitor spend totalled \$7.48 million, accounting for around 6% of overall tracked spend. Wellington and the wider Manawātū-Whanganui region, were our district's top domestic markets, reflecting our district's appeal as a convenient, driveable destination.

Horowhenua NZ Facebook visits increased by 42% year-on-year to 14,341, while Instagram visits rose by 64.1% to 919. Facebook reach (impressions) climbed 37.1% to 3.23 million, and Instagram reach saw a modest 1.3% lift to 86,595. Follower growth remained strong, with Facebook up 16.1% to 5,172 and Instagram up 10.9% to 1,167.

Council's aim is to continue to listen to its community, understand them and their needs, and engage with them in channels that resonate.



Council's strong support for community has a positive impact on building robust communities and improving community wellbeing.

Sector network meetings coordinated and facilitated by Council continue to attract good membership and participation. The networks are effective as the conduit for information between members and Council.

Council facilities, community hubs and online platforms provide a place for Council to undertake Community Capacity Building Programmes that build resilience and capability for not-for-profit organisations, and community groups ensures we have a community with a diversity of skills and experience and helps provide extra support to organisations in the governance and operational challenges they are facing.

ECONOMIC WELLBEING

Horowhenua's economic development agency has actively engaged with businesses and other community partners to

solve business problems and to support business growth and development, ultimately improving economic wellbeing. This includes a comprehensive set of investment attraction activity, which has resulted in the relocation and establishment of a range of new businesses, creating exciting new jobs and opportunities for local suppliers. In addition, regular business networking and local initiatives to improve labour market outcomes have continued throughout the year, ensuring the Horowhenua business community is connected to the latest data, insights and economic analysis.

Council has delivered programmes, forums and provided support that has impacted positively across Horowhenua's economic wellbeing. This has included but is not limited to development forums, destination management workshops, promoting Horowhenua at exhibitions, supporting community-driven initiatives and events, and the provision of data and information to support investment decision making.

CULTURAL WELLBEING

To support cultural wellbeing, Council provides a Community Events and Programmes Grant and administers a Central Government fund, Creative Communities NZ. These funds enable a wide range of art, culture and heritage projects and programmes that contribute to a rich vibrant community growing a sense of pride by the creators, artists and community. Council actively encourages people to uptake the grants and supports community participation in diverse outcomes. Funded by Chorus, Council also administers a Chorus Cabinet beautification programme where artists are selected to bring their art to the streets by painting a Chorus cabinet in the rohe (district).

Council supports a wide range of community-led events by encouraging shared local visions, offering event management advice, introducing collaborations and providing event support up to the event and on the day. This has proven to be extremely effective in growing strong relationships between community groups and Council.

LONG TERM PLAN ACTIVITY INSIGHTS

What we planned	What we did
RENEWALS	
10 x Laptops for Emergency Operations Centre	Extra laptops have been purchased to increase capability and resilience in our Emergency Operations Centre (EOC).
10 x Tablets for needs assessments	Tablets purchased to enable Needs Assessments during emergency events.
2 x HDMI TVs including Mobile Trolleys	These TVs and Stands have been purchased to increase capability and resilience in our Emergency Operations Centre.
Portable Water Storage Bladders	Twenty-four 4,000-litre water tanks have been delivered to strengthen community resilience by providing an emergency backup supply should regular water sources be disrupted.
RENEWALS	
Website Development	We Delivered the Te Takeretanga o Kura-hapu-pō website refresh https://www.tetakeretangaokura-hau-po.org.nz/Home

Successes

EMERGENCY MANAGEMENT

As result of Long Term Plan 2024-2044 (LTP) Funding, Council Officers have been working with the Emergency Management Team to procure equipment to increase capability and resilience in our Emergency Operations Centre (EOC) and out in the field, as well as communications resilience in emergency events. Extra laptops have been purchased for EOC deployment along with Tablets which will enable Needs Assessments to be undertaken out in the community in response to disasters and emergency events. Officers are currently working through the process to purchase Starlink devices that will be able to be deployed to provide connectivity for our communities during such events where normal communications are unavailable. Twenty-four x 4,000 litre water tanks have been delivered as part of our LTP funded Emergency Water Supply Resilience project. These have been deemed the most suitable assets to support our communities should regular water supplies be affected both in emergencies or business as usual disruptions.

Weather event 8 April 2025

The importance of being prepared for an emergency event was emphasised on 8 April 2025 when a mini tornado hit Levin, bringing down trees, damaging utility lines, and lifting roofs and fences. This event necessitated activation of the Horowhenua Emergency Management Centre (EOC), who immediately jumped in to assess the situation and open communication lines to keep the community updated. Council officers worked alongside other organisations and community members to deal with the aftereffects which included arranging for clean-ups, setting up support for the community through a welfare support centre, and picking up displaced animals. The Mayor activated the Mayoral Relief Fund to assist those experiencing hardship as a result of the event, and in addition, Officers have been working with neighbours of our properties, or their insurance companies, where fencing was damaged to replace fencing with each side paying its 50% share.

Council continued to invest in day-to-day readiness, ensuring Council Officers are trained, resourced, and confident in their roles within the Emergency Operations Centre and in the field. This included regular exercises, inter-agency collaboration, and capability development to strengthen our ability to respond effectively to future events.

COMMUNITY DEVELOPMENT

Community Wellbeing Strategy He Hāpori Pakari, Strong Communities

He Hāpori Pakari Strong Communities | Community Wellbeing Strategy was adopted by Council on 12 June 2024, and since then, Council Officers had been working hard in the background to prepare the organisation for how their mahi (work) will contribute to delivering on the priorities and actions of the Strategy. This background work included laying the foundations to allow various Council teams to deliver but also work on the reporting framework to keep ourselves accountable on delivering on our actions. By 30 June 2025, most of the actions identified for Year 1 of the Strategy's Action Plan were either completed or on track to be completed.

Our Strategy's overall vision is for Horowhenua to be a safe, vibrant, inclusive and connected community. We unite people, partnerships, and place, leveraging our collective experience and skills to foster unity and enhance the wellbeing of our entire community. Council's Community Wellbeing Committee holds responsibility for ensuring that the Strategy is delivered accordingly.

Youth Voice

Youth Voice is going from strength to strength, growing in both size and diversity as they work to reflect the rangatahi of our district. This year, the group made a powerful impression at a Council meeting, presenting in support of their submission on the future of Levin Memorial Hall and Village Green – bringing a fresh youth perspective to the conversation. They also made their voices heard at a regional level, submitting on the Horizons Long Term Plan amendment to advocate for improved public transport in Horowhenua.

Grants

Council offers a range of grants to support community groups, events, and initiatives that strengthen and connect our district. This includes funding for one-off events, educational programmes, arts and cultural projects, waste minimisation initiatives, rural hall improvements, and support for young people through the Youth Empowerment Fund. The Community Events and Programmes Fund and Creative Communities Fund are offered twice a year, while other funds like the Operations & Small Assets Fund, Shannon Community Development Trust, and Major Events Fund are available annually or year-round. For those facing exceptional circumstances, the Mayoral Relief Fund is also available. Whether running a local event, launching a creative project, or improving community spaces, there's funding available to help bring these ideas to life. Council's Community Development Team also held drop-in sessions to help guide people through the process and help them find the right fund for their needs.

VISITOR INFORMATION AND DESTINATION MANAGEMENT

Levin and Foxton i-SITE services are delivered by Council, from Council run facilities.

Throughout the 2024/25 financial year, our Destination Management team delivered a dynamic and well-

rounded programme of activity designed to strengthen our district's profile, support the local tourism sector, and drive visitor engagement. Starting in August 2024, we welcomed a dedicated Destination Management Lead, kicked off key recruitment for the advisory group, and saw strong momentum across our digital campaigns – including a standout glamping blog that alone generated over 2,300 website views. The Strategy was endorsed by Council and presented to The Horowhenua Company Ltd to get their feedback and shape future direction, while ongoing enhancements to the Horowhenua website and digital content contributed to a 50% rise in new users. Participation in events such as the Taste Horowhenua-Kāpiti event at Parliament further strengthened industry relationships, and the launch of several new blogs and the 'What's On' Event Guide supported continued digital visibility.

Over the following months, momentum continued to build. Campaigns from October 2024 through February 2025 drove tens of thousands of website views, with a consistent majority of users arriving via paid social and search. Council conducted surveys and hosted a visitor sector hui to gather stakeholder insights, which identified both strengths and opportunities in the tourism sector. Content-led engagement remained strong, particularly with blogs such as 'Kiwi Camping' and 'Accommodation that Inspires'. The first printed Horowhenua NZ visitor map launched with high demand from local businesses, and a major business capability workshop in May 2025 produced a robust list of aspirational sector actions – which included the desire for better collaboration from the industry, the establishment of famils (a hosted visit/tour to experience a destination) and the need for additional sector resources. Strategic collaboration also deepened, with strong connections

made through TRENZ, New Zealand's biggest tourism industry event, and cross-regional initiatives now in development. Council staff worked closely with tourism strategists on a refreshed Destination Management Plan to ensure it reflects current opportunities and challenges, and supports a more connected, coordinated and future-focused visitor economy. Together, these efforts have strengthened our digital presence, supported sector capability, and laid the groundwork for continued growth in the year ahead.

ECONOMIC DEVELOPMENT

Council's contracted economic development service provider, The Horowhenua Company Ltd (THCL), engaged the community through various organised events and workshops. These include facilitating or coordinating the Electra Business After Five Events, Women in Business Networking Luncheon, Retailers and Business Drop-in sessions in Foxton. They also featured numerous posts covering a range of topics including the Tim Costley's Parliamentary Taste Horowhenua-Kāpiti event, Electra BAS, RBP funding for accounting, Carters' opening, Nuivaka Trust, and various other relevant stories.

These engagements are designed to foster business development and connections within the Horowhenua district.

THCL lead the development of proposals to Kanoa for the Levin Transport Hub and Foxton River Loop to test the fit with the Regional Infrastructure Fund, seeking to bring additional investment funding into district.

Support to the Foxton Futures Community Plan through the Foxton Futures Group to help establish the plan for the community that aligns the aspirations (including business and economic aspirations and opportunities) for the Foxton and Foxton Beach community.

Contribution to the Levin Town Centre Transformation through the Levin Town Centre Reference Group,

providing valuable insights to help shape the next moves in the timing of the Transformation programme.

Futures Day organised and hosted for local Year 10 students, providing them with insights and exposure to potential local career pathways and opportunities.

Work during this financial year was also focused on developing the Horowhenua Economic Development Strategy 2025-2035. Working to obtain input from business leaders, Te Tūmatahūki and Muaūpoko Tribal Authority to prepare the Strategy. The Strategy capturing the vision outlining the key focus areas for economic development over the next 10 years was adopted by Council on 25 June 2025.

A section 17A service Delivery Review for economic development services was completed in December 2024, following an independent review undertaken by Martin Jenkins. The report identified a series of recommendations, which Council deliberated on before deciding to continue with the enhanced version of the current service delivery model. A new three-year contract with The Horowhenua Company Limited will commence 1 July 2025.

Focus for the new financial year will be working together with THCL, to commence implementing the Strategy and delivering on the new contract.

COMMUNICATIONS AND ENGAGEMENT

- Implemented the Strategic Communications and Engagement Framework and always on media strategy, which grew engagement, community participation in decision-making and reach across key communications channels.
- Engaged the community in shaping the Draft Foxton and Foxton Beach Community Plan.
- Promoted and supported events like the Future Pathways Expo and the Chorus Arts programme to involve local artists.

- Kept the community informed about key decisions, including Council's decision to keep Māori Wards, and encouraged eligible ratepayers to apply for Rates Rebates.
- Continued roll-out of the Strategic Communications Framework, covering climate action, water conservation, and community events through mixed channels (radio, digital billboards, print, social media).
- Launched the Te Takeretanga o Kura-hau-pō website refresh.
- Delivered strong community consultation on the Levin War Memorial Hall (over 300 submissions) and launched the Local Waters Done Well consultation with a comprehensive multi-channel approach.

Challenges

VISITOR INFORMATION AND DESTINATION MANAGEMENT

- The start-up nature of the destination management function itself: building trust, systems and relationships from scratch while still needing to deliver visible outcomes early.
- Constantly balancing encouraging visitation with protecting Horowhenua's environment, heritage and community character, which requires ongoing care and engagement.
- Limited resourcing and capacity, meaning careful choices between strategy work, stakeholder engagement, content creation and marketing.
- Bringing together diverse aspirations from Iwi and Hapū, local businesses, community groups, Council teams and regional or national partners, which adds complexity and requires sustained relationship building.
- Shifting policy and economic settings, including changes at central government level and cost-of-living pressures affecting domestic travel, making it important to stay agile and responsive

- Community sentiment, as growing broad support in a district where tourism is still emerging takes clear storytelling and transparency about local benefits.
- Gaps in robust, localised visitor data, which can make it harder to measure impact and tell the full story of our progress.

ECONOMIC DEVELOPMENT

The financial uncertainty surrounding Ōtaki to North of Levin (Ō2NL) and whether it would be constructed made it difficult to explore, understand and commit with confidence to the economic development opportunities associated with Ō2NL until there was more certainty.

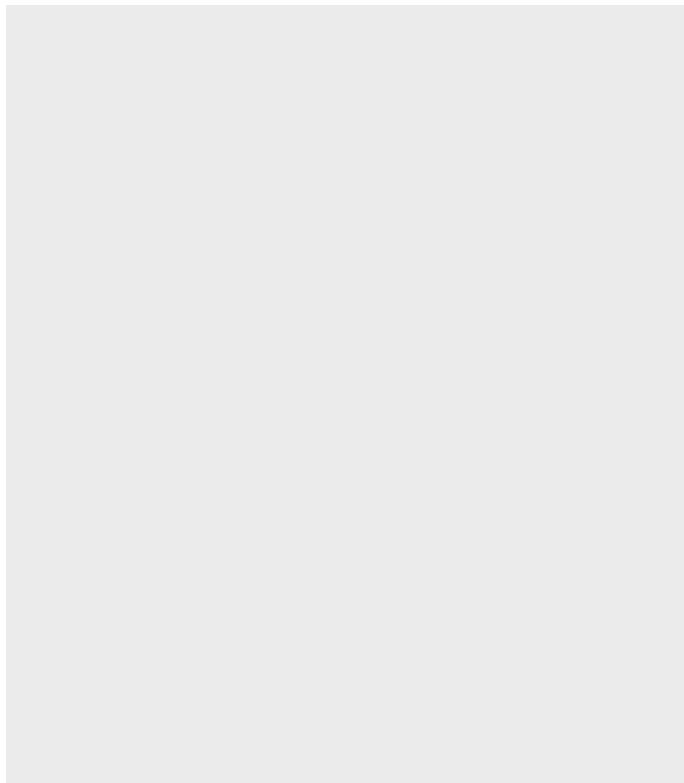
Engagement with Iwi on economic development aspirations has been challenging with capacity of iwi stretched across other key projects in our district such as Ō2NL.

Continued ongoing engagement with Iwi will be a key part of developing the Māori/Iwi Development Plan.

Completing the section 17A Review during this year, reduced the longer term certainty for those delivering the contract until the outcome of the section 17A Review process was confirmed. With Council making the decision in December 2024, not all of the recommended improvements were able to be worked through before the end of the financial year.

COMMUNICATIONS AND ENGAGEMENT

- Managing large volumes of community feedback through social and other media on complex topics like the Levin War Memorial Hall and Local Waters, requiring significant time and resource.
- Balancing multiple concurrent projects and campaigns (e.g., website refresh, consultations, events) while ensuring consistent quality and engagement.
- Navigating a rapidly changing national context and shifting central government policy direction on water reform, which meant needing to adapt messaging quickly.



ECONOMIC DEVELOPMENT

The updated Economic Development Strategy was prepared and adopted by Council in May 2024. The Strategy identifies a range of actions and initiatives, some of which were underway already and others that are yet to start. The implementation of the Strategy and the actions and initiatives within it, will continue to be a focus in the new financial year.

In preparing the Economic Development Strategy, engagement with Iwi identified the desire to develop a Māori/Iwi Development Plan, while the engagement undertaken has provided the platform for this work, the development of the Plan would be a focus in the new financial year.

Not all recommendations from the Section 17A Review were able to be implemented before the end of the financial year. Continued work on these recommendations will be a focus for the new financial year.

COMMUNICATIONS AND ENGAGEMENT

- Running consultation and engagement within tight timeframes to meet legislative and project deadlines, while still aiming to provide clear, balanced information to the community.
- Navigating the evolving expectations around multi-channel communications, needing continuous optimisation to maintain reach and relevance.
- Deepening partnerships with Iwi and Hapū to ensure cultural stories, sites and values are reflected and respected in all visitor-facing work.
- Growing industry capability and connection through workshops, networking events and regular stakeholder updates.
- Strengthening the link between destination management and broader community outcomes like economic resilience, environmental stewardship and cultural wellbeing.
- Refreshing and improving visitor experiences, infrastructure, signage and wayfinding to create a more welcoming and consistent experience.
- Expanding seasonal and thematic campaigns to help manage demand and spread visitor benefits throughout the year.
- Continued roll out of the refreshed Strategic Communications Framework. Fully shifting from a largely reactive model to a proactive, planned programme of storytelling about Council work, people and community impact.
- Developing and rolling out the Council Officer storytelling video and photo series to help humanise Council work and attract talent.
- Growing our use of data and analytics to measure what content works, refine strategy and better report on our impact.
- Deepening engagement with harder-to-reach groups in the community, including young people, rangatahi, Māori and minority communities.

Looking Forward

VISITOR INFORMATION AND DESTINATION MANAGEMENT

- Completing and launching the Destination Management Plan, including weaving in Iwi and Hapū aspirations and aligning with wider council strategies and community plans.
- Establishing an ongoing programme of visitor research and data collection to better measure impact, track trends and inform decision-making.

Community Support Activity Performance

Service/ Measure	Target	2023/2024 Results	2024/25 Results
Service: The community is supported to be prepared for an emergency. Measure: Staff are trained and ready to respond and support the community in an emergency.	80% of full-time staff completed Integrated Training Framework Foundation within 6 months of commencing. 50% of full-time staff completed Integrated Training Framework Intermediate within 1 year of commencing	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process..	✓ ACHIEVED As this is a new measure, a baseline was created in 2024/25 to allow for reporting at the end of the 2025/26 financial year. Baseline for 2025/26: 65 new Full Time (FT) staff joined the organisation between 1 July 2024 and 30 June 2025. Below are the stats of how our 65 new FT employees' training are progressing: • 59 (90.76%) have completed CDEM Induction • 45 (69.2%) have completed the Foundation course • 22 (33.85%) have completed the Intermediate course within 1 year of commencing. • 45 (69.23%) staff have attended Function courses.
Service: We are able to continue to operate during high impact emergency events. Measure: Complete a comprehensive Emergency Operations Centre (EOC) capability audit every two years to ensure compliance with the Civil Defence Emergency Management (CDEM) Act 2002.	An audit is conducted every two years	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process. A similar measure for 2023/24 was that the Council maintains a functional EOC. Thus, that Council's EOC (and alternates) are fully functional and meet the requirements of the CDEM Act 2002. This measure was marked as achieved during the 2023/24 financial year noting that EOC arrangements will be independently audited bi-annually to ensure they remain fit for purpose, and that the next audit will be undertaken in 2025.	✓ ACHIEVED A comprehensive Emergency Operations Centre (EOC) capability audit was carried out in May 2025 by Toa Consulting. The EOC Audit Report was received from Toa Consulting in June 2025. The report was complimentary of the EOC Capability noting that "Horowhenua District Council is well set up to manage and coordinate emergencies in their district".
Service: Community organisations to ensure transparency regarding the allocation of Council-provided financial support. Measure: Community organisations receiving funds for essential services to fulfil monitoring and reporting obligations.	100%	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✗ NOT ACHIEVED None of the community organisations receiving funds for essential services fulfilled monitoring and reporting obligations. Reports were due on 31 July 2025, the due date falling within the new financial year. Going forward, the due date for reporting will be set for 30 June to allow for reporting on this SSP.

Service/ Measure	Target	2023/2024 Results	2024/25 Results																					
Service: 2024/25: Collaboration with and advocacy (including business development and new business investment in the Horowhenua District) for all sectors of local business. 2023/24: Council advocates for and facilitates business development and new business investment in the Horowhenua District. Measure: Percent of District's Businesses that are satisfied, or more than satisfied, with Council's support to local businesses and overall performance in the Economic Development activity.	≥ 75%	✗ NOT ACHIEVED The Annual Customer Satisfaction Survey result was 42%.	✗ NOT ACHIEVED The Annual Customer Satisfaction Survey result showed that 43% of the District's Businesses were satisfied, or more than satisfied, with Council's support to local businesses and overall performance in the Economic Development activity. <table><tr><th>Results</th><th>2024/25</th><th>2023/24</th></tr><tr><td>Very satisfied</td><td>2</td><td>5</td></tr><tr><td>Satisfied</td><td>17</td><td>13</td></tr><tr><td>Neutral</td><td>22</td><td>31</td></tr><tr><td>Unsatisfied</td><td>3</td><td>5</td></tr><tr><td>Very unsatisfied</td><td>0</td><td>1</td></tr><tr><td>Total</td><td>44</td><td>55</td></tr></table> There is a large number of respondents who opted for neutral. The number of respondents who opted for unsatisfied or very unsatisfied improved from a total of 6 last year to 3 for this financial year.	Results	2024/25	2023/24	Very satisfied	2	5	Satisfied	17	13	Neutral	22	31	Unsatisfied	3	5	Very unsatisfied	0	1	Total	44	55
Results	2024/25	2023/24																						
Very satisfied	2	5																						
Satisfied	17	13																						
Neutral	22	31																						
Unsatisfied	3	5																						
Very unsatisfied	0	1																						
Total	44	55																						
Service: Providing opportunities for local businesses and the local community to understand business support and economic development initiatives available. Measure: Number of opportunities provided by Council.	≥ 30	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✓ ACHIEVED 170 opportunities for local businesses and the local community to understand business support and economic development initiatives available, were provided by Council. This is made up of 24 events and 146 communication posts (website news or other).																					

**Community Support Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025**

	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		2,965	2,891	3,733	3,742
Targeted rates		–	–	500	500
Subsidies and grants for operating purposes		577	35	360	320
Fees and charges		–	–	38	2
Local authorities fuel tax, fines, infringement fees, and other receipts		6	(35)	3	38
Internal charges and overheads recovered		(54)	–	–	163
Total operating funding (A)		3,494	2,891	4,634	4,765
Applications of operating funding					
Payments to staff and suppliers	1	1,798	1,808	3,176	2,467
Finance costs		(2)	–	(1)	2
Internal charges and overheads applied		1,310	1,363	1,439	1,572
Other operating funding applications		–	–	–	–
Total applications of operating funding (B)		3,106	3,171	4,614	4,040
Surplus (deficit) of operating funding (A–B)		388	(280)	20	724
Sources of capital funding					
Subsidies and grants for capital expenditure		(5)	–	–	–
Development and financial contributions		–	–	–	–
Increase (decrease) in debt		72	18	(54)	(67)
Gross proceeds from sale of assets		–	–	–	–
Lump sum contributions		–	–	–	–
Other dedicated capital funding		–	–	–	–
Total sources of capital funding (C)		67	18	(54)	(67)

		Actual 2023 \$000	LTP 2021-2041 Y2 \$000	LTPA 2021-2041 Y3 \$000	Actual 2024 \$000
	Note				
Applications of capital funding					
Capital expenditure					
- to meet additional demand		27	-	7	3
- to improve the level of service		-	-	10	38
- to replace existing assets		5	26	52	23
Increase (decrease) in reserves	2	423	(288)	(103)	593
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		455	(262)	(34)	658
Surplus (deficit) of capital funding (C-D)		(388)	280	(20)	(724)
Funding balance ((A-B)+(C-D))					
		-	-	-	-
Depreciation		3	9	20	9

Notes:

1. Mainly savings identified in professional services costs related to District Plan.
2. Increase in debt is lower than expected due to less capital expenditure.
3. Capital expenditure is lower than budget due to the Levin Town Centre Strategy activation projects having not yet commenced. Unspent funds is proposed to be carried forward to 2025/26, pending a decision by Council on current opportunities associated with the Levin Town Centre programme.
4. Increase in reserve is higher due to less operational expenditure.

	Internal \$000
Loans	
Loans as at 01/07/2024	34
Raised during year	53
Repaid during year	(120)
Loans as at 30/06/2025	(33)
Interest expense	
	2



Regulatory Services Ngā Ratonga Whakariterite ā-Ture

WHAKATAUKĪ

I orea te tuatara
ka patu ki waho

A problem is solved by
continuing to find solutions.

THIS ACTIVITY CONTRIBUTED TO THE FOLLOWING COMMUNITY OUTCOMES



**Strong
Communities**



**Vibrant
Economy**



**Outstanding
Environment**

Description of activity

The Regulatory Services Activity provides advice, consenting services, assessment, education, compliance and enforcement. These Activities aim to protect the health and safety of our Community and the environment they live within.

The Regulatory Services Activity includes the following sub-activities:

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

What the activity involves

RESOURCE CONSENTING

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

What it involves

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

BUILDING CONSENTING

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

What it involves

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

ENVIRONMENT HEALTH

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

What it involves

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

FOOD AND ALCOHOL LICENSING

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

What it involves

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

PARKING ENFORCEMENT

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

What it involves

- Enforcing the parking requirements for mobility car parks, metered parking, time restricted parking, and illegal parking, including issuing infringement notices for non-compliances.
- Monitoring and enforcement of expired vehicle registrations, certificates of fitness and warrants of fitness.
- Monitoring of unauthorised parking on taxi stands, loading zones, broken yellow lines, double parking, parking on the footpath, bus stops, or inconsiderate parking.
- Monitoring and enforcement of the parking control measures specified in Council's Land Transport Bylaw of 2017 and 2024 (effective from 1 November 2024) and relevant legislation.

BUILDING COMPLIANCE

The Building Compliance Activity aims to support the Building Consenting Activity and protect health and safety by ensuring buildings in the Horowhenua meet legislative requirements and that the Community is complying with the Building Act requirements.

What it involves

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

- Ensuring Building Warrants of Fitness (BWOs) are renewed and are accurate.
- Providing information and advice to customers on licensing requirements.

RESOURCE MANAGEMENT COMPLIANCE

The Resource Management Compliance Activity aims to support Council's Resource Consenting Activity and the sustainable management of the environment by ensuring compliance with the Resource Management Act 1991, the Operative District Plan and resource consent conditions.

What it involves

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

ANIMAL CONTROL

The Animal Control Activity aims to implement, and enforce, legislation and Council bylaws related to dogs and animals to improve public safety by mitigating the risk of harm, injury, or nuisance in our community.

What it involves

- Maintaining a register of dogs in our District.
- Patrolling our District for animal nuisances.
- Responding to complaints about dogs and livestock.
- Providing impounding facilities for dogs and livestock.
- Educating the public on the responsibilities of dog ownership.
- Re-homing or euthanising unclaimed animals.

- Enforcement of Council's bylaws related to Animal Control – Dog Control Bylaw 2015, Animal Nuisance and the Keeping of Pigs, Poultry and Bees Bylaw 2014 and Land Transport Bylaw 2024 (Part 2 – Stock Control and Movement). Enforcement of relevant legislation – Dog Control Act 1996 and Impounding Act 1955.

GENERAL REGULATORY SERVICES

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

What it involves

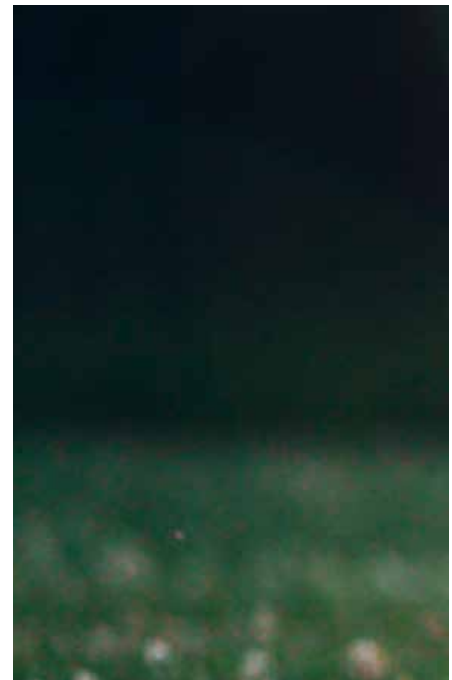
- Review, develop and/or input to and relevant bylaws and policies.
- Respond to general noise complaints and take appropriate action.
- Respond to complaints regarding vehicles reported as being abandoned in public places and take appropriate action.
- Permitting and inspection of amusement device.
- Respond to general bylaw complaints.
- Inspecting registered camping grounds, funeral directors, and hairdressing premises to ensure compliance with relevant regulations and legislation.
- Investigating health nuisance complaints and carrying out enforcement action when appropriate.

How our work delivers on community wellbeing

SOCIAL WELLBEING

Continued delivery of all relevant services in relation to legislation, policies and bylaws contributes to the health and safety of the community.

Close engagement with key stakeholders when reviewing bylaws and policies ensures community input into local decisions.



ENVIRONMENTAL WELLBEING

Providing services in alignment with relevant legislation, policies, and bylaws helps safeguard the wellbeing of the community. Meaningful engagement with stakeholders during reviews supports informed local decision-making and reflects community views.

ECONOMIC WELLBEING

Timely and efficient delivery of services within statutory time limits ensures that regulatory processes are not an impediment to economic progress whilst at the same time ensuring that due process is applied correctly.

CULTURAL WELLBEING

Consenting processes ensure that community facilities and infrastructure are built resiliently to combat climate change and natural hazards.



Successes

- **Bylaw reviews:** This financial year, Council completed reviews of the Land Transport Bylaw, the Public Places Bylaw, and the Dog Control Policy and Bylaw. These reviews provided an important opportunity to ensure our regulatory frameworks remain relevant, fair, and reflective of community expectations.
- A strong level of public engagement was achieved across all three reviews, with many individuals and organisations taking the time to provide feedback. Council facilitated a transparent and inclusive process by managing public hearings and enabling submitters to speak directly to their submissions. This ensured that community voices were not only heard but meaningfully considered in shaping the final decisions.
- **Community-centric approach:** The processes highlighted Council's commitment to a community-centric approach, valuing diverse perspectives, listening carefully, and making decisions that balance safety, accessibility, and wellbeing for all who live, work, and visit our district.
- **Dogs:** A review of the Dog Registration Selected Owner Policy was completed, replaced with the new Responsible Dog Owner Approval (RDOA) Process from 30 September 2025; and applied to the 2026/2027 registration period.
- **Consents:** We've seen a strong lift in our performance this year, with more building and resource consents being processed on time compared to 2023/24. In the 2024/25 financial year, 96% of building consent applications and 79% of resource consent applications were processed within statutory timeframes – up from 77% and 65% respectively last year.
- **Buildings:** A total of 259 new dwelling units were consented compared to 370 in 2023/24. Nine building consent applications lodged this year were withdrawn, representing 1.6% of the total

number of applications lodged, which is significantly less than the 4.7% withdrawn during the previous financial year. In April 2025, we successfully completed our biennial International Accreditation New Zealand (IANZ) assessment. Initial results indicate that Council continues to be considered to be low risk, this is expected to be confirmed by September 2025.

Challenges

- **Resource and Building Consenting:** Recruitment and retention of skilled and experience staff continue to be challenging. Additional contractors have been engaged for the building activity, which has included engaging Central Hawkes Bay District Council to carry out inspections.

Looking Forward

- Review the TAB and Class 4 Gambling Policy
- Local Alcohol Policy review
- Update the Animal Nuisance and the Keeping of Pigs, Poultry and Bees Bylaw

Regulatory Services Activity Performance

Service/ Measure	Target	2023/2024 Results	2024/25 Results
Service: Processing of applications under the Resource Management Act (RMA) 1991. Measure: Percentage of resource consent applications that are processed within statutory timeframes.	2024/25: ≥ 95% 2023/24: 95%	✗ NOT ACHIEVED 197 consents have been approved for Land Use, Subdivision, Boundary Activities and "other". Approximately 65% of consents were approved within statutory timeframes. This has been due to the imbalance between resourcing and workloads, recruiting staff in this discipline has been, and continues to prove difficult. Daily reviews in place until resolved.	✗ NOT ACHIEVED 79% (176/224) resource consent applications were processed within statutory timeframes. The level of compliance with statutory timeframes increased throughout the year as additional measures were put in place to drill down into and review the reasons for consents going over timeframes and address these. More than 50% of consents that were issued over statutory timeframes were lodged in previous financial years and are likely to reflect on historic issues with resourcing and workloads. Approximately 88% of consents applied for and issued in 2024/25 were issued within statutory timeframes. The impact of improved processes is not immediate due to the time it can take for consents to work through the process. It is anticipated that performance will continue to improve next year.
Service: Carry out Building Consent Authority functions including enforcement of legislation relating to construction of buildings and structures. Measure: Percentage of building consent applications that are processed with in statutory timeframes.	2024/25: ≥ 95% 2023/24: 98%	✗ NOT ACHIEVED 514 building consents were granted for this year, 77% within statutory timeframes. One hundred and sixteen consents have been processed outside the statutory timeframe. Exception reports have been completed for overdue consents and the reasons for going over timeframes were due to difficulties in resourcing, increased complexity of consents, and the timeframes required to seek and receive advice from external experts. Additionally, several process bottlenecks have been identified, and solutions have been put in place to resolve these. Daily reviews are in place until resolved.	✓ ACHIEVED 96% (503/522) building consent applications were processed with in statutory timeframes. A combination of decreased volumes of work and closer monitoring of work in progress has resulted in an increase in the level of statutory compliance throughout the year.
Service: Community confidence and wellbeing is ensured in the safety of food and alcohol premises' businesses. Measure: Percentage of existing food businesses that receive a poor verification outcome are revisited within 20 working days..	95%	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process. A similar measure for 2023/24 was that food businesses operating under the Food Act 2014 were monitored (at the frequency determined by the Food Regulations 2015) to ensure compliance with legislation. This target was not achieved during the 2023/24 financial year. 150 food business verifications were due to be completed, of which 20 were not completed on time. Overdue verifications were due to a mixture of customer circumstances and poor resourcing allocation where Council relied on contractors to deliver food verifications.	✓ ACHIEVED 100% (2/2) existing food businesses received a poor verification outcome during the 2024/25 financial were revisited within 20 working days.

Service/ Measure	Target	2023/2024 Results	2024/25 Results
Service: Community confidence and wellbeing is ensured in the safety of food and alcohol premises' businesses. Measure: Percentage of high-risk alcohol premises that are visited at least twice a year.	100%	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process. A similar measure for 2023/24 was monitoring of licensed premises to ensure compliance with relevant legislation. The target was to inspect premises annually to check for compliance with their licence conditions. This target was achieved during the 2023/24 financial year with 100% (65/65) license holding premises inspected.	✓ ACHIEVED 100% (1/1) of high-risk alcohol premises (when it existed) was visited at least once in the 2024/25 financial year. There were two premises reported as high-risk at the start of the financial year. Since then, one premise has been re-evaluated as medium risk before any inspection was due. The remaining premises underwent its first inspection prior to December 2024, however in January 2025 the application for renewal of this premises requested an earlier closing time which resulted in a lesser risk profile. As a result, since end January 2025 there were no high-risk alcohol premises in the district and no further inspections were required. Fist inspections (if applicable) were due prior to 31 December 2024 Second inspections (if applicable) were due prior to 30 June 2025.
Service: We enhance community wellbeing by responding to public nuisance complaints in a timely manner. Measure: Animal control staff are rostered and available on a 24 hr. 7 day a week basis.	100%	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process. Similar measures for 2023/24 were for Council to (1) respond to 100% of reported instances of non-compliances and dog nuisances and (2) continuously provide an after-hours emergency response. Both these targets were achieved during the 2023/24 financial year with Council responding to 1191 (100%) reports of dog nuisances and maintaining an animal control afterhours roster.	✓ ACHIEVED 100% of the Animal Control staff were rostered and available on a 24 hr. 7 day a week basis.
Service: Community can access Council in a way or by means that most suits them. Measure: Percentage of community members surveyed that are satisfied with the ways they can contact Council.	≥ 80%	NEW MEASURE New measure as consulted on and adopted in the Long Term Plan 2024-2044 Process.	✓ ACHIEVED The Annual Customer Satisfaction Survey result showed that 87.6% of community members surveyed that are satisfied with the ways they can contact Council.
Service: 2024/25: We enhance community wellbeing by responding to public nuisance complaints in a timely manner. 2023/24: Noise complaints response service will be provided. Measure: Percentage of noise complaints are responded to within 60 minutes.	2024/25: 100% 2023/24: 90%	✓ ACHIEVED 1,529 noise complaints were received and responded to by our contractor; 1,350 were responded to within 60 mins and 129 were not. Resulting in 91.6% being responded within 60 mins.	✗ NOT ACHIEVED 96.20% (1,467/1,525) of noise complaints were responded to within 60 minutes.

Regulatory Services Funding Impact Statement
FOR THE YEAR ENDED 30 JUNE 2025

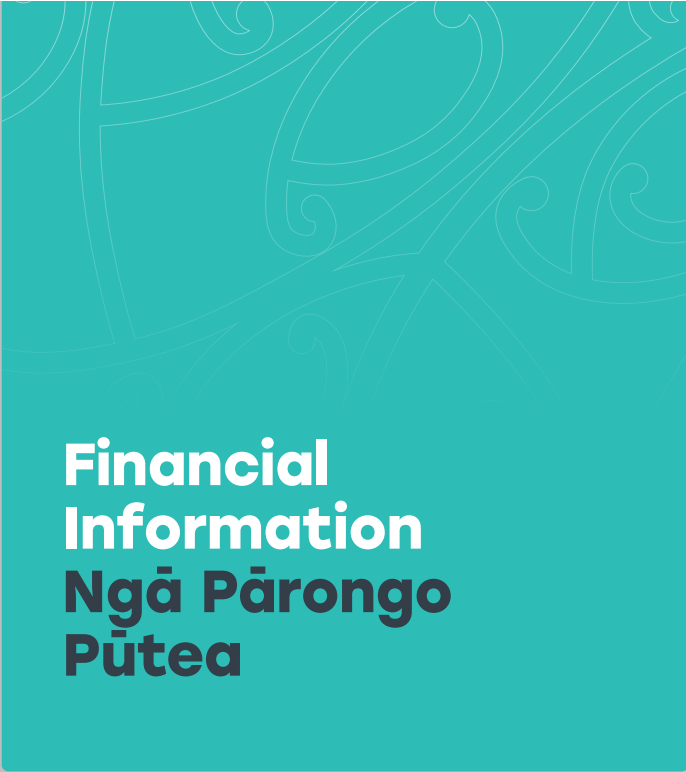
	Note	Actual 2024 \$000	Long term plan/ Annual Plan 2024 \$000	Long term plan 2025 \$000	Actual 30 June 2025 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties		3,477	3,390	4,150	4,159
Targeted rates		-	-	-	-
Subsidies and grants for operating purposes		-	-	-	-
Fees and charges		220	225	4	298
Local authorities fuel tax, fines, infringement fees, and other receipts	1	3,457	3,691	4,310	4,095
Internal charges and overheads recovered		-	-	-	-
Total operating funding (A)		7,154	7,306	8,464	8,552
Applications of operating funding					
Payments to staff and suppliers		1,396	860	1,403	1,506
Finance costs		2	1	(3)	5
Internal charges and overheads applied	2	5,865	6,375	6,970	5,937
Other operating funding applications		-	-	-	-
Total applications of operating funding (B)		7,263	7,236	8,370	7,448
Surplus (deficit) of operating funding (A-B)		(109)	70	94	1,105
Sources of capital funding					
Subsidies and grants for capital expenditure		-	-	-	-
Development and financial contributions		-	-	-	-
Increase (decrease) in debt		59	(70)	(96)	(97)
Gross proceeds from sale of assets		-	-	-	-
Lump sum contributions		-	-	-	-
Other dedicated capital funding		-	-	-	-
Total sources of capital funding (C)		59	(70)	(96)	(97)

		Actual 2023 \$000	LTP 2021-2041 Y2 \$000	LTPA 2021-2041 Y3 \$000	Actual 2024 \$000
	Note				
Applications of capital funding					
Capital expenditure					
- to meet additional demand		-	-	-	-
- to improve the level of service		-	-	-	-
- to replace existing assets		19	-	-	-
Increase (decrease) in reserves	3	(69)	-	(2)	1,008
Increase (decrease) of investments		-	-	-	-
Total applications of capital funding (D)		(50)	-	(2)	1,008
Surplus (deficit) of capital funding (C-D)		109	(70)	(94)	(1,105)
Funding balance ((A-B)+(C-D))		-	-	-	-
Depreciation		50	70	97	27

Notes:

1. The additional revenue is mainly due to higher levels of building consents during the year than planned.
2. The lower spending relates to lower building consent staffing, contract and overhead costs levels during the year.
3. Increase in reserve is higher due to less operational expenditure mentioned above.

	Internal \$000
Loans	
Loans as at 01/07/2024	98
Raised during year	-
Repaid during year	(97)
Loans as at 30/06/2025	1
Interest expense	5



Financial Information Ngā Pārongo Pūtea

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Statement of Comprehensive Revenue and Expense

	Note	Council Actual \$ 30 June 2025 \$000	Council Budget \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Revenue						
Rates	1	62,681	62,122	52,533	62,681	52,533
Finance revenue	2a	2,267	–	1602	2,288	1624
Grants and subsidies	2b	12,247	14,921	13,218	12,247	13,218
Fees and charges	2c	5,234	3,997	4,131	5,234	4,131
Other revenue	2d	4,983	4,777	5,279	4,983	5,279
Vested assets	2e	2,265	–	1,869	2,265	1,869
Development contributions	2f	1,696	2,150	776	1,696	776
Other gains	3	195		329	195	329
Concessionary Loan Discount Income			3,239	–	–	–
Total revenue		91,568	91,206	79,737	91,589	79,759
Expenditure						
Employee benefit expenses	4	23,346	21,879	21,277	23,346	21,277
Depreciation and amortisation	11, 12, 33	22,325	23,385	17,215	22,325	17,215
Finance costs	6	9,680	7,624	9,056	9,680	9,056
Loss on derivative financial instruments	19	2,348	–	469	2,348	469
Other losses	3	3,079	–	2,053	3,079	2,053
Increase / (decrease) in landfill provision	16	5,015	–	1,468	5,015	1,468
Other expenses	5	32,812	36,202	33,288	32,825	33,294
Total expenses		98,605	89,090	84,826	98,618	84,832
Operating surplus / (deficit) before tax		(7,037)	2,116	(5,089)	(7,029)	(5,073)
Income tax expense	36	–	–	–	–	–
Operating surplus / (deficit) after tax		(7,037)	2,116	(5,089)	(7,029)	(5,073)
Surplus/ (Deficit) attributable to: Horowhenua District Council		(7,037)	2,116	(5,089)	(7,029)	(5,073)

	Note	Council Actual \$ 30 June 2025 \$000	Council Budget \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Other comprehensive revenue and expense						
Gain / (loss) on infrastructural assets revaluations	11	131	–	112,925	131	112,925
Gain / (loss) on operational assets revaluation	11	2,448	–	–	2,448	–
Gain / (loss) on restricted assets revaluation	11	807	–	–	807	–
Gain / (loss) on changes in fair value of carbon credits	12	108	–	115	108	115
Total other comprehensive revenue and expense for the year		3,494	–	113,040	3,494	113,040
Total comprehensive revenue and expense (deficit) for the year		(3,543)	2,116	107,951	(3,535)	107,967
Total comprehensive revenue and expense attributable to Horowhenua District Council		(3,543)	2,116	107,951	(3,535)	107,967

Explanations of major variances against budget are provided on page 146.

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

Explanations of Significant Variances between the Council's Actual Results and the Council's Budget for 2024/25

REVENUE

Rates

The higher rates are due to higher growth than budgeted, which resulted in higher general rates levied. This is slightly offset by higher remissions under the Council's rates remission and postponement policy.

Finance revenue

The higher income of \$2.3m is due to us holding a \$43m term deposit for pre-funding purposes. This is offset by increased finance costs. Pre-funding is when we borrow money earlier than required to renew our borrowings becoming due and place it on term deposit.

Grants and subsidies

Lower funding from NZTA Waka Kotahi, which is offset by lower spending agreed by Council. There was also a delay in funding from National Infrastructure Funding and Financing (NIFF), previously Crown Infrastructure Partners (CIP) with changes in the timing of the associated capital projects. This is reflected in lower capital and operational grants and subsidies.

Fees and Charges

This is mainly due to income for consenting coming in higher than planned and additional waste rebate received. The remaining waste rebate levy money (minus relevant costs) was put into a reserve fund. This Council created reserve is reported in the 2024/25 Annual Report in the Statement of Reserve Funds.

Vested assets

The vested assets income of \$2.3m relates to infrastructure assets vested to the Council as part of the subdivision process due to growth.

Development Contributions

Lower development contributions revenue correlates with less building and planning activities COMPLETED than planned.

Concessionary Loan Discount Income

This budget relates to a \$12.55m interest free loan Council budgeted to receive from the Infrastructure Reference Group (IRG) fund, which is managed by NIFF. This fund was established by central government to support recovery from the impacts of COVID-19. The projects with loans are expected to be completed during 2025/26.

EXPENDITURE

Employee benefit expenses

The higher employee benefit expenses are mainly due to the Local Water Team brought in-house in November 2024. This is offset by lower in Maintenance costs.

Depreciation and Amortisation

More work in progress held on 30 June 2025.

Finance costs

The higher costs are offset against Finance revenue. At a net interest level, \$200k saving has been achieved through close monitoring of interest rate and the reduction in borrowings requirements for 2024/25 year due to the change in capital timing of the programme.

Other losses

Other losses are primarily attributable to the loss on disposal of assets. These include infrastructure renewal projects such as the Levin Domain/Salisbury Street stormwater upgrade, the Kings Drive/Weraroa wastewater renewal and upgrade, and the construction of the new Foxton to Foxton Beach footpath, together with the disposal of the property at 383 Hokio Sand Road. Losses arise on renewal projects as the existing assets are written off prior to the recognition of the replacement assets.

Loss on derivative financial instruments

Due to loss on interest rate swaps with interest rates movement. Swaps are derivative contracts with gains or losses on the swap contract matching gains or losses on the balance sheet. They are non-cash items.

Increase in landfill provision

The increase in the landfill provision is due to the inclusion of the trade waste costs associated with leachate management now able to be included in the provision. Previously they were part of the operating costs for the landfill.

Other expenses

Lower costs are mainly due to the Local Water Team brought in-house in November 2024; this is offset by higher Employee Benefit Expenses. There were also savings identified in professional services and other areas as a result of a focused effort to find efficiencies with the \$300k-\$500k targeted net savings.

Statement of Changes in Ratepayers' Equity

		Council Actual \$ 30 June 2025 \$000	Council Budget \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
	Note					
Balance at 01 July		800,915	683,048	693,653	801,315	694,035
Total comprehensive revenue and expense for the year		(3,543)	101,774	107,951	(3,535)	107,967
Opening adjustment on adoption of NZ IPSAS 41		-	-	-	-	-
Asset revaluation reserve on disposals		-	-	(689)	-	(689)
Balance at 30 June	20	797,371	784,822	800,915	797,779	801,315

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

Statement of Financial Position

	Note	Council Actual \$ 30 June 2025 \$000	Council Budget \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Assets						
Current assets						
Cash and cash equivalents	7	15,192	4,302	11,482	15,240	11,514
Debtors and other receivables	8	12,856	5,127	9,286	12,856	9,286
Prepayments	8	1,352	–	1,399	1,352	1,399
Inventories		133	–	32	133	32
Derivative financial instruments	19	143	–	707	143	707
Other financial assets	9	44,569	3,501	22,764	44,569	22,764
Non-current assets held for sale	10	1,942	–	–	1,942	–
Total Current assets		76,187	12,931	45,670	76,235	45,702
Non-current assets						
Plant, property and equipment						
– Operational assets	11	81,339	88,530	82,075	81,339	82,075
– Infrastructural assets	11	807,961	795,241	797,608	807,961	797,608
– Restricted assets	11	97,504	96,765	97,962	97,504	97,962
Intangible assets	12	1,386	2,306	1,196	1,386	1,196
Forestry assets	13	1,446	1,194	1,411	1,446	1,411
Commercial property	14	3,015	1,300	2,500	3,015	2,500
Derivative financial instruments	19	159	–	618	159	618
Other financial assets:						
– Investments CCOs & similar entities	9	204	–	204	204	204
– Investments in associates	9	72	–	51	72	51
– Other	9	5,967	4,848	3,748	5,967	3,748
Total Non-current assets		999,055	990,184	987,374	999,055	987,374
Total Assets		1,075,242	1,003,115	1,033,043	1,075,290	1,033,075

	Note	Council Actual \$ 30 June 2025 \$000	Council Budget \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Liabilities						
Current liabilities						
Payables and deferred revenue	15	19,023	15,765	16,900	18,664	16,532
Provisions	16	2,187	1,516	1,498	2,187	1,498
Employee benefit liabilities	17	2,070	1,852	1,946	2,070	1,946
Derivative financial instruments	19	490	6	–	490	–
Borrowings and other financial liabilities	18	59,000	28,992	43,000	59,000	43,000
Total Current liabilities		82,770	48,132	63,344	82,411	62,976
Non-current liabilities						
Provisions	16	12,621	8,638	9,099	12,621	9,099
Employee benefit liabilities	17	496	472	537	496	537
Borrowings and other financial liabilities	18	181,000	161,052	159,000	181,000	159,000
Derivative financial instruments	19	983	–	148	983	148
Total non-current liabilities		195,100	170,162	168,784	195,100	168,784
Total Liabilities		277,870	218,293	232,128	277,511	231,760
Net Assets						
		797,371	784,822	800,915	797,779	801,315
Equity						
Retained earnings	20	234,106	256,177	241,740	234,514	242,140
Revaluation reserves	20	553,267	518,636	549,773	553,267	549,773
Other reserves	20	9,999	10,009	9,402	9,999	9,402
Total Equity		797,371	784,822	800,915	797,779	801,315

Explanations of major variances against budget are provided on page 146.

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

Explanations of significant variances between the Council's actual results and the Council's budget for 2024/25

ASSETS

Cash and cash equivalents

We held more cash than expected at 30 June 2025 to ensure sufficient cash for payment of July payments due. This aligns with last year's cash balance.

Debtors and other receivables

The higher balance relates to invoices generated for grants/subsidies to central government agencies for better off funding and NIFF funding at balance sheet date (30 June 2025). There was also higher than budgeted outstanding property rates because of rate payers struggling with the cost-of-living increases.

Other Financial Assets

Term deposits totalling \$43m with maturity in 2026 were held for prefunding purposes. Prefunding allows the council to have funds available to repay current loans as they fall due.

Non-current assets held for sale

There are two assets held for sale at 30 June 2025. They are the Levin War Memorial Hall and the Foxton Memorial Hall.

Plant, property and equipment assets

A full financial valuation was undertaken for Council's operational and restricted assets resulting in a valuation uplift compared to previous year. However, this is lower compared to budget due to \$1.9m worth of assets being classed as held for sale shown under current assets as well as \$2m town centre projects planned for 2024/25 being carried forward to 2025/26.

Commercial property

There have been 2 additional commercial properties purchased during the year which have been purchased as part of the Levin Town Centre project.

Derivative financial instruments

The Council uses derivative financial instruments in the form of interest rate swaps to manage interest rate risks arising from borrowing activities. The positive value in assets reflects a higher potential benefit from the swaps we hold.

LIABILITIES

Payables and deferred revenue

The increase is due a higher level of capital work and operational work occurring in the last two months of the year and not being paid until quarter 1 in 2025/26 financial year. There was also more income in advance Council held relating mainly to Regulatory income.

Total borrowings and other financial liabilities

The increase reflects the borrowing for pre-funding purposes \$43m. This was not budgeted. Net debt sits at \$174m as at 30 June 2025.

Derivative financial instruments

The Council uses derivative financial instruments in the form of interest rate swaps to manage interest rate risks arising from borrowing activities. The lower derivative liability reflects a lower potential obligation or loss from the swaps we hold.

Total Provisions

This relates to the provision for landfill aftercare costs. The increase in the landfill provision is due to the inclusion of the trade waste costs associated with leachate management now able to be included in the provision. Previously they were part of the operating costs for the landfill.

Statement of Cash Flows

Note	Council Actual \$ 30 June 2025 \$000	Council Budget \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Cashflow from operating activities					
Cash was provided from:					
Revenue from rates	61,569	62,122	52,049	61,569	52,049
Fees & Changes received					
Other revenue	20,053	25,845	27,228	20,053	27,228
Interest received	2,557	–	1602	2,574	1624
Net GST movement	–	–	–	–	–
Total cash provided	84,179	87,967	80,879	84,196	80,901
Cash was disbursed to:					
Suppliers, services and employees	60,513	58,605	55,275	60,513	55,253
Interest paid	7,739	7,624	8,595	7,739	8,595
Net GST movement	436	–	278	436	278
Total cash disbursed	68,689	66,229	64,148	68,689	64,126
Net cashflow from operating activity	31	15,491	16,731	15,508	16,731
Cashflows from investing activities					
Cash was provided from:					
Receipts from sale of property, plant, and equipment					
Receipts from sale of intangible assets					
Receipts from sale of investments					
Proceeds from asset sales	753	2,533	217	753	217
Proceeds from investments	–	–	–	–	–
Total cash provided	753	2,533	217	753	217
Cash was disbursed to:					
Purchases of investments	23,582	408	7,829	23,582	7,829
Purchase of property, plant, and equipment					
Purchase of intangible assets					
Purchase of investment property					
Purchase of assets	25,398	42,493	35,902	25,398	35,902
Total cash disbursed	48,980	42,901	43,731	48,980	43,731
Net cashflow from investing activity	(49,733)	(40,368)	(43,514)	(49,733)	(43,514)

		Council Actual \$ 30 June 2025 \$000	Council Budget \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
	Note					
Cashflows from financing activities						
Cash was provided from:						
Proceeds from borrowings		67,000	38,804	67,000	67,000	67,000
Total cash provided		67,000	38,804	67,000	67,000	67,000
Cash was disbursed to:						
Repayment of borrowings		29,000	22,493	33,000	29,000	33,000
Payment of principal for finance leases		–	–	–	–	–
Total cash disbursed		29,000	22,493	33,000	29,000	33,000
Net cashflow from financing activity		38,000	16,311	34,000	38,000	34,000
Net increase (decrease) in cash and cash equivalents held		3,710	(2,319)	7,217	3,727	7,217
Add opening cash bought forward		11,482	6,621	4,265	11,514	4,297
Closing cash and cash equivalents balance		15,192	4,302	11,482	15,240	11,514
Closing balance made up of cash and cash equivalents	7	15,192	4,302	11,482	15,240	11,514

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

Funding Impact Statement for Whole of Council

	Annual Plan 2024 \$000	Actual 2024	Long Term Plan 2025 \$000	Actual 2025 \$000
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	14,001	14,494	19,786	19,874
Targeted rates	37,430	38,038	42,336	42,808
Subsidies and grants for operating purposes	2,682	3,750	4,752	3,854
Fees and charges	3,629	4,131	3,997	5,234
Interest and dividends from investments	5	1,609	6	2,274
Local authorities fuel tax, fines, infringement fees, and other receipts	4,423	5,272	4,771	4,976
Total operating funding (A)	62,170	67,294	75,648	79,020
Applications of operating funding				
Payments to staff and suppliers	54,078	54,566	58,081	56,158
Finance costs	5,082	9,056	7,624	9,680
Other operating funding applications	-	-	-	-
Total applications of operating funding (B)	59,160	63,622	65,705	65,838
Surplus /(deficit) of operating funding (A-B)	3,010	3,672	9,943	13,182
Sources of capital funding				
Subsidies and grants for capital expenditure	9,033	9,468	10,169	8,392
Development and financial contributions	1,461	776	2,150	1,696
Increase (decrease) in debt	11,869	34,000	16,311	38,000
Gross proceeds from sale of assets	11,874	339	2,533	339
Lump sum contributions	-	-	-	-
Other dedicated capital funding	-	-	-	-
Total sources of capital funding (C)	34,237	44,583	31,163	48,427

	Annual Plan 2024 \$000	Actual 2024	Long Term Plan 2025 \$000	Actual 2025 \$000
Applications of capital funding				
Capital expenditure				
- to meet additional demand	8,607	2,551	22,485	12,161
- to improve the level of service	4,264	2,500	4,482	7,745
- to replace existing assets	22,116	30,436	15,526	11,740
Increase (decrease) in reserves	(1,011)	7,857	(1,795)	5,939
Increase (decrease) of investments	3,271	4,912	408	24,025
Total applications of capital funding (D)	37,247	48,255	41,106	61,609
Surplus/ (deficit) of capital funding (C-D)	(3,010)	(3,672)	(9,943)	(13,182)
Funding balance ((A-B)+(C-D))	-	-		
Depreciation	17,879	17,215	23,385	22,325

**Reconciliation between the Funding Impact Statement for the Whole of Council
and the Statement of Comprehensive Revenue and Expense**

	Annual Report Actual 2024 \$000	Long Term Plan 2025 \$000	Actual 2025 \$000
Revenue			
Statement of comprehensive revenue and expense			
Total operating revenue	79,737	91,206	91,568
Summary funding impact statement			
Sources of operating funding			
Total operating funding	67,294	75,648	79,020
Add sources of capital funding			
Subsidies and grants for capital expenditure	9,468	10,169	8,392
Development and financial contributions	776	2,150	1,696
Gain on derivative financial instruments	–	–	–
Other gains	329	3,239	195
Vested assets	1,869	–	2,265
Total revenue	79,737	91,204	91,568
Expenditure			
Statement of comprehensive revenue and expense	–	2	–
Total operating expenditure	84,826	89,090	98,605
Add application of operating funding:			
Total application of operating funding	63,622	65,705	65,838
Loss on derivative financial instruments	469	–	2,348
Other losses	2,053	–	3,079
Increase / (decrease) in landfill provision	1,468	–	5,015
Increase/(decrease) in Employee benefit movement	–	–	–
Depreciation and amortisation expense	17,215	23,385	22,325
Total expenditure	84,826	89,090	98,605

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

Statement of Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose, and any surplus created is managed in accordance with the reason for which the reserve was established. Surpluses held in reserve are credited with interest. Council holds 18 reserves, with four being restricted reserves. During the 2024/25 financial year, Council created two new reserve funds being the Waste Minimisation levy fund and the Adverse Event Fund.

Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards. The remaining Council-created reserves are discretionary reserves which Council has established for the fair and transparent use of monies. Reserve balances are not separately held in cash, and the funds are managed as part of Council's treasury management.

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

	Opening Balance 1 July 2024 \$000s	Deposits for the year \$000s	Withdrawals For the year \$000s	Closing Balance 30 June 2025 \$000s
2025 RESERVE FUNDS				
FOXTON BEACH FREEHOLDING FUND (PROPERTY)*				
Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,036	287	(283)	5,040
RESERVE LAND RESERVE (PARKS AND RECREATION)				
To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	222	9	–	231
ROAD UPGRADE RESERVE (ROADING ACTIVITY)				
To fund transport network improvements as approved by Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	942	38	–	980
WAIRARAWA STREAM WALKWAY				
To hold funds for the construction of a walkway along the Wairarawa stream.	66	3	–	69
Total restricted reserves	6,266	337	(283)	6,320
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR ROADING (ROADING ACTIVITY)				
To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	103	4	–	107
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WATER SUPPLIES (WATER SUPPLY ACTIVITY)				
To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	684	28	–	712
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WASTEWATER SCHEMES (WASTEWATER ACTIVITY)				
To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	168	7	–	175
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR PARKS AND RESERVES (PARKS AND RECREATION ACTIVITY)				
To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	789	32	–	821

	Opening Balance 1 July 2024 \$000s	Deposits for the year \$000s	Withdrawals For the year \$000s	Closing Balance 30 June 2025 \$000s
2025 RESERVE FUNDS				
ELECTION FUND (REPRESENTATION AND GOVERNANCE ACTIVITY)				
To smooth the rating impact of election costs and to fund any by-election.	29	1	–	30
CAPITAL PROJECTS FUND (ALL ACTIVITIES)				
To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	1,044	42	–	1,086
FOXTON CITIZENS FUND (COMMUNITY SUPPORT ACTIVITY)				
To provide a fund for awards in recognition of community service in Foxton.	5	–	–	5
HOCKEY TURF REPLACEMENT FUND (PARKS AND RECREATION - SPORTS GROUNDS)				
To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust.	2	25	–	27
ESPLANADE FUND (PARKS AND RECREATION)				
To provide a fund to construct or provide for possible public accessways to esplanade reserves created under the Resource Management Act.	160	6	–	166
SHANNON RAILWAY STATION FUND (PROPERTY ACTIVITY)				
Set aside from grants to preserve the historic Shannon Railway Station.	31	1	–	32
MAYORAL RELIEF FUND				
Set aside for use in a future disaster event.	107	3	(23)	87
LEVIN TOWN CENTRE PROJECT				
To fund identified projects within the Levin Town Centre Transformation programme of work.	17	114	–	131
WASTE MINIMISATION LEVY FUND (SOLID WASTE ACTIVITY)				
To fund waste minimisation initiatives in the Solid Waste activity	–	252	–	252
ADVERSE EVENT FUND				
To respond to Civil Defence Emergency Management (CDEM) events as they arise	–	48	–	48
Total Council-created reserves	3,138	566	(23)	3,679
Total all reserve funds	9,402	903	(306)	9,999

Statement of Reserve Funds

	Opening Balance 1 July 2023 \$000s	Deposits for the year \$000s	Withdrawals For the year \$000s	Closing Balance 30 June 2024 \$000s
2024 RESERVE FUNDS				
Restricted reserves – purpose of the fund				
FOXTON BEACH FREEHOLDING FUND (PROPERTY)*				
Accumulated cash reserves from the Foxton Beach Endowment land sales under the separate Act gifting the land for the benefit of Foxton Beach inhabitants.	5,570	262	(796)	5,036
RESERVE LAND RESERVE (PARKS AND RECREATION)				
To hold funds derived from the sale of surplus reserve land to be spent on the future development of reserves under the Reserves Act.	212	10	–	222
ROAD UPGRADE RESERVE (ROADING ACTIVITY)				
To fund transport network improvements as approved by Council, from the accumulated funds of the former Horowhenua County Council subdivision contributions to roading.	900	42	–	942
WAIRARAWA STREAM WALKWAY				
To hold funds for the construction of a walkway along the Wairarawa stream.	63	3	–	66
Total restricted reserves	6,745	317	(796)	6,266
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR ROADING (ROADING ACTIVITY)				
To fund transport network improvements, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	99	4	–	103
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WATER SUPPLIES (WATER SUPPLY ACTIVITY)				
To fund water supply improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	654	30	–	684
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR WASTEWATER SCHEMES (WASTEWATER ACTIVITY)				
To fund Wastewater Scheme improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	160	8	–	168
FINANCIAL AND CAPITAL CONTRIBUTIONS FOR PARKS AND RESERVES (PARKS AND RECREATION ACTIVITY)				
To fund Parks and Reserves improvement projects, from the accumulated funds from financial and capital contributions under the District Plan prior to Development Contributions regime.	754	35	–	789
ELECTION FUND (REPRESENTATION AND GOVERNANCE ACTIVITY)				
To smooth the rating impact of election costs and to fund any by-election.	27	2	–	29
CAPITAL PROJECTS FUND (ALL ACTIVITIES)				
To provide funds for strategic capital projects with the last \$250,000 as a disaster relief working capital fund.	997	47	–	1,044
FOXTON CITIZENS FUND (COMMUNITY SUPPORT ACTIVITY)				
To provide a fund for awards in recognition of community service in Foxton.	5	0	–	5

	Opening Balance 1 July 2023 \$000s	Deposits for the year \$000s	Withdrawals For the year \$000s	Closing Balance 30 June 2024 \$000s
2024 RESERVE FUNDS				
HOCKEY TURF REPLACEMENT FUND (PARKS AND RECREATION – SPORTS GROUNDS)	2	0	–	2
To fund the replacement of the water turf at Donnelly Park on behalf of the Turf Trust.				
ESPLANADE FUND (PARKS AND RECREATION)	153	7	–	160
To provide a fund to construct or provide for possible public accessways to esplanade reserves created under the Resource Management Act.				
SHANNON RAILWAY STATION FUND (PROPERTY ACTIVITY)	30	1	–	31
Set aside from grants to preserve the historic Shannon Railway Station.				
MAYORAL RELIEF FUND	121	5	(19)	107
Set aside for use in a future disaster event				
LEVIN TOWN CENTRE PROJECT	–	17	–	17
To fund identified projects within the Levin Town Centre Transformation programme of work				
Total Council-created reserves	3,001	156	(19)	3,138
Total all reserve funds	9,746	473	(815)	9,402

Council's Interest in Other Entities

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

SHANNON COMMUNITY DEVELOPMENT TRUST

Nature and scope of activities provided

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

Policies and objectives on ownership and control

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

The Trust is an exempt Council Controlled Organisation (CCO), as it has not been established for the purposes of making a profit and is not intended to be a CCO under the Local Government Act 2002. The Trust is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) to 30 June 2027 as approved by Council on 30 October 2024.

The Council receives the Trust's annual report. The annual accounts are included in the Group financials for 30 June 2025.

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

Nature and scope of activities provided

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

Policies and objectives on ownership and control

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

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

The company is exempt from reporting its performance under the Local Government Act 2002, schedule 10 (7) to 30 June 2027 as approved by Council on 30 October 2024.

Notes to the Financial Statements

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	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
1. RATES REVENUE				
Gross rates				
General Rates	20,525	15,154	20,525	15,154
Targeted rates attributable to activities				
Solid waste rates	5,514	2,725	5,514	2,725
Roading rates	4,965	4,684	4,965	4,684
Library rates	6,387	5,442	6,387	5,442
Representation and governance rates	2,443	5,775	2,443	5,775
Swimming pool rate	3,658	2,783	3,658	2,783
Stormwater rate	2,469	1,851	2,469	1,851
Sewer rate	8,819	7,491	8,819	7,491
Horowhenua Economic Development	503	–	503	–
Water rates	8,049	7,288	8,049	7,288
Total rates revenue (gross)	63,332	53,193	63,332	53,193
Remissions under the Council remission policy	(651)	(660)	(651)	(660)
Total rate remissions	(651)	(660)	(651)	(660)
Total rates revenue net of remissions	62,681	52,533	62,681	52,533
Exchange transaction	–	–	–	–
Non-exchange transaction	62,681	52,533	62,681	52,533
Total transactions	62,681	52,533	62,681	52,533
Total rates revenue includes \$259,381 (2024 \$279,611) for rates paid by Horowhenua District Council on properties owned by Council. The Council is required by the LGFA Guarantee and Indemnity Deed to disclose its annual rates income in its financial statements (or notes). The Multi-Issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 LG(R)A, together with any revenue received by the Council from other local authorities for services provided by the Council for which those other local authorities rate. The annual rates income of the Council for the year ended 30 June 2025 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:				
Rates	30 June 2025		30 June 2024	
Rates	\$62,691		\$52,533	
Lump sum contributions	–		–	
Total annual rates income	\$62,681		\$52,533	
Rateable properties	30 June 2025		30 June 2024	
Total properties	19,444		18,856	
Total land value	\$8,864,222,050		\$8,819,555,050	
Total capital value	\$15,751,336,000		\$15,361,076,650	

Horowhenua district property revaluation occurred during 2022/2023 financial year; capital and land values were updated following approval by the valuer general in late 2022. The next Horowhenua district property revaluation is scheduled in the 2025/2026 financial year.

Horowhenua District Council revised the rates remission policies in 2024/2025 in line with the Long Term Plan 2024-2044. The resulting rates remission and postponement policies incorporate additional remission classes such as property under development or earthquake strengthening, rating units containing two or more Separately Used or Inhabited Parts (SUIP), and Special Circumstances Remission. Rates postponement was also added, the objective of this is to assist owner-occupiers who have limited capacity to pay their rates from their income and are older, or experiencing extreme financial hardship, to continue living in their home.

Horowhenua District Council's rates remission and postponement policies allow Horowhenua District Council to remit rates on community groups, voluntarily protected land, penalties on rates, excessive water charges, remnant land, rating units in industrial and commercial areas used for residential purposes, small rate balances, targeted rates on non-rateable land, properties affected by natural hazard disasters or emergency events, subdivisions which are in Common Ownership but do not meet the criteria of a Contiguous Property, bare land, Council Owned Utilities, contiguous rating units not in common ownership, property under development or earthquake strengthening, rating units containing two or more Separately Used or Inhabited Parts (SUIP), Special Circumstances Remission and Māori land.

In accordance with the Local Government (Rating) Act 2022, certain properties cannot be rated for general rates. These include schools, places of religious worship, public gardens and reserves. These non-rateable properties, where applicable, may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute remission under Horowhenua District Council's Rates Remission and Postponement Policy.

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
2. FINANCE REVENUE AND OTHER REVENUE				
2a. Finance revenue				
Interest revenue for financial assets not at fair value through profit and loss				
Bank deposits	1,646	1,075	1,667	1,097
Interest rate swaps (presented net)	457	402	457	402
Borrower notes	164	126	164	126
Total finance revenue	2,267	1,602	2,288	1,624
Exchange transactions				
	2,267	1,602	2,288	1,624
Non-exchange transactions				
	-	-	-	-
Total finance revenue transactions	2,267	1,602	2,288	1,624
2b. Subsidies and grants				
Waka Kotahi/NZTA government grants	4,358	5,608	4,358	5,608
Three Waters Stimulus fund	1,915	2,699	1,915	2,699
Private sector grants	15	39	15	39
Provincial Growth Fund	-	1,375	-	1,375
Other government grants	5,959	3,497	5,959	3,497
Total subsidies and grants	12,247	13,218	12,247	13,218
Exchange transactions				
	-	-	-	-
Non-exchange transactions				
	12,247	13,218	12,247	13,218
Total subsidies and grants transactions	12,247	13,218	12,247	13,218
2c. Fees and charges				
User charges	4,988	4,016	4,988	4,016
Rental revenue from commercial properties	246	115	246	115
Total fees and charges	5,234	4,131	5,234	4,131
Exchange transactions				
	411	234	411	234
Non-exchange transactions				
	4,823	3,897	4,823	3,897
Total fees and charges transactions	5,234	4,131	5,234	4,131

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
2. FINANCE REVENUE AND OTHER REVENUE				
2d. Other revenue				
Infringements and fines	427	338	427	338
Rendering of services	694	1,624	694	1,624
Petrol tax	223	234	223	234
Dividend revenue	7	7	7	7
Insurance recoveries:				
– Buildings	–	37	–	37
Regulatory revenue	3,441	3,035	3,441	3,035
Donations	191	4	191	4
Total other revenue	4,983	5,279	4,983	5,279
Exchange transactions	356	425	356	425
Non-exchange transactions	4,627	4,853	4,627	4,853
Total other revenue transactions	4,983	5,279	4,983	5,279
2e. Vested assets	2,265	1,869	2,265	1,869
2f. Development contributions	1,696	776	1,696	776
Total vested assets and development contributions	3,961	2,645	3,961	2,645
Exchange transactions	–	–	–	–
Non-exchange transactions	3,961	2,645	3,961	2,645
Total vested assets and development contributions transactions	3,961	2,645	3,961	2,645

There are no unfulfilled conditions and other contingencies attached to government grants recognised other than that relating to the government grant for housing discussed in Note 22.

The vested assets income relates to infrastructure assets vested to Council as part of the subdivision process. Development Contributions are recognised when invoiced.

		Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
3. OTHER GAINS/(LOSSES)	Note				
Non-financial instruments					
Gain/(loss) on changes in fair value of forestry assets	13	(46)	245	(46)	245
Gain on disposal of property, plant and equipment		1	1	1	1
Loss on disposal of property, plant and equipment		(2,828)	(1,853)	(2,828)	(1,853)
Gain/(loss) on changes in fair value of investment property	14	(205)	(200)	(205)	(200)
Total non-financial instruments		(3,078)	(1,807)	(3,078)	(1,807)
Financial instruments					
Gain/(loss) on revaluation of financial liabilities		173	–	173	–
Gain/(loss) on revaluation of financial assets		21	83	21	83
Total financial instruments		194	83	194	83
Total gains/(losses)		(2,884)	(1,724)	(2,884)	(1,724)
4. EMPLOYEE BENEFIT EXPENSES					
Salaries and wages		22,314	20,160	22,314	20,160
Increase/(decrease) in employee entitlements		(102)	133	(102)	133
Other employee benefit expenses		519	438	519	438
Employer contributions to superannuation schemes		615	546	615	546
Total employee benefit expenses		23,346	21,277	23,346	21,277

5. OTHER EXPENSES

Accounting policy

GRANT EXPENSES

The Council's grants awarded have no substantive conditions attached.

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

Discretionary grants are those grants where the Council has no obligation to award on receiving the grant application and are recognised as an expense when approved by the Council and the approval has been communicated to the applicant.

OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straightline basis over the lease term. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expenses over the lease term.

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Note				

Fees incurred for services provided by our audit firm

The Council and group's financial statements and service performance information for the year ended 30 June 2025 (the "financial report") are audited by Audit New Zealand on behalf of the Auditor-General.

During the year, the following fees were incurred for services provided by our audit firm:

Audit of the financial report	341	291	341	291
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The audit fee disclosed for the financial report represents the fee for the annual statutory audit engagement carried out under the Auditor-General's auditing standards, as described in the audit report on pages xxx. This fee also includes the audit of the summary annual report, also a statutory requirement, which is completed in conjunction with this engagement and not billed separately.

Fees to Audit NZ for audit of the Long-Term Plan	–	119	–	119
Assurance engagement in relation to the Debenture Trust Deed	6	5	6	5
Other Assurance engagement	46	–	46	–
Total fees incurred for serves provided by the audit firm	393	415	393	415

OTHER OPERATING EXPENSES

Debtors written off	12	–	12	–
Impairment of receivables	164	191	164	191
Minimum lease payments under operating leases	174	124	174	124
Professional services	6,396	5,760	6,396	5,760
Asset maintenance contract expenditure	15,493	18,154	15,493	18,154
General grants	784	823	784	823
Expenditure on utilities	1,987	1,480	1,987	1,480
Other	7,410	6,341	7,423	6,347
Total other operating expenses	32,812	33,288	32,825	33,294

6. FINANCE COSTS

Accounting Policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

BREAKDOWN OF FINANCE COSTS	Note	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Interest on borrowings		9,187	5,417	9,187	5,417
Interest rate swaps (presented net)		(131)	91	(131)	91
Total finance costs		9,056	5,508	9,056	5,508

7. CASH AND CASH EQUIVALENTS	Note	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Cash at bank and in hand		15,192	11,482	15,240	11,514
Total cash and cash equivalents		15,192	11,482	15,240	11,514
Cash and cash equivalents for the purpose of the statement of cash flows					
Cash at bank and in hand		15,192	11,482	15,240	11,514
Term deposits with maturities less than three months		–	–	–	–
Bank overdrafts		–	–	–	–
Total cash and cash equivalents for the purpose of the statement of cash flows		15,192	11,482	15,240	11,514

8. DEBTORS AND OTHER RECEIVABLES	Note	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Gross debtors and other receivables					
Rates receivables		4,090	3,455	4,090	3,455
Related party receivables	23	–	–	–	–
GST receivable		1,172	995	1,172	995
Other receivables		4,832	8,629	4,832	8,629
Total gross debtors and other receivables		10,094	13,079	10,094	13,079
Less provision for impairment of receivables		(808)	(565)	(808)	(565)
Net debtors and other receivables		9,286	12,514	9,286	12,514
Less non-current portion:		–	–	–	–
Total current portion debtors and other receivables		9,286	12,514	9,286	12,514
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements, and fees and charges for activities that are partly subsidised by rates.		9,230	12,458	9,230	12,458
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates.		56	56	56	56
Total debtors and other receivables transactions		9,286	12,514	9,286	12,514

Rates receivable

The Council does not provide for Expected Credit Losses (ECL) on rates receivable. The Council has various powers under the LG(R)A to recover any outstanding debts. These powers allow the Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then the Council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit. Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The Chief Executive approved the write-off of rates receivable during the year under the LG(R)A as follows:

- Section 90A (Chief executive may write off rates that cannot be recovered): \$12,742.85 (2024: \$35,465.53)
- Section 90B (Chief executive may write off rates of deceased owners of Māori freehold land): \$35,864.57 (2024: \$27,877.08).

Rates are "written off":

- when remitted in accordance with the Council's rates remission and postponement 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 (LG(R)A)

Ratepayers can apply for payment plan options in special circumstances.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

An application to proceed with Rating Sale for a property in Shannon was filed in the High Court on 28 March 2025. Current rates due by 15 September 2025 are \$158,309.84. A significant proportion of these rates is likely to be written off under Part 3 section 82 (3) of the Local Government (Rating) Act 2002 depending on the outcome of the rating sale.

Other receivables

The carrying value of trade and other receivables approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

As of 30 June 2024, and 2025 all overdue receivables, except for rates receivables, have been assessed for impairment and appropriate provisions applied based on a general approach based on the aging of debt.

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 short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables and other receivables and assessed on a collective basis because 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 the aging buckets.

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

Allowance for Expected Credit loss of trade and other receivables	2024/25	2023/24
Opening balance adjustment due to adoption of PBE IPSAS 41	808	565
Individual Impairment	–	–
Collective Impairment	–	–
Increased Provision	115	243
Allowance for doubtful debts for trade receivable at 30 June	923	808

The aging profile of receivables excluding property rates, for the year ended 30 June:

Trade and other receivables (excluding property rates)	2024/25				2023/24			
	Gross \$000	Expected Credit Loss %	Provision for impairment \$000	Net \$000	Gross \$000	Expected Credit Loss %	Provision for impairment \$000	Net \$000
Not past due	97	0%	–	97	77	0%	–	77
1-30 days	835	0.71%	6	829	1,101	0.71%	8	1,093
31-60 days	159	9.56%	15	144	216	9.56%	21	196
61-90 days	29	25.63%	7	21	–	25.63%	–	–
> 90 days	1,289	69.40%	894	394	895	87.05%	779	116
Total	2,409	–	923	1,486	2,290	–	808	1,482

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
9. OTHER FINANCIAL ASSETS				
Short-term deposits with maturities of 4–12 months	43,350	22,350	43,350	22,350
LGFA borrower note	1,219	414	1,219	414
Total current portion	44,569	22,764	44,569	22,764
Non-current portion				
Investment in CCOs and similar entities				
Unlisted shares in NZLGIC Limited	104	104	104	104
Unlisted shares in LGFA	100	100	100	100
Total investment in CCOs and similar entities	204	204	204	204
Investment in associates				
MW LASS	72	51	72	51
Total investment in associates	72	51	72	51
Other				
LGFA borrower notes	5,967	3,748	5,967	3,748
Community loans	–	–	–	–
Total other	5,967	3,748	5,967	3,748
Total non-current portion	6,243	4,003	6,243	4,003
Total other financial assets	50,813	26,767	50,813	26,767

Fair value

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

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
MATURITY ANALYSIS AND EFFECTIVE INTEREST RATES:				
Short-term deposits with maturities of 4–12 months	38,350	22,350	38,350	22,350
Average maturity	358 Days	365 Days	358 Days	365 Days
Weighted average effective interest rate	4.32%	6.25%	4.32%	6.25%
Investments maturing after 1 year but less than 5 years	5,000	–	5,000	–
Average maturity	425 Days	– Days	– Days	365 Days
Weighted average effective interest rate	5.81%	0.00%	0.00%	6.25%

Impairment

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

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
10. NON-CURRENT ASSETS HELD FOR SALE				
Land & Buildings	1,942	–	1,942	–
Total assets held for sale	1,942	–	1,942	–

There are two assets held for sale at 30 June 2025 (nil for 30 June 2024).

They include:

- 1) Levin War Memorial Hall at 1A Chamberlain Street, 33, 35 and 37 Queen Street' Levin, and Levin Village Green at Salisbury Street Levin
- 2) Foxton Memorial Hall at 104 Clyde Street, Foxton

As at 30 June 2025, the sale and purchase agreement for the Levin War Memorial Hall and Levin Village Green is being drafted.

As at 30 June 2025, the sale and purchase agreement for the Foxton Memorial Hall

11. PROPERTY, PLANT AND EQUIPMENT (PPE) – COUNCIL & GROUP 2024	Cost / revaluation 1-Jul-24 \$'000	Accumulated depreciation and impairment charges 1-Jul-24 \$'000	Carrying amount 1-Jul-24 \$'000	Additions \$'000	Vested assets \$'000	Found assets \$'000	Disposals at cost \$'000	Depreciation on disposals \$'000	Reversal of accumulated depreciation \$'000	Cost transfers \$'000	Impairment \$'000	Cost / revaluation 30-Jun-25 \$'000	Accumulated depreciation & impairment charges 30-Jun-25 \$'000	Carrying amount 30-Jun-25 \$'000
Council operational assets														
Land	24,856	-	24,856	-	-	-	(1,161)	-	-	(833)	-	22,862	-	22,862
Buildings	50,130	(1,857)	48,273	75	-	-	(738)	(910)	2,767	3,281	1,699	356	54,803	-
Library books and other lending stock	2,410	(1,267)	1,143	315	-	-	(100)	(217)	-	-	-	-	(1,484)	1,140
Plant and equipment	14,279	(6,475)	7,803	1,245	-	-	(1)	(728)	-	369	(4,216)	11,676	(7,203)	4,472
Total operational assets	91,674	(9,599)	82,075	1,635	-	-	(2,000)	-	(1,856)	2,767	2,448	91,965	(8,688)	83,277
Council infrastructural assets														
Wastewater total	228,960	-	228,960	6,114	1,119	-	(1,232)	(6,233)	-	-	(39)	234,922	(6,233)	228,689
Water total	168,013	-	168,013	8,945	779	-	(74)	(4,377)	-	-	-	177,663	(4,377)	173,286
Stormwater drainage	98,307	-	98,307	1,787	367	-	(232)	(1,480)	-	-	-	100,229	(1,480)	98,749
Solid waste	8,980	(1,737)	7,243	44	-	-	-	(541)	2,278	131	-	9,155	-	9,155
Roads & Footpaths	269,299	-	269,299	7,326	-	-	(1,665)	-	(5,457)	-	-	274,960	(5,457)	269,503
Land under roads	25,784	-	25,784	2,797	-	-	-	-	-	-	-	28,581	-	28,581
Total infrastructural assets	799,345	(1,737)	797,608	27,012	2,265	-	(3,203)	-	(18,087)	2,278	131	825,510	(17,546)	807,964
Council restricted assets														
Cemeteries	2,385	(40)	2,345	270	-	-	-	(24)	64	(118)	-	2,537	-	2,537
Parks and reserves	80,063	(2,931)	77,132	1,658	-	-	-	(1,894)	4,825	925	66	80,662	-	80,662
Endowment properties	19,115	(629)	18,486	185	-	-	(274)	(341)	970	-	(2,134)	14,305	-	14,305
Total restricted assets	101,562	(3,600)	97,962	2,113	-	-	(274)	-	(2,259)	5,859	807	97,504	-	97,504
Total Council PPE														
	992,580	(14,936)	977,644	30,760	2,265	-	(5,477)	-	(22,202)	10,904	3,386	1,014,979	(26,234)	988,745

WORK IN PROGRESS	30 June 2025	30 June 2024
Buildings	\$114,508	\$947,369
Wastewater	\$8,427,937	\$11,194,759
Water	\$15,368,882	\$9,885,082
Parks	\$834,613	\$635,962
Plant & Equipment	\$183,343	\$36,243
Stormwater	\$6,797,779	\$5,817,840
Cemeteries	\$237,097	\$83,426
Roading	\$2,424,105	\$2,241,322
Books	\$-	\$-
Land under roads	\$2,981,885	\$-
Total	\$37,370,149	\$30,842,002

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

The increase in Work in Progress reflects the more precise monitoring of project completion at an asset level during the 2024/25 year.

Multiple large infrastructure projects spanning financial years including District wide water metering project, Levin alternative water source project, Levin water network renewal/upgrade project, Levin wastewater main renewal/upgrade project, Levin wastewater treatment project and Tara-Ika projects pending resource consent applications contribute to these costs.

Restrictions on Title

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

11. PROPERTY, PLANT AND EQUIPMENT (PPE) – COUNCIL & GROUP 2024	Accumulated depreciation and impairment charges		Carrying amount 1-Jul-23 \$000	Additions \$000	Vested assets \$000	Disposals at cost \$000	Depreciation on disposals \$000	Depreciation \$000	Revaluation \$000	Impairment \$000	Cost transfers \$000	Cost / revaluation 30-Jun-24 \$000	Accumulated depreciation & impairment charges 30-Jun-24 \$000	Carrying amount 30-Jun-24 \$000
	Cost / revaluation 1-Jul-23 \$000	1-Jul-23 \$000												
Council operational assets														
Land	24,856	–	24,856	–	–	–	–	–	–	–	–	24,856	–	24,856
Buildings	47,839	(894)	46,945	2,326	–	(35)	(3)	(960)	–	–	–	50,130	(1,857)	48,273
Library books and other lending stock	2,254	(1,137)	1,117	323	–	(168)	(18)	(112)	–	–	–	2,410	(1,267)	1,143
Plant and equipment	12,673	(5,652)	7,022	4,112	–	(10)	(21)	(802)	–	–	(2,496)	14,279	(6,475)	7,804
Total operational assets	87,622	(7,683)	79,940	6,760	–	(213)	(42)	(1,874)	–	–	(2,496)	91,674	(9,599)	82,075
Council infrastructural assets														
Wastewater Total	185,098	(4,705)	180,393	8,447	951	(489)	–	(4,457)	43,622	–	–	228,960	–	228,960
Water supply Total	142,760	(3,485)	139,275	7,249	750	(759)	–	(2,904)	23,721	–	290	168,013	–	168,013
Stormwater drainage	60,400	(891)	59,509	2,549	168	(10)	–	(919)	36,561	–	–	98,307	–	98,307
Solid waste	8,889	(1,348)	7,541	91	–	–	–	(389)	–	–	360	8,980	(1,737)	7,243
Roads	218,915	(3,767)	215,149	7,027	–	–	–	(3,847)	31,66	–	–	221,493	–	221,493
Footpaths	43,762	(906)	42,856	–	–	–	–	(905)	5,855	–	–	47,806	–	47,806
Land under roads	25,623	–	25,624	161	–	–	–	–	–	–	–	25,784	–	25,784
Total infrastructural assets	685,447	(15,102)	670,344	25,523	1,869	(1,258)	–	(13,421)	112,925	–	650	799,345	(1,737)	787,608
Council restricted assets														
Cemeteries	2,382	(17)	2,366	3	–	–	–	(23)	–	–	–	2,385	(40)	2,345
Parks and reserves	76,541	(1,367)	75,175	1,730	–	(280)	(119)	(1,445)	–	–	2,071	80,063	(2,931)	77,132
Endowment properties	19,632	(316)	19,316	0	–	(217)	–	(313)	–	–	(300)	19,115	(629)	18,486
Total restricted assets	98,555	(1,701)	96,858	1,733	–	(497)	(119)	(1,781)	–	–	1,771	101,562	(3,600)	97,962
Total Council PPE														
	865,692	(18,554)	847,138	34,017	1,869	(1,967)	(161)	(17,076)	112,925	–	(75)	992,580	(14,936)	977,644

There are no pledges or restrictions on titles for any properties, plant or equipment as per the accounting policies for restricted assets.
No items of any properties, plant or equipment were impaired, lost or given up.

Revaluation Schedule		Valuation method used to assess fair value for 2023/24			
Description	Date of last full asset valuation			Valuation performed by	Next full asset revaluation date
Operational assets					
Land and buildings	30 June 2025	Independent registered valuers at CBRE Valuation & Advisory Services have valued the land and buildings assets with an effective date of 30 June 2025. The valuation has been established on the basis of "Market value" and "Fair value" being synonymous. In determining fair value on improved properties, Income approach (Income Capitalisation), Market approach (Net Rate) and Cost Approach (Depreciated Replacement Cost) were utilised.		Performed by CBRE Valuation & Advisory Services	30 June 2028
Infrastructural assets					
Water reticulation, sewerage reticulation and stormwater systems	30 June 2024	The fair value assessment was performed independently by WSP New Zealand based on the likely adjustment in unit rates between 30 June 2024 and 30 June 2025. The components of determining the replacement cost are: - Unit Rates (including on-site direct costs) - On-Costs (including professional fees and councils costs) The unit rate analysis adjusts the previous valuation unit rates for general price indices, compares these rates to recent contract cost evidence where available, as well as other council unit rates for the equivalent assets, and reviews on-costs assumptions against new information available since the previous valuation, and considers any other relevant information available that would have an effect on unit rate conclusions. On-cost factors are applied to base unit rates to allow for all off-site expenses incidental to the asset acquisition and directly attributable to bringing the asset into working condition and location. These additional costs include professional fees and Council in-house project management costs.		WSP New Zealand	30 June 2027
Land and building portion of treatment plants	30 June 2024	The fair value assessment was performed internally by Council's Local Water team as at 30 June 2025. In terms of Optimised Depreciated Replacement Costs, Capital Goods Price Index – CEP for Non-residential Buildings is considered appropriate, being a capture of cost movement as relates to building cost assessed under this approach. It best reflects the likely movement for the assets in use (for three waters land and buildings assets) but with no direct sales market.		Performed internally by Council's Local water team	30 June 2027
Solid Waste: Landfill	30 June 2025	The valuation of the Levin landfill asset was independently valued with an effective date of 30 June 2025 by Stattec. A Cost Adjustment Factor (CAF) has been used to convert data from earlier years to 2025 rates. Replacement costs calculations for the main access road, perimeter fencing, weighbridge kiosk, site office /storage shed, and monitoring bores have been updated in this year's valuation.		Performed by CBRE Valuation & Advisory Services	30 June 2026
Roading	30 June 2024	The fair value assessment was performed internally by Council's Roading team as at 30 June 2025. The percentage increase is calculated based on the Stats NZ/NZTA Waka Kotahi index at financial year end June 2024 which at the time was 1.368 for maintenance and 1.332 for structures. Movement was evaluated by comparing June indices from 2024 to 2025. The 2024/25 accounts have not been adjusted for the fair value movement as it was not deemed material.		Performed internally with external peer review by WSP.	30 June 2027
Land Under Roads	NA	Land under Roads is carried at cost and under Roads is not revalued.			
Restricted assets					
Land and buildings: Parks, cemeteries and endowment land	30 June 2025	Independent registered valuers at CBRE Valuation & Advisory Services have valued the land and buildings assets with an effective date of 30 June 2025. The valuation has been established on the basis of "Market value" and "Fair value" being synonymous. In determining fair value on improved properties, Income approach (Income Capitalisation), Market approach (Net Rate) and Cost Approach (Depreciated Replacement Cost) were utilised.		Performed by CBRE Valuation & Advisory Services	30 June 2028
Others					
Forestry	30 June 2025	Independent registered valuers at Forme Consulting Ltd have valued the forestry assets with an effective date of 30 June 2025. The forests had been valued using various methodology such as the Current Replacement Cost (CRC) approach, Crop Expectation Value (CEV) approach, and Immediate Liquidation (IL) approach. More details can be found in note 13.		Forme Consulting Ltd	30 June 2026
Commercial properties	30 June 2025	Independent registered valuers at CBRE Valuation & Advisory Services have valued the commercial assets as at 30 June 2025. The valuation has been established on the basis of "Market value" and "Fair value" being synonymous. In determining fair value on improved properties, Income approach and Market approach were utilised. More details can be found in note 14.		Performed by CBRE Valuation & Advisory Services	30 June 2026

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12. INTANGIBLE ASSETS- COUNCIL & GROUP 2025	Accumulated amortisation and impairment charges 1-Jul-24 \$000	Carrying amount 1-Jul-24 \$000	Additions 2024/25 \$000	Vested assets 2024/25 \$000	Disposals at Cost on Disposals 2024/25 \$000	Amortisation 2024/25 \$000	Revaluation 2023/24 \$000	Cost depreciation transfers 2024/25 \$000	Accumulated depreciation transfers 2024/25 \$000	Cost/ revaluation 2024/25 \$000	Accumulated amortisation and impairment charges 30-Jun-25 \$000	Carrying amount 30-Jun-25 \$000
	Cost/ revaluation 1-Jul-24 \$000											
Council intangible assets												
Easements	284	-	284	-	-	-	-	-	-	284	-	284
Carbon credits	680	-	680	-	-	-	108	-	-	787	-	787
Computer software	5,101	(4,868)	233	85	-	-	(108)	105	-	5,291	(4,976)	315
Total council intangible assets	6,065	(4,868)	1,197	85	-	-	(108)	105	-	6,362	(4,976)	1,386
12. INTANGIBLE ASSETS- COUNCIL & GROUP 2024	Accumulated amortisation and impairment charges 1-Jul-23 \$000	Carrying amount 1-Jul-23 \$000	Additions 2023/24 \$000	Vested assets 2023/24 \$000	Disposals at Cost on Disposals 2023/24 \$000	Amortisation 2023/24 \$000	Revaluation 2023/24 \$000	Cost depreciation transfers 2023/24 \$000	Accumulated depreciation transfers 2023/24 \$000	Cost/ revaluation 2023/24 \$000	Accumulated amortisation and impairment charges 30-Jun-24 \$000	Carrying amount 30-Jun-24 \$000
	Cost/ revaluation 1-Jul-23 \$000											
Council intangible assets												
Easements	296	-	296	-	(12)	-	-	-	-	284	-	284
Carbon credits	565	-	565	-	-	-	115	-	-	680	-	680
Computer software	4,941	(4,729)	212	85	-	-	(139)	75	-	5,101	(4,868)	233
Total council intangible assets	5,802	(4,729)	1,073	85	(12)	-	(139)	75	-	6,065	(4,868)	1,197

Life of easements

Easements have been assessed as having an indefinite useful life because they provide Horowhenua District Council with access to infrastructural assets for an indefinite time period.

		Council and Group Actual \$ 30 June 2025 \$000	Council and Group Actual \$ 30 June 2024 \$000
13. FORESTRY ASSETS	Note		
Balance at 01 July		1,411	1,166
Gains / (losses) arising from changes in fair value less estimated point of sale costs attributable to price changes	3	(46)	245
Purchase of trees		80	–
Harvest of trees at the POT		–	–
Total Forestry assets		1,446	1,411

Council owns 146.9 hectares of pinus radiata forest and other harvestable trees, which are at varying stages of maturity ranging from 1 to 22 years. This consists of the Ferry Reserve 11.9 ha, Hokio Landfill 38.2 ha, The POT Forest 71.2 ha and Target Reserve 25.6 ha.

Independent registered valuers, Forme Consulting Ltd, have valued the forestry assets as at 30 June 2025. Valuation assumptions adopted in determining the fair value of the forestry assets include:

- a pre-tax discount rate of 7.8% (2024: 7.9%) has been used in discounting the present value of expected cash returns;
- the value of the land and the cost of owning the land are excluded from the valuation;
- Assessment of aerial and satellite imagery and/or updated stand map documentation has been used to confirm net stocked forest areas;
- 12 quarter trend log pricing have been used reflecting the age of the various stands.

Financial Risk Management Strategies

Horowhenua District Council is exposed to financial risks arising from changes in timber prices. Horowhenua District Council is a long-term forestry investor and does not expect timber prices to decline significantly in the foreseeable future, therefore, has not taken any measures to manage the risks of a decline in timber prices. Horowhenua District Council reviews its outlook for timber prices regularly in considering the need for active financial risk management.

There are no restrictions on titles and liabilities for forestry.

14. COMMERCIAL PROPERTY	Note	Council and Group Actual \$ 30 June 2025 \$000	Council and Group Actual \$ 30 June 2024 \$000
Balance at 01 July		2,500	1,300
Additions from acquisitions		720	1,400
Additions from subsequent expenditure		–	–
Disposals		–	–
Transfer from / (to) assets held for sale		–	–
Fair value gains / (losses) on valuation	3	(205)	(200)
Total Commercial property		3,015	2,500

Horowhenua District Council's investment properties are valued annually at fair value effective 30 June 2025 under PBE IPSAS 16. All investment properties were valued based on open market evidence. The valuation was performed by Bruce Lavender ANZIV, an independent valuer from CBRE, experienced valuers with extensive market knowledge in the types of investment properties owned by Horowhenua District Council.

The market value at 30 June 2025 was \$3,015,000 which has taken into account all the improvements made to that time. Assumptions vary depending on the item being valued. The valuation has been established on the basis of 'Market Value' and 'Fair Value' being synonymous. In determining fair value on improved properties, the valuation has utilised both of the following recognised valuation approaches:

- Income Approach predicted on the conversion of net actual income
- Market Approach comparing the asset with identical or similar assets.

There are no restrictions on titles and liabilities for investment property.

Contractual obligations in relation to investment properties at balance date but not recognised in the financial statements are as follows: As at 30 June 2025 there were \$126k contractual obligations for capital or operating expenditure (2024: \$101k).

REVENUE AND EXPENSE FROM COMMERCIAL PROPERTY	Note	Council and Group Actual \$ 30 June 2025 \$000	Council and Group Actual \$ 30 June 2024 \$000
Rental revenue		246	115
Direct operating expenses from commercial property generating revenue		(107)	(14)
Direct operating expenses from commercial property not generating revenue		(4)	–
Contractual obligations for capital expenditure		–	–
Contractual obligations for operating expenditure		(9)	–
Surplus / (deficit) from investment property		126	101

		Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
15. PAYABLES AND DEFERRED REVENUE	Note				
Trade payables		9,092	8,266	8,733	8,266
Retentions		645	–	645	–
Deposits and bonds		794	1,178	794	1,178
Accrued expenses		3,500	3,177	3,500	3,177
Rates and other revenue in advance		3,744	2,236	3,744	2,236
Other		898	1,693	898	1,675
Term deposit held for Shannon Community Trust		350	350	350	–
Total payables and deferred revenue		19,023	16,900	18,664	16,532

Exchange transactions		16,303	15,416	15,944	15,048
Non-exchange transactions		2,720	1,484	2,720	1,484
Total payables and deferred revenue transactions		19,023	16,900	18,664	16,532

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value.

		Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
16. PROVISIONS	Note				
Current provisions are represented by:					
Landfill aftercare		2,187	1,498	2,187	1,498
Total current provisions		2,187	1,498	2,187	1,498
Non-current provisions are represented by:					
Landfill aftercare		12,621	9,099	12,621	9,099
Total non-current provisions		12,621	9,099	12,621	9,099
Total provisions		14,808	10,597	14,808	10,597

Landfill aftercare					
Opening balance		10,597	10,154	10,597	10,154
Additional provisions made during the year		5,015	1,468	5,015	1,468
Amounts used during the year		(804)	(1,025)	(804)	(1,025)
Closing landfill aftercare balance		14,808	10,597	14,808	10,597

Provision for financial guarantees

Horowhenua District Council is listed as sole guarantor to a community organisation's bank loan. Under this guarantee Horowhenua District Council is obligated to make loan payments in the event the organisation defaults on a loan arrangement. The exercising of guarantees will be dependent upon the financial stability of the community organisation, which will vary over time; it is not considered to be necessary to make any provision as at 30 June 2025 (30 June 2024: \$Nil). Refer to Note 22.

Provision for landfill aftercare costs

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

Cash outflows for landfill post-closure costs are now being incurred for closed cells, (a cell is a set area of the landfill), since the landfill has been fully closed since October 2021. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The provision has been estimated taking into account existing technology and using discount rates ranging from 3.14% to 5.99% (2024: 3.98% to 5.25%). The inflation factor is the Treasury's CPI assumption with rates ranging from 1.98% to 2.10% (2024: 1.85% to 2.64%). The gross provision before discounting was \$24.8m (2024: \$17m).

The management of the landfill will influence the timing of recognition of some liabilities – for example a liability relating to each cell will only be created when that cell is commissioned and when refuse begins to accumulate in the cell.

The provision was estimated by P Landmark of Stantec New Zealand as at 30 June 2025 (2024: P Landmark of Stantec New Zealand). P Landmark of Stantec New Zealand is an independent engineer and valuer.

Assumptions have been made that additional remediation, including repairs to the clay capping, is required and that environmental monitoring will be altered. It has also been assumed that pumping operations will need to continue for a period of at least 30 years after the closure of the landfill and post-closure costs have been assumed from information presented in the Ministry for the Environment (MfE) Closed Landfills Guideline. During the 2022/2023 financial year, the decision was made that the Levin Landfill will remain closed and alternative uses will be investigated for the site. As the site is now permanently closed there is no remaining capacity and there is no remaining useful life.

During the 2024/25 financial year, Horowhenua District Council upon consulting with Audit NZ and Stantec New Zealand included the costs of Trade Waste associated with the landfill aftercare provision amounted to \$4m of the total closing landfill aftercare balance. Trade waste charges were previously excluded from the provision as it was deemed as internal charges. However, further investigation found that this is indeed an operating cost to the Council which forms part of the Landfill aftercare activities.

		Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
17. EMPLOYMENT BENEFIT LIABILITIES	Note				
Accrued pay		648	462	648	462
Annual leave		1,422	1,484	1,422	1,484
Long service leave		496	537	496	537
Retirement gratuities		–	–	–	–
Total employee benefit liabilities		2,566	2,483	2,566	2,483
Comprising:					
Current		2,070	1,946	2,070	1,946
Non-current		496	537	496	537
Total employee benefit liabilities		2,566	2,483	2,566	2,483

Long service leave assumptions

Long service leave is calculated based on estimate of individual staff members reaching the long service leave milestones based on current salaries. Non-current employee benefit liabilities of \$496k relates to Long service leave.

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
18. BORROWINGS				
Current				
Bank overdraft	-	-	-	-
Secured loans	59,000	43,000	59,000	43,000
Total current borrowings	59,000	43,000	59,000	43,000
Non-current				
Secured loans	181,000	159,000	181,000	159,000
Total non-current borrowings	181,000	159,000	181,000	159,000
Total borrowings	240,000	202,000	240,000	202,000

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

Fixed rate debt

Horowhenua District Council's secured debt of \$54,000,000 (2024: \$57,000,000) is issued at rates of interest fixed at time of issue.

Floating rate debt

Horowhenua District Council has \$181,000,000 of secured debt on current floating rate (2024: \$124,000,000). The interest rate is reset quarterly based on the 90-day bill rate plus a margin for credit risk. \$14,000,000 of secured debt is on Commercial Paper issued on a discount to par basis.

Overdraft

Horowhenua District Council has an overdraft facility with BNZ of \$3m.

Customised Average Rate Loan Facility

Horowhenua District Council has a CARL (Customised Average Rate Loan) of \$7m with BNZ. Of the \$7m BNZ CARL facility, \$0 was drawn down as at 30 June 2025 (2024: \$0)

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

Credit card

Horowhenua District Council has a Visa card facility of \$50,000 with BNZ. There were four credit cards on issued during the financial year ended 30 June 2025 utilising \$35k of the available facility. One card with a facility of \$5k has been closed since 30 June 2025.

The current balances of the cards on issue are recorded in the financial statements, but the remaining balance of the total facility are not recorded in the financial statements.

Security

All Horowhenua District Council's secured loans are secured under the terms of the Debenture Trust Deed between Horowhenua District Council and Covenant Trustee Services Ltd as Trustee. Security is by a charge over Council's ability to levy rates in favour of the Trustee.

Pursuant to the Debenture Trust Deed, Horowhenua District Council has issued to its bankers' security certificates totalling \$260.1m to secure the various bank loan facilities and guarantees issued on behalf of Horowhenua District Council and other general banking facilities.

An additional \$26,338m of security certificates have been issued as part of the Local Government Funding Agency agreement to jointly secure debt issues with other shareholding Councils.

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

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

Council and Group	Secured Loans Actual \$ 30 June 2025 \$000	Secured Loans Actual \$ 30 June 2024 \$000	Bank Overdraft Actual \$ 30 June 2025 \$000	Bank Overdraft Actual \$ 30 June 2024 \$000
Less than one year	59,000	43,000	-	-
Effective weighted average interest rate	3.52%	4.31%	0.00%	0.00%
Later than one year but not more than five years	181,000	159,000	-	-
Effective weighted average interest rate	3.52%	4.82%	0.00%	0.00%
Later than five years	-	-	-	-
Effective weighted average interest rate	-	-	0.00%	0.00%
Total borrowings	240,000	202,000	-	-

Fair value of borrowings

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

Council and Group	CARRYING AMOUNTS		FAIR VALUES	
	Actual \$ 30 June 2025 \$000	Actual \$ 30 June 2024 \$000	Actual \$ 30 June 2025 \$000	Actual \$ 30 June 2024 \$000
Secured Loans	240,000	202,000	240,000	202,000
Total borrowings	240,000	202,000	240,000	202,000

The carrying amounts of borrowings repayable within one year approximate their fair value. The fair values are based on cash flow using a rate based on the weighted borrowing rates ranging from 1.0700% to 5.1700% (2024: 1.0700% to 6.4600%).

Internal borrowings

Information about internal borrowings per activity is provided on the activity funding impact statements within the Activity updates from page XXX.

LGFA Covenant Compliance	Council Limits	LGFA Lending Policy	Actual 30 June 2025	Actual 30 June 2024
Net debt to total operating revenue	< 250%	< 250%	201%	214.00%
Net interest to total operating revenue	< 20%	< 20%	8%	10.00%
Net interest to annual rates revenue	< 25%	< 25%	12%	14.00%
Available financial accommodation to external indebtedness	> 110%	> 110%	136%	130.00%

With significant growth on the horizon, and an investment in three waters infrastructure still requiring investment from Council and growing significantly, we are maintaining our debt limit at 250% of operating income. Our debt is primarily driven by capital expenditure, and with growth comes a need to fund new infrastructure. In the longer term, when our water services are delivered by a new entity, we would likely reduce this limit to 225% which will still provide adequate borrowing in the event of a natural disaster and for investment in community infrastructure.

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
19. DERIVATIVE FINANCIAL INSTRUMENTS				
Asset				
Current asset				
Interest rate swaps	143	707	143	707
Non-current asset				
Interest rate swaps	159	618	159	618
Total derivative financial instrument asset	302	1,325	302	1,325
Liability				
Current liability				
Interest rate swaps	490	148	490	148
Non-current liability				
Interest rate swaps	983	–	983	–
Total derivative financial instrument Liability	1,473	148	1,473	148
Gain or loss on derivative financial instruments				
Opening balance	(1,177)	(1,646)	(1,177)	(1,646)
Closing balance	1,171	(1,177)	1,171	(1,177)
Derivative gain/(loss)	(2,348)	(469)	(2,348)	(469)

Fair value

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

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for HDC were \$178.0m (2024: \$105m and for the HDC group were \$178m (2024: \$105m). At 30 June 2025, the fixed interest rate of the cash flow interest rate swaps varied from 2.150% and 4.745% (2024 2.150% and 4.750%).

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
20. EQUITY				
Retained earnings				
As at 01 July	241,740	246,484	242,140	246,868
Transfers to:				
Special funds	(903)	(473)	(903)	(473)
Changes in PBE IPSAS standards	-	-	-	-
Transfers from:				
Special funds	306	815	306	815
Surplus / (deficit) for the year	(7,037)	(5,089)	(7,029)	(5,073)
As at 30 June	234,106	241,740	234,514	242,140
Other reserve funds (refer to separate schedule on page XXX to XXX)				
As at 01 July	9,402	9,746	9,402	9,746
Transfers to:				
Retained earnings	(306)	(815)	(306)	(815)
Transfers from:				
Retained earnings	903	473	903	473
As at 30 June	9,999	9,402	9,999	9,402
Asset revaluation reserves				
As at 01 July	549,773	437,422	549,773	437,422
Revaluation gains / (losses)	3,494	113,040	3,494	113,040
Adjustments				
Transfers to:				
Asset revaluation reserve on disposals	-	(689)	-	(689)
As at 30 June	553,267	549,773	553,267	549,773
Asset revaluation reserves consist of				
Operational assets				
Land & Buildings and Carbon Credits	35,190	35,098	35,190	35,098
Infrastructural assets				
Sewerage system	145,083	145,083	145,083	145,083
Water system	115,388	114,844	115,388	114,844
Stormwater drainage system	71,880	71,880	71,880	71,880
Solid waste	5,360	1,830	5,360	1,830
Road network	124,718	124,718	124,718	124,718
Restricted assets				
Cemeteries	762	820	762	820
Parks and reserves	43,265	40,205	43,265	40,205
Endowment property	11,621	15,296	11,621	15,296
Total asset revaluation reserves	553,267	549,773	553,267	549,773
Total equity	797,371	800,915	797,779	801,315

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
21. CAPITAL COMMITMENTS AND OPERATING LEASES				
PPE capital commitments				
Wastewater treatment	-	-	-	-
Water treatment	-	-	-	-
Wastewater other	1,592	1,052	1,592	1,052
Water other	-	472	-	472
Stormwater	-	558	-	558
Roading	445	258	445	258
Buildings	-	-	-	-
Parks	27	-	27	-
Total PPE capital commitments	2,064	2,340	2,064	2,340

Operating leases as lessee

Operating leases as lessee

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

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Operating Leases as Lessee				
Non-cancellable operating leases as lessee				
Less than one year	260	124	260	124
Later than one year but not more than five years	766	1	766	1
Later than five years	–	–	–	–
Total non-cancellable operating leases	1,026	125	1,026	125

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

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

Operating leases as lessor

Horowhenua District Council leases its investment properties, Foxton Beach endowment land and other property under operating leases.

The majority of the investment and endowment property leases are leases in perpetuity and therefore non-cancellable; the majority of the other leases are cancellable. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Operating Leases as Lessee				
Non-cancellable operating leases as lessor				
Less than one year	599	758	599	758
Later than one year but not more than five years	1,849	1,383	1,849	1,383
Later than five years	1,180	453	1,180	453
Total non-cancellable operating leases	3,628	2,594	3,628	2,594

Figures for later than five years are impracticable because most of the leases are in perpetuity. For the purposes of the above table, for any lease with a renewable clause the assumption adopted is there would be no option to renew, and if the lease is in perpetuity the assumption adopted is the lease would continue for over five years. The total annual lease amounts are expected to be at least those indicated above.

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

		Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
22. CONTINGENCIES	Note				
Guarantees		5,219	5,219	5,219	5,219
Government grant		–	–	–	–
Total contingencies		5,219	5,219	5,219	5,219

Guarantees

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

A condition of the sale of residential housing to Compassion Horowhenua was that the suspensory loan from Housing NZ to build the Cambridge St flats will transfer to Sisters of Compassion, but Council will issue security stock as guarantee for the loan. The maximum financial exposure Council is open to of \$5,219k.

Riskpool

Horowhenua District Council obtained public liability and professional indemnity insurance cover from New Zealand Mutual Liability Risk Pool scheme ("Riskpool"). The Council has now withdrawn from the Risk Pool but still has insurance cover via an insurance broker. Risk Pool operates as a mutual fund where each member makes an annual contribution to obtain cover; however, should claims exceed contributions then calls can be made on the members of that fund year for the shortfall amount. The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. The likelihood of any call-in respect of historical claims diminishes with each year as limitation periods expire. In a May update provided by Riskpool, it anticipates a further call to members to be made in August 2025, subject to the progression of litigation and reinsurance negotiations. The call, which is expected to be in the region of \$3.3 to \$3.7 million, (across the membership, not per individual member) will be to cover operating and other costs for the 2025/2026 financial year. At the time of preparing this report, Council received an invoice from Riskpool related to August call signalled, this amounted to \$3,832.21 including GST which was paid in the first quarter of 2025/26 financial year.

Following the Supreme Court's decision in LGMFT v Napier City Council [2023] NZSC 97, which addressed how claims involving a mix of weathertightness and non-weathertightness defects are treated under the Scheme, several stayed proceedings against Riskpool have recommenced. A number of member councils have brought mixed claims against Riskpool, with two cases listed for trial in September 2025. These trials will be significant in clarifying the scope of Riskpool's historic obligations and interpretation of past Scheme terms. Riskpool is working closely with its legal advisers to ensure these cases are ready for trial. At the same time, Riskpool is actively pursuing cover for liabilities arising out of domestic litigation through ongoing dialogue with reinsurers and brokers in London. Reinsurance is the primary source of funds for claims that Riskpool accepts. If there is delay in reinsurers paying a claim or if reinsurers refuse to pay, then the cost of that claim falls on Riskpool's membership.

Horowhenua District Council has not budgeted monies to cover any calls from Riskpool due to the uncertainty of amount and timing.

LGFA

Horowhenua District Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a current credit rating from Standard and Poor's of A+/Negative/A-1.

Horowhenua District Council is one of 31 local authority shareholders and 72 local authority guarantors of the NZLGFA. In that regard it has uncalled capital of \$100k. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, Horowhenua District Council is a guarantor of all of NZLGFA's borrowings. At 30 June 2025, NZLGFA had borrowings totalling \$25,530m (2024: \$23,030m).

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

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

Building Act claims

The Building Act of 2004 imposes certain obligation and liabilities on local authorities in respect to the issue of building consents and inspections of work done. There are currently no open claims.

Contingent assets

Third parties including sports clubs and community groups are able to construct facilities (e.g. club rooms) on Horowhenua District Council owned land. "The third parties control the use of these facilities and Horowhenua District Council will only gain control of the asset if the third party vacates the facility. "Unless, and until, such event occurs these assets are not recognised as assets in the statement of financial position. As at 30 June 2025 there were 16 facilities having an approximate value of \$26.54m (2024: 16 facilities, \$25.07m). This estimate has been based on district rating valuations.

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

Legal

Council has several ongoing legal proceedings. At this stage we are not anticipating any significant financial liability from these proceedings.

Leases

The leases for Waitāre Beach Motor Camp and Levin Holiday Park include provisions for Council to buy back the lessee's fixtures and improvements in certain circumstances totalling \$1,480,000. This estimate has been based on district rating valuations.

Personal grievances claims

Personal grievances claims represent amounts claimed by employees for personal grievances cases. There are no open personal grievances claims as at 30 June 2025 (2024: 0 personal grievances claims).

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

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

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

The company is considered to be a Council Controlled Organisation under the Local Government Act 2002, but the member councils have resolved that it is exempt for the purposes of section 6(4)(i) of that Act for 2024/2025, 2023/2024, 2022/23 and 2021/22.

23. Related Party Transactions

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000
Total MW LASS related party transactions	116	103

Shannon Community Development Trust

The Council holds \$350,000 (2024: \$350,000) on deposit on behalf of the Shannon Community Development Trust.

Key management personnel

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

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000
Transactions with Key Management Personnel		
EM SERVICES (2020) LIMITED - in which Cr Ross Brannigan is a director / shareholder	160	161
Taitoko Limited - in which Cr Piri-Hira Takapua is a director / shareholder	-	6
McLeods Book Centre (1965) Limited - in which Mayor Bernie Wanden is a director / shareholder	10	10
Total transactions with key management personnel	170	177

No provision has been required, nor any expense recognised, for impairment of receivables for any related party (2024: \$Nil).

Te Awahou Foxton Community Board members

There were no transactions carried out with related parties for the year ending 30 June 2024 and 30 June 2025.

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000
Key Management Personnel Compensation		
Remuneration		
Councillors *	714,485	696,049
Senior management team, including the Chief Executive	1,678,281	1,627,134
Total key management personnel remuneration	2,392,767	2,323,182
Full-time equivalent key management personnel		
Councillors**	12	13
Senior management team, including the Chief Executive***	7	6
Total full-time equivalent key management personnel	19	19

* The remuneration is exclusive of allowances.

** Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors. For the 2023 triennium, there were 2 additional Councillors for Māori ward, and 2 additional independent members for the Risk and Assurance Committee. Levin Ward Councillor Piri-Hira Tukapua resigned effective 1 November 2024, and this position was not filled.

*** There are a total of 7 in the current senior management team. This includes a new Group Manager for the Capability and Transformation group from 3 June 2025. This group will drive continuous improvement, innovation, and digital transformation, while also building Council's leadership capacity and supporting cross-functional ways of working. It will help the Council moves quickly to tackle challenges, deliver projects, and build a strong improvement culture within the organisation.

For the purposes of this table key management personnel comprise the Chief Executive Officer and other senior executives, and the mayor and councillors.

	Council Actual \$ 30 June 2025	Council Actual \$ 30 June 2024
24. REMUNERATION		
Chief Executives		
Monique Davidson		
Salary	374,607*	367,539
Vehicle (FBT value)	15,000	15,000
Final holiday pay	–	–
Total Chief Executive remuneration	389,607	382,539

* This includes cashed up annual leave of \$6,862.16.

Remuneration of Elected Members				
Elected representatives	2025		2024	
	Remuneration	Other Allowances	Remuneration	Other Allowances
Mayor:				
B Wanden	146,526	4,761	141,395	3,705
Councillors:				
D Allen	71,331	5,340	65,806	4,703
R Brannigan	46,155	2,184	43,750	1,300
S Jennings	54,547	1,496	50,322	1,300
P H Tukapua	18,494	573	46,451	1,300
M Barker	41,959	1,496	38,709	1,300
R Boyle	41,959	1,496	38,709	1,300
C Grimstone	41,959	1,496	38,709	1,300
N Hori Te Pa	41,959	1,496	38,709	1,300
P Olsen	41,959	1,496	38,709	1,300
J Procter	41,959	1,496	38,709	1,300
J Tamihana	41,959	2,929	38,709	3,024
A Young	41,959	1,496	38,709	1,300
Total elected representatives' remuneration	672,725	27,759	657,399	24,433

Remuneration of Elected Members

	2025		2024	
	Remuneration	Other Allowances	Remuneration	Other Allowances
Foxton Beach Community Board				
J Girling (Chair)	13,884	1,985	12,884	1,805
D Roache	6,969	1,496	6,442	1,553
T Chambers	6,969	1,496	6,442	1,553
P Metcalf	-	-	-	-
B Russell	6,969	1,496	6,442	1,553
N Fox	6,969	2,330	6,442	1,778
Total Te Awahou Foxton Community Board	41,760	8,804	38,650	8,241

During the year ending 30 June 2024, there were payments totalling \$19,245.90 made to two independent members of the Risk and Assurance Committee. There were also payments totalling \$408 made to two independent members of the Licensing Committee.

	Council Actual \$ 30 June 2025	Council Actual \$ 30 June 2024
Council employees		
Total annual remuneration by band		
<\$60,000	98	114
\$60,000 – \$79,999	71	59
\$80,000 – \$99,999	51	42
\$100,000 – \$119,999	23	23
\$120,000 – \$139,999	21	19
\$140,000 – \$159,999	13	10
\$160,000 – \$219,999	5	10
\$220,000 – \$239,999	3	3
\$240,000 – \$399,999	4	4
Total Council employees	289	277

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

At balance date, the Council employed 175 (2024: 159) full-time employees. A full-time employee is determined on the bases of a 40-hour working week.

For the year ended 30 June 2025 HDC made 4 severance payments to employees totalling \$49,251 (2024: \$118,607). The amount stated is gross pay before taxes, benefits and other payroll deductions.

	Council Actual \$ 30 June 2025
25. SEVERANCE PAYMENTS	
Payment 1	2,612.00
Payment 2	32,438.00
Payment 3	13,000.00
Payment 4	1,200.96
Total severance payment	49,250.96

26. EVENTS AFTER THE BALANCE SHEET DATE

There have been no events after 30 June 2025 that have impacted the accounts.

27. FINANCIAL INSTRUMENTS

		Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
27a. Financial Instrument Categories	Note				
Financial assets					
Mandatorily measured at FVTSD					
Derivative financial assets – not hedge accounted					
LGFA borrower notes	9	7,186	4,162	7,186	4,162
Interest rate Swap		302	1,325	302	1,325
Total Derivative financial assts		7,488	5,487	7,488	5,487
Amortised cost					
Cash and cash equivalents	7	15,192	11,482	15,240	11,514
Receivables (excluding GST receivables, prepayment and rates debtors)	8	14,208	9,286	14,208	9,286
Term deposits	9	43,350	22,350	43,350	22,350
Total at amortised costs		72,750	43,118	72,750	43,118
FVTOCRE					
FVOCRE due to irrevocable election – List-		204	204	204	204
Total at FVTOCRE		204	204	204	204
Total financial assets		80,442	48,809	80,490	48,841
Financial Liabilities					
Mandatorily measured at FVTSD					
Interest rate swap		1,473	148	1,473	148
Total mandatorily measured at FVTSD		1,473	148	1,473	148
Amortised cost					
Creditors and other payables	15	19,023	16,900	18,664	16,532
Borrowings:	18	240,000	202,000	240,000	202,000
Total amortised cost		259,023	218,900	258,664	218,900
Total financial liabilities		260,496	219,048	260,137	218,680

27b. Financial Instrument Categories

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

Level 1 – Quoted market price – Financial instruments with quoted prices for identical instruments in active markets.

Level 2 – Valuation technique using observable inputs – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Level 3 – Valuation techniques with significant non-observable inputs – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position.

		Council 30 June 2025 \$000	Council 30 June 2024 \$000	Group 30 June 2025 \$000	Group 30 June 2024 \$000
	Level				
Financial assets					
Swap derivatives	2	302	1,325	302	1,325
Financial liabilities					
Swap derivatives	3	1,473	148	1,473	148

There were no transfers between the different levels of the fair value hierarchy.

Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements.

	2025 \$000	2024 \$000
Council employees		
Balance at 1 July	–*	–
LGFA borrower notes	7,186	–
Balance at 30 June	7,186	–

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

27b. Financial Instrument Categories

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. The Council and group have a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council – approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered.

Market Risk

PRICE RISK

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

Horowhenua District Council holds unlisted equity instruments in Civic Financial Services Limited, which are not publicly traded. If the fair value of the shares had moved plus or minus 5%, the effect would have been to increase/decrease the fair value through equity reserve by \$5,206 (2024: \$5,200).

CURRENCY RISK

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

INTEREST RATE RISK

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

FAIR VALUE INTEREST RATE RISK

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

CASH FLOW INTEREST RATE RISK

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

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

Generally, Horowhenua District Council raises long – term borrowings at floating rates. Horowhenua District Council liability management policy requires it

to maintain at least 40% to 100% (0-2 years), 25% -80% (2-4years) and 0%-60% (4-8 years) of its borrowings at fixed rates of interest. To achieve this, Horowhenua District Council use interest rate swaps. Interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Horowhenua District Council borrowed at fixed rates directly. Under the interest rate swaps, Horowhenua District Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating – rate interest amounts calculated by reference to the agreed notional principal amounts. The proportion of gross borrowing at a fixed interest rate of the year ended 30 June 2025 40.8% (2024: 49.5%).

Credit Risk

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

The Council is exposed to credit risk as a guarantor of all LGFA's borrowings. Information about this exposure is explained in Note 22.

Horowhenua District Council invests funds only in government-guaranteed instruments, deposits with registered banks and local authority stock and its Investment Policy limits the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Accordingly, the Council does not require any collateral or security to support these financial instruments.

Maximum exposure to credit risk

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

		Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Maximum Exposure to Credit Risk	Note				
Cash at bank and term deposits	7, 9	58,542	33,832	58,590	33,864
Debtors and other receivables	8	14,208	9,286	14,208	9,286
Total credit risk		72,750	43,118	72,798	43,150

Horowhenua District Council is exposed to credit risk as a guarantor of all the LGFA's borrowings. Information about this exposure is explained in Note 18.

Credit quality of financial assets

The gross carrying amount of financial assets, excluding receivables, by reference to Standard and Poor's credit rating are provided below:

		Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
Counterparties with Credit Ratings	Note				
Cash at bank and term deposits:					
A+	7, 9	58,542	33,832	58,590	33,864
Total cash at bank and term deposits		58,542	33,832	58,590	33,864

Liquidity Risk

MANAGEMENT OF LIQUIDITY RISK

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

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

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

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

Horowhenua District Council has a maximum amount that can be drawn down against its overdraft facility of 3 million (2024: 3 million). There are no restrictions on the use of this facility. Which is disclosed in note 18.

Horowhenua District Council also entered an arrangement with the Local Government Funding Agency (LGFA), which provides a revolving credit line of \$20 million to Horowhenua District Council. This facility has not been drawn against and has no restrictions on use.

CONTRACTUAL MATURITY ANALYSIS OF FINANCIAL LIABILITIES

The table below analyses Horowhenua District Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest rate payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

Council 2025	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Group 2025							
Creditors and other payables	15	19,023	19,023	19,023	–	–	–
Secured loans	18	240,000	240,122	59,122	70,000	111,000	–
Swap derivatives	19	1,473	1,473	–	1,473	–	–
Total		260,496	260,618	78,145	71,473	111,000	–
Group 2025							
Creditors and other payables	15	18,664	18,664	18,664	–	–	–
Secured loans	18	240,000	240,122	59,122	70,000	111,000	–
Swap derivatives	19	1,473	1,473	–	1,473	–	–
Total		260,137	260,137	77,786	71,473	111,000	–
Council 2024							
Group 2024							
Creditors and other payables	15	16,900	16,900	16,900	–	–	–
Secured loans	18	202,000	211,511	44,852	40,081	126,579	–
Swap derivatives	19	148	148	–	148	–	–
Total		219,048	228,559	61,752	40,229	126,579	–
Group 2024							
Creditors and other payables	15	16,532	16,532	16,532	–	–	–
Secured loans	18	202,000	211,511	44,852	40,081	126,579	–
Swap derivatives	19	148	148	–	148	–	–
Total		218,680	228,191	61,384	40,229	126,579	–

Contractual Maturity Analysis of Financial Assets

The table below analyses Horowhenua District Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

Council 2025	Note	Carrying Amount \$000	Contractual Cash Flow \$000	<1 Year \$000	1-2 Years \$000	2-5 Years \$000	>5 Years \$000
Council 2025							
Cash and cash equivalents	7	15,192	15,192	15,192	-	-	-
Debtors and other receivables	8	14,208	14,208	14,208	-	-	-
Other financial assets:							
Term deposits	9	43,350	43,350	43,350	-	-	-
Community loan	9	-	-	-	-	-	-
Total		72,750	72,750	72,750	-	-	-
Group 2025							
Cash and cash equivalents	7	15,240	15,240	15,240	-	-	-
Debtors and other receivables	8	14,208	14,208	14,208	-	-	-
Other financial assets:							
Term deposits	9	43,350	43,350	43,350	-	-	-
Community loan	9	-	-	-	-	-	-
Total		72,798	72,798	72,798	-	-	-
Council 2024							
Cash and cash equivalents	7	11,482	11,482	11,482	-	-	-
Debtors and other receivables	8	9,286	9,286	9,286	-	-	-
Other financial assets:							
Term deposits	9	22,350	22,365	22,365	-	-	-
Community loan	9	-	-	-	-	-	-
Total		43,118	43,133	43,133	-	-	-
Group 2024							
Cash and cash equivalents	7	11,514	11,514	11,514	-	-	-
Debtors and other receivables	8	9,286	9,286	9,286	-	-	-
Other financial assets:							
Term deposits	9	22,350	22,365	22,365	-	-	-
Community loan	9	-	-	-	-	-	-
Total		43,150	43,165	43,165	-	-	-

Refer to note 39 for further information for the restatement of 30 June 2023 results.

Sensitivity analysis

The tables below illustrate the potential profit and loss (excluding retained earnings) for reasonably possible market movements, with all other variables held constant, based on Horowhenua District Council's financial instrument exposures at the balance date.

Interest rate risk	30 June 2025 -100bps	30 June 2025 +100bps
Council 2025		
Financial assets		
Cash and cash equivalents	(152)	152
Financial liabilities		
Borrowings	1,810	(1,810)
Group 2025		
Financial assets		
Cash and cash equivalents	(152)	152
Financial liabilities		
Borrowings	1,810	(1,810)
Council 2024		
Financial assets		
Cash and cash equivalents	(115)	115
Financial liabilities		
Borrowings	1,240	(1,240)
Group 2024		
Financial assets		
Cash and cash equivalents	(115)	115
Financial liabilities		
Borrowings	1,240	(1,240)

Cash and cash equivalents include deposits at call totalling \$15,240,000 (2024: \$11,514,000) which are at floating rates. A movement of interest rates of plus or minus 1% influences interest income of \$152,400 (2024: \$115,140). The interest rate sensitivity is based on reasonable possible movement in interest rates, with all other variables held constant, measured as a basis point (bps) movement. For example, a decrease in 100bps is equivalent to a decrease in interest rate of 1%.

Borrowings include total debt of \$181,000 (2024 \$124,000,000) on current floating rates

28. BUDGETS FOR YEAR ENDED 30 JUNE 2025

Budgets are as per year one of the 2024 Long term plan.

29. EXPLANATIONS OF MAJOR VARIANCES AGAINST BUDGET

Explanations on major variances against budget are disclosed on the face of the financial statements and Funding Impact Statements under the Activity updates.

30. FINANCE LEASES

Council does not have any finance leases (30 June 2024: nil).

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$000	Group Actual \$ 30 June 2024 \$000
31. RECONCILIATION OF SURPLUS WITH CASH FLOWS FROM OPERATING ACTIVITIES				
TO BE UPDATED				
Surplus (deficit)	(7,037)	(5,089)	(7,029)	(5,073)
Add/(less) non-cash items:				
Depreciation and amortisation	22,325	17,215	22,325	17,215
Other including vested and donated assets	(2,265)	(1,869)	(2,265)	(1,869)
(Gain)/Losses in Fair value of forestry assets	46	(245)	46	(245)
(Gain)/Losses in value of commercial property	205	200	205	200
(Gain)/Losses on Landfill provision	5,015	1,468	5,015	1,468
(Gain)/Losses on derivative financial instruments	2,348	469	2,348	469
(Gain)/Losses on other investment	24,046	(83)	24,030	(83)
Add / (less) items classified as investing or financing activities:			-	
(Gain)/Losses on disposal of property, plant & equipment	(2,827)	1,852	(2,827)	1,852
Add/(less) movements in working capital:				
(Increase)/decrease in accounts receivable	3,403	3,228	3,403	3,228
(Increase)/decrease in prepayments	47	(40)	47	(40)
(Increase)/decrease in stock on hand	(101)	2	(101)	2
Increase/ (decrease) in accounts payable	2,123	410	2,123	410
Increase/ (decrease) in employee entitlements	83	236	83	236
Increase/ (decrease) in provisions	4,212	(1,025)	4,212	(1,025)
Increase /(decrease) in current liabilities	3,281	-	3,281	-
Net cash flows from operating activities	54,903	16,731	54,895	16,731

32. CAPITAL MANAGEMENT

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

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

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

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

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000
33. DEPRECIATION AND AMORTISATION EXPENSE BY GROUP OF ACTIVITY		
Community support	9	3
Regulatory services	27	50
Community facilities	1,475	1,192
Community infrastructure	1,498	1,373
Property	754	660
Roading	5,457	4,752
Solid waste	541	390
Stormwater	1,480	919
Wastewater	6,233	4,457
Water supply	4,368	2,904
Council operating assets	484	516
Total	22,325	17,216

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000
34. INSURANCE OF ASSETS		
Total value of assets covered by insurance contracts	166,681	163,445
Maximum amount of insurance	374,165	347,788
Total value of assets covered by financial risk sharing arrangements	728,276	677,094
Maximum amount available under those arrangements	291,311	270,838
Total value of assets that are self-insured	88,414	82,723
The value of funds maintained for that purpose	–	–

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

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000
35. REPLACEMENT COST OF CORE INFRASTRUCTURAL ASSETS		
Water other	279,096	226,562
Water treatment plant and facilities	6,001	42,866
Total Water	285,097	269,428
Waste water treatment plant and facilities	437,987	426,615
Wastewater other	14,682	-
Total Wastewater	452,669	426,615
Stormwater	149,520	147,898
Solid Waste	16,482	14,419
Roading and footpaths	432,470	390,600
Total replacement cost of core infrastructure assets	1,336,237	1,248,960

Refer to Note 11 for vested assets and additions.

	Council Actual \$ 30 June 2025 \$000	Council Actual \$ 30 June 2024 \$000	Group Actual \$ 30 June 2025 \$00	Group Actual \$ 30 June 2024 \$000
36. TAX				
Components of tax expense				
Current tax	-	-	-	-
Tax expense	-	-	-	-
Relationship between tax expense and accounting surplus				
Surplus / (deficit) before tax	(7,037)	(5,089)	(7,029)	(5,073)
Tax at 28%	(1,970)	(1,425)	(1,968)	(1,421)
Plus / (less) tax effect of:				
Non-deductible expense	1,970	1,425	1,968	
Non-assessable revenue	-	-	-	-
Tax expense	-	-	-	-

37. RECONCILIATION OF MOVEMENTS IN LIABILITIES ARISING FROM FINANCIAL ACTIVITIES	Borrowing	Derivative (Mark to market movements)	Other
Balance at 1 July 2024	202,000	(1,647)	-
Cash inflows	67,000	-	-
Cash outflows	(29,000)	-	-
Non-cash changes	-	2,348	-
Balance at 30 June 2025	240,000	701	-
Balance at 1 July 2023	168,000	(1,647)	-
Cash inflows	67,000	-	-
Cash outflows	(33,000)	-	-
Non-cash changes	-	-	-
Balance at 30 June 2024	202,000	(1,647)	-

38. WATER SERVICES REFORM PROGRAMME

TO BE UPDATED

From 2024 AR:

The New Zealand Government is implementing a water services reform programme that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by keeping water infrastructure in local ownership and control, but also provides a pathway for significant infrastructure upgrades. Government are committed to supporting councils to deliver high-quality, financially sustainable water service to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. The reform will be enacted by three pieces of legislation:

- The Water Services Entities Act 2022, which (as amended by the Water Services Entities Amendment Act 2023 on 23 August 2023) establishes ten publicly owned water services entities and sets out their ownership, governance and accountability arrangements. A water services entity is established (for transitional purposes) on the date on which the appointment of the entity's establishment board takes effect, and its establishment date (operational date) will be a date between 1 July 2024 and 1 July 2026.
- The Water Services Legislation Act 2023, which amended the Water Services Entities Act 2022 on 31 August 2023 to provide for the transfer of water services assets and liabilities to the water services entities.
- The Water Services Economic Efficiency and Consumer Protection Act 2023, which provides the economic regulation and consumer protection framework for water services. The consumer protection framework will come into force on 1 July 2024 and the rest of the Act came into force on 31 August 2023.

TO BE UPDATED

TO BE UPDATED

Benchmarks Disclosure Statement

For the year ended 30 June 2025

The purpose of this statement is to disclose the council's 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 report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

RATES AFFORDABILITY BENCHMARKS

The Council meets the rates affordability benchmark if

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

1. RATES (INCOME) AFFORDABILITY

The following graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's Long-Term Plan (LTP).

The quantified limit is \$41,886,000 (2020/21), \$43,514,000 (2021/22), \$48,104,000 (2022/23), \$53,711,000 (2023/24), and \$65,585,000 (2024/25)

Actual rates income is the total net rates income after rates penalties and remission, including water by meter rates revenue.

RATES (INCOME) AFFORDABILITY

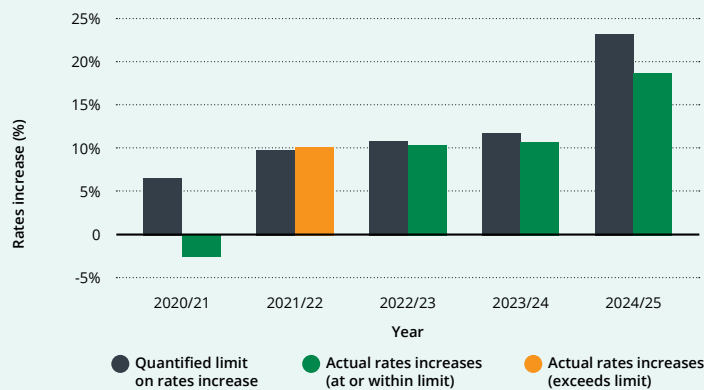


2. RATES (INCREASES) AFFORDABILITY

The following graph compares Council's actual rate increase with a quantified limit on rates increases included in the financial strategy in Council's LTP.

The quantified limits are 6.54% (2020/21), 9.71% (2021/22), 10.76% (2022/2023), 11.87% (2023/24) and 23% (2024/25) including growth.

RATES (INCREASE) AFFORDABILITY



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

Whilst 2021/22 shows a rates increase exceeding limit, this is by a margin of 0.3% due to lower water by meter rates billed, which was based on water consumption.

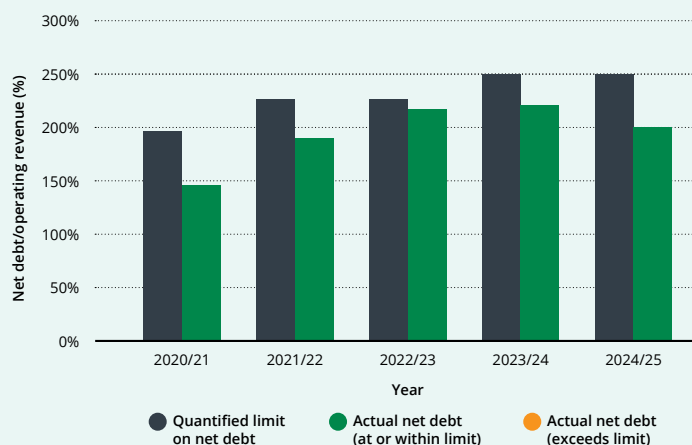
DEBT AFFORDABILITY BENCHMARK

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

1. NET DEBT TO OPERATING REVENUE

The following graph compares Council's actual borrowing with quantified limit on borrowing stated in the financial strategy included in Council's LTP. The quantified limits are net debt to operating revenue should be below 250%, this was increased from 175% to 195% in the 2018/38 LTP then increased to 225% in the 2021/41 LTP and subsequently increased to 250% in the 2021/41 LTPA.

NET DEBT TO OPERATING REVENUE

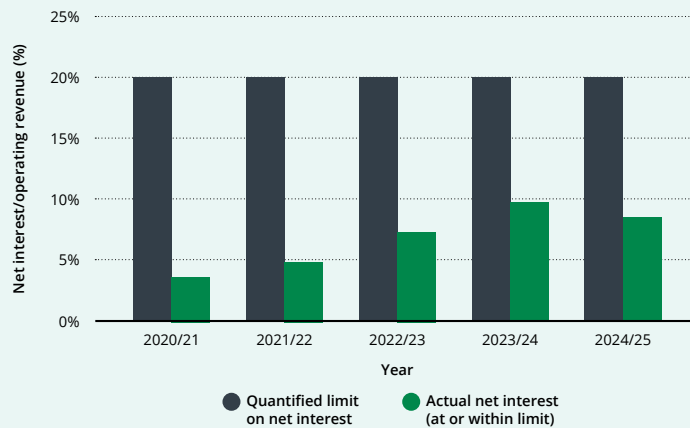


Total revenue is defined as cash earnings from rates, grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets). Net debt is defined as total debt less liquid financial assets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

2. NET INTEREST TO OPERATING REVENUE

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

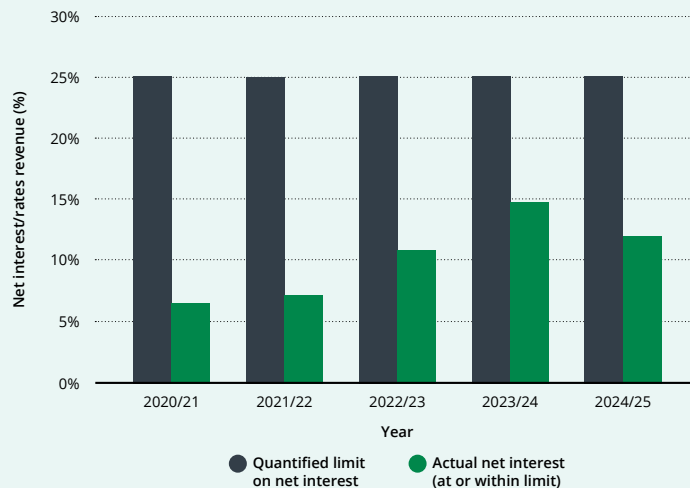
NET INTEREST TO OPERATING REVENUE



3. NET INTEREST TO RATES REVENUE

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

NET INTEREST TO RATES REVENUE

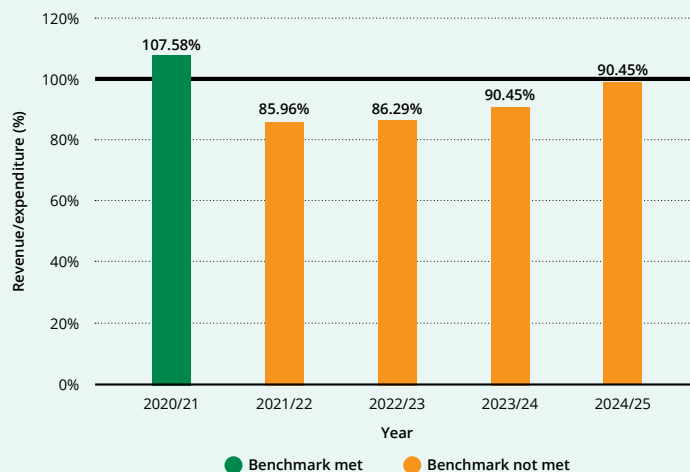


BALANCED BUDGET BENCHMARK

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

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

BALANCED BUDGET



In order to keep the level of rate increases to an affordable level, Council has, for some years, not been fully funding depreciation. Funding depreciation creates a reserve to cover the cost of replacing Council's assets, especially infrastructural assets. Underfunding this reserve is possible only in the short term. Council has been progressively increasing the funding of depreciation since the 2009/10 financial year. The major cause of Council's above inflation rate increases has been the need to increase depreciation funding. The underfunding of depreciation is the major reason for Council not meeting this benchmark exacerbated by the above budget expenditure variances described under the Statement of Comprehensive Revenue and Expense. The benchmark was met in the 2020/21 year due to the significant increase in external capital funding from the Crown.

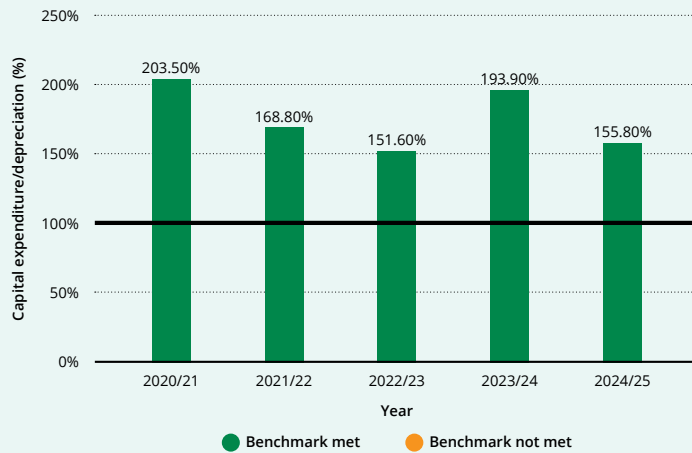
ESSENTIAL SERVICES BENCHMARK

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

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

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

ESSENTIAL SERVICES

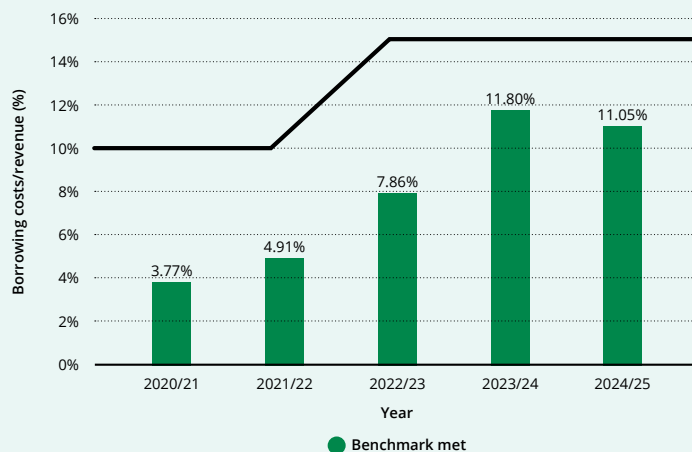


DEBT SERVICING BENCHMARK

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

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

DEBT SERVICING

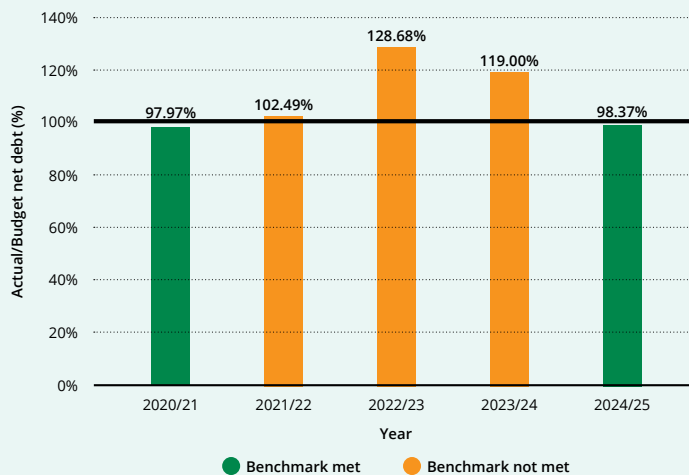


DEBT CONTROL BENCHMARK

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

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

DEBT CONTROL



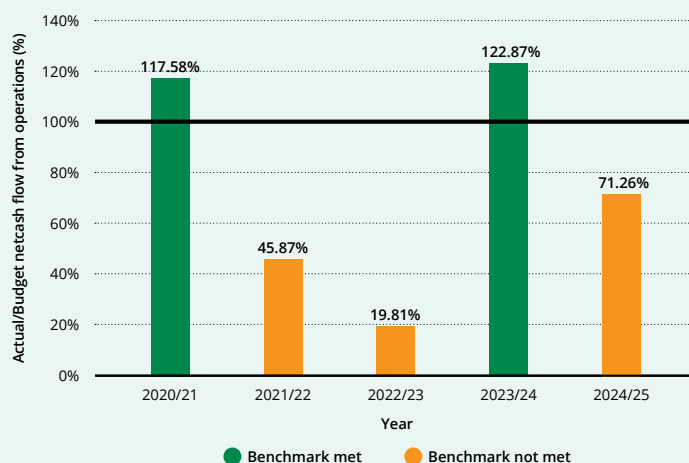
The benchmark was not met in the 2021/2022, 2022/23 and 2023/24 year as planned asset proceeds did not occur as planned.

OPERATIONS CONTROL BENCHMARK

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

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

OPERATIONS CONTROL



The reason for not meeting the benchmark in the 2021/22 financial year is due to not receiving capital grant funding for the Tara-Ika project as a result of it being moved out to future years.

The reason for not meeting the benchmark in the 2022/2023 financial year is due to not receiving capital grant funding for the Tara-Ika project and more expenditure than budget in professional services and asset maintenance contracts.

The 2022/23 results have been restated. They were reported as -43.75%. This restatement in benchmark graph is a result of the restatement of the 2022/23 cashflow statement. Refer to note 39 of 2023/24 annual report for further information for the restatement of 30 June 2023 results.

The reason for not meeting the benchmark in the 2024/25 financial year is largely due to reduced funding from NZTA Waka Kotahi, and a delay in funding from National Infrastructure Funding and Financing NZ with changes in the timing of the associated capital projects.

Accounting Policies

REPORTING ENTITY

Horowhenua District Council (HDC) is a territorial local authority constituted under and governed by the Local Government Act 2002 (LGA) and is domiciled in New Zealand. The relevant legislation governing Council's operations includes the LGA and the Local Government (Rating) Act 2002.

The Horowhenua District Council Group (HDC Group) consists of HDC and Shannon Community Development Trust. All have been incorporated in New Zealand.

The primary objective of HDC is the provision of local authority services, including infrastructure, regulatory, resource management, recreation and cultural services.

The financial statements of HDC and its controlled entities (collectively the HDC Group) are for the year ended 30 June 2025. The financial statements were authorised for issue by Council on **XX October 2025**.

BASIS OF PREPARATION

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

Management has reassessed the going concern assumption considering a decision on 4 June to adopt as its future Water Service Delivery Model a joint Water Services Organisation (in the form of a Water Services Council-Controlled Organisation) (Water Services Organisation), with Palmerston North City Council and Rangitīkei District Council. Regardless of the decision, council has the plan and the resources to continue to operate into the foreseeable future whether a separate water entity is created.

STATEMENT OF COMPLIANCE

The financial statements of HDC have been prepared in accordance with the requirements of the Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP) R), which requires compliance with generally accepted accounting practice in New Zealand (NZ GAAP).

As the primary objective of HDC is to provide local infrastructure, local public service, and performs regulatory functions for the community for social benefit rather than making a financial return. Accordingly, HDC is a public benefit entity (PBE) for financial reporting purposes.

These financial statements and service performance information comply with PBE Standards and have been prepared in accordance with Tier 1 PBE accounting standards.

MEASUREMENT BASE

The measurement base adopted is that of historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies.

PRESENTATION CURRENCY AND ROUNDING

The financial statements are presented in New Zealand dollars. The functional currency of HDC is New Zealand Dollars. All values are rounded to the nearest thousand dollars (\$000), other than the remuneration and the severance payment disclosures in Note 24 & 25. The remuneration & severance payment disclosures are rounded to the nearest dollar.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements HDC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

To comply with PBE accounting standards, the financial statements require certain judgements and assumptions. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are discussed in the following specific notes:

- Note 10 - Impairment of non-current assets held for sale.
- Note 11 - Revaluation, impairment, useful lives and residual values of property, plant and equipment.
- Note 13 - Estimating the fair value of forestry assets.
- Note 14 - Revaluation and impairment of investment properties.
- Note 17 - Employment benefit liabilities.
- Note 16 - Provisions.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Land (Operational, Restricted and Infrastructural)

- Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.
- Where there is a designation against the land or the use of the land is restricted because of reserve or endowment status, the valuation approach reflects the restriction in use. Such land is valued based on rural land value plus a location adjustment to reflect different zoning, which are based on the valuer's judgement.
- Restrictions on HDC's ability to sell land would not normally impair the value of the land because HDC has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

Buildings (Operational and Restricted)

- Specialised buildings are valued at fair value using depreciated replacement cost because no reliable market data is available for such buildings.
- Depreciated replacement cost is determined using a number of significant assumptions. Significant assumptions used in the 30 June 2025 valuation include:
- The replacement costs of the specific assets are adjusted where appropriate for optimisation due to over-design or surplus capacity. There have been no optimisation adjustments for the most recent valuations.
- The replacement cost is derived from recent construction contracts of modern equivalent assets and property institute of New Zealand cost information.
- There are no significant asbestos issues associated with the buildings.
- The remaining useful life of assets is estimated after considering factors such as the condition of the asset, future maintenance and replacement plans, and experience with similar buildings.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

Please refer to the revaluation schedule in Note 11 for further information.

Landfill Aftercare Provision

- Note 16 discloses an independent engineer's analysis of the exposure of HDC in relation to the estimates and uncertainties surrounding the landfill aftercare provision.

Infrastructural Assets

- There are a number of assumptions and estimates used when performing depreciated replacement cost (DRC) valuations over infrastructural assets. These include:

- The physical deterioration and condition of an asset, for example Council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for assets that are not visible, for example stormwater, wastewater and water supply pipes that are underground. This risk is minimised by HDC performing a combination of physical inspections and condition modelling assessments of underground assets.
- Estimating any obsolescence or surplus capacity of an asset.
- Estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example, weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then HDC could be over or underestimating the annual depreciation charge recognised as an expense through surplus or deficit. To minimise this risk HDC's infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of HDC's asset management planning activities, which gives HDC further assurance over its useful life estimates.

Estimating the Replacement Cost of The Asset

- The replacement cost of an asset is based on recent construction contracts in the region for modern equivalent assets, from which unit rates are determined. Unit rates have been applied to components of the network based on size, material, depth, and location.
- Refer to Note 11 for the carrying value of these assets.

CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

Other than the changes disclosed below, all accounting policies and disclosures are consistent with those applied by HDC Group in the previous financial year.

New Standards Effective in the Year Ended 30 June 2025:

1. Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)
- Effective for reporting periods beginning on or after 1 January 2024, and thus mandatory for the year ended 30 June 2025.
 - There is now an enhanced breakdown of fees paid to your audit or review firms, categorised into: audit/review, audit related, other assurance, taxation, and other services. This disclosure is included in note 5.

2. 2024 Omnibus Amendments to PBE Standards (PBE IAS 12 – Income Taxes)

- Also applies to annual periods starting on or after 1 January 2024.
- Introduces a temporary exemption from recognising and disclosing deferred tax assets/liabilities related to Pillar Two top up taxes (global minimum tax rules).
- Includes additional disclosure requirements for the period before full legislation is in force.

3. Early adoptable Standards (Optional for 30 June 2025 yearends if specific criteria are met)

These standards are not mandatory for your 30 June 2025 reporting, and HDC has chosen not to adopt them early:

- Amendments to PBE IFRS 17 – PBE IFRS 17 Insurance Contracts for public sectors was issued in June 2023. This standard establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts. It is effective for reporting periods beginning on or after 1 January 2026 with early adoption permitted. HDC has not yet assessed in detail the impact of the amendments.
- 2024 Omnibus Amendments to PBE IPSAS 1 – Classification of Liabilities as Current or Non-Current - The amendment clarifies the principle for classifying a liability as current or non-current, particularly in relation to loan covenants. The amendment is effective for year ended 30 June 2027. HDC has not yet assessed in detail the impact of these amendments.
- PBE Conceptual Framework Update

Summary of Significant Accounting Policies

BASIS OF CONSOLIDATION

The consolidated financial statements are prepared by adding together like items of assets, liabilities, equity, revenue, expenses, and cash flows of entities in HDC Group on a line-by-line basis. All intragroup balances, transactions, revenues, and expenses are eliminated on consolidation.

The consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The consolidation of an entity begins from the date when HDC obtains control of the entity and ceases when the HDC loses control of the entity.

Control over an entity is determined when HDC has exposure or rights to variable benefits from its involvement with the entity and has the ability to affect the nature or amount of those benefits through its power over the other entity. HDC considers all relevant facts and circumstances in assessing whether it has power over another entity. These can include, for example, the ability to appoint or remove most of the entity's governance and management, binding

arrangements HDC enters, group voting rights, and pre-determination mechanisms. HDC reassesses whether it controls another entity if facts and circumstances change.

FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions (including those subjects to forward foreign exchange contracts) are translated into New Zealand dollars (the functional currency) using the spot exchange rate at the dates of the transactions.

GOODS AND SERVICES TAX

All items in the financial statements are stated exclusive of GST, except for receivables and payables which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. Accrued income and expenses are stated exclusive of GST.

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

The net GST paid to or received from IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

BUDGET FIGURES

The budget figures are those approved by Council in the 2024-44 Long Term Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by HDC for the preparation of the financial statements.

SUBSIDIARIES

HDC consolidates as 'subsidiaries', in HDC Group financial statements, all entities where HDC has the power to govern the financial and operating policies so as to obtain benefits from their activities. This power exists where HDC controls the majority voting power on the governing body, or where such policies have been irreversibly predetermined by HDC, or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

HDC's investment in its subsidiary is carried at cost in the HDC's own 'parent entity' financial statements.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to HDC and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of consideration received or receivable.

Revenue is from exchange and non-exchange transactions. Exchange transaction revenue arise when HDC group and HDC provide goods or services directly to a third party and receive approximately equal value in return. Non-exchange transactions revenue arise when HDC group and HDC receive value from another party without having to directly provide goods or services of equal value. Non-exchange revenue comprises rates and transfer revenue. Transfer revenue includes grants, subsidies, fees and user charges derived from activities that are partially funded by rates.

RATES REVENUE

The following policies for rates have been applied:

- General rates, targeted rates (excluding water by meter), and uniform annual general charges are recognised as revenue when the assessments are issued to which the rates resolution relates. These are recognised as the amounts due. HDC considers the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water by meter rates is recognised on an accrual basis based on usage. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.
- Rates remissions are recognised as a reduction of rates revenue when HDC has received an application that satisfies its rates remission policy.

DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

Development contribution levies are recognised as revenue when billed as properties have access to water, wastewater, stormwater and community facilities when they are billed.

Development contributions are disclosed separately.

INFRINGEMENT FEES REVENUE

Revenue from infringement fees and fines mostly relates to traffic and parking infringements and is recognised when tickets are issued. HDC recognises revenue at an amount based on the probability of collecting fines, which is estimated by considering the collection history of fines over the preceding two (2) year period.

SUBSIDISED REVENUE

HDC receives revenue from Waka Kotahi NZTA, which subsidises part of the costs in maintaining the local roading infrastructure, and is recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

GRANTS REVENUE

Revenue from other grants recognised as revenue when 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.

RENDERING OF SERVICES REVENUE

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided, as a percentage of the total services to be provided.

SALE OF GOODS - FULL COST RECOVERY

Revenue from the sale of goods (e.g. HDC rubbish bags) is recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

VESTING OF ASSETS REVENUE

Revenue from vesting of physical assets is recognised for assets received for no or nominal consideration, the asset is recognised at fair value when HDC obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the value is based on the fair value at the date of acquisition.

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

INTEREST AND DIVIDENDS REVENUE

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

Revenue from dividends is recognised when the right to receive payment has been established.

RENTAL REVENUE

Rental revenue from commercial property is recognised as revenue on a straight-line basis over the lease term, unless another systematic basis is more representative of the time pattern in which benefits derived from the leased asset are diminished.

Personnel Costs

SALARIES AND WAGES

Salaries and wages are recognised as an expense as employees provide services.

SUPERANNUATION SCHEMES

Defined contribution schemes

- Obligations for contributions to defined contribution superannuation schemes are recognised as an expense through surplus or deficit when incurred.
- Defined Benefit Schemes
- HDC does not belong to any Defined Benefit Scheme.

Finance Costs

All borrowing costs are recognised as an expense in the period in which they are incurred, except borrowing costs directly attributable to the construction of a qualifying asset which are capitalised as part of the cost of that asset.

Other Expenses

GRANT EXPENDITURE

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

Discretionary grants are those grants where HDC has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of HDC's decision. HDC's grants awarded have no substantive conditions attached.

LEASES

Finance leases

- A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.
- At the commencement of the lease term, HDC recognises finance leases as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item or the present value of the minimum lease payments.
- The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.
- The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether HDC will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

- An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.
- Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

Income Tax

All HDC's sources of income are exempt from Income Tax under the provisions of the Income tax Act 2007, and therefore no charge for income tax has been provided for.

Cash and Cash Equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Receivables

Trade and other receivables are initially measured at face value less any provision for impairment.

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

HDC applies the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables and other receivables and assessed on a collective basis because 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 HDC'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 (LG(R) A). Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Inventory

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Non-commercial: measured at cost, adjusted for any loss of service potential.
- Commercial: measured at the lower of cost and net realisable value.

PBE IPSAS 12.17,35 Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. PBE IPSAS 12.16 Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition. PBE IPSAS 12.44.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in surplus or deficit in the year of the write-down. PBE IPSAS 16.71.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost.

PBE IPSAS 16.71 Costs directly attributable to the developed land are capitalised to inventory, except for infrastructural asset costs, which are capitalised to property, plant, and equipment.

Non-Current Assets Held for Sale

Non-current assets held for sale are classified as 'held for sale' if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised through surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses (net of depreciation) that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Derivative Financial Instruments and Hedging

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The resulting gains or losses are recognised in the surplus or deficit as HDC does not hedge accounts.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

FINANCIAL INSTRUMENTS

HDC is party to financial instrument arrangements as part of its everyday operations. Revenue and expenses relating to financial instruments are recognised in the Statement of Comprehensive Income.

Financial instruments are comprised of:

- Financial assets – cash and cash equivalents, trade and other receivables, available for sale investments, derivative financial instruments
- Financial liabilities – trade creditors, borrowings, derivative financial instruments.

Other Financial Assets

Refer to Note 27.

INITIAL RECOGNITION AND MEASUREMENT

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (FVOCI), or fair value through surplus or deficit (FVTSD).

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and HDC Group's business model for managing them. With the exception of short-term receivables and payables that do not contain a significant financing component or for which HDC Group has applied the practical expedient, HDC Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through surplus or deficit, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through surplus or deficit, irrespective of the business model.

HDC Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from

collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at FVOCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

HDC Group's financial assets include: cash and term deposits, receivables from exchange and non-exchange transactions, loans, investments in joint ventures and related parties, loans to related parties, unquoted financial instruments and derivative financial instruments. All unlisted shares have been valued at cost and not fair value.

SUBSEQUENT MEASUREMENT

For purposes of subsequent measurement, financial assets are classified into three categories:

- Financial assets at amortised cost (debt instruments)
- Financial assets at FVOCI with recycling of cumulative gains or losses (debt instruments)
- Financial assets at fair value through surplus or deficit.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains or losses are recognised in surplus or deficit when the asset is derecognised, modified or impaired. HDC Group's financial assets at amortised cost includes trade receivables from exchange transactions, receivables from non-exchange transactions, investments in related parties, term deposits and a loan to an associate included under other noncurrent financial assets.

FINANCIAL ASSETS AT FVOCI (DEBT INSTRUMENTS)

For debt instruments at FVOCI, interest income and impairment losses or reversals are recognised in the statement of financial performance and computed in the same manner as for financial assets measured at amortised cost. The remaining fair value changes are recognised in other comprehensive income (OCI). Upon derecognition, the cumulative fair value change recognised in OCI is recycled to surplus or deficit.

HDC Group's debt instruments at FVOCI are derivative financial instruments.

FINANCIAL ASSETS AT FAIR VALUE THROUGH SURPLUS OR DEFICIT

A financial asset is measured at fair value through surplus or deficit unless it is measured at amortised cost or at fair value through other comprehensive revenue and expense. Financial assets at fair value through surplus or deficit are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of financial performance.

This category includes derivative instruments, investments in related parties, investment in joint ventures, and other investments which are held for trading and which HDC Group had not irrevocably elected to classify at FVOCI. Dividends on listed equity investments are recognised as revenue from exchange transactions in the statement of financial performance when the right of payment has been established.

DERECOGNITION

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from HDC Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired or
- HDC Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) HDC Group has transferred substantially all the risks and rewards of the asset, or (b) HDC Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

IMPAIRMENT

PBE IPSAS 41 requires HDC Group to record expected credit losses on all of its debt instruments classified at amortised cost or FVOCI. HDC Group recognises loss allowances for expected credit losses (ECLs) on financial assets at amortised cost, the allowances for receivables of exchange and non-exchange transactions are measured, using the simplified approach, at an amount equal to lifetime ECLs, while all other debt instruments classified at amortised cost are measured using the general approach.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, HDC Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both qualitative and quantitative information and analysis, based on historical experience, informed credit assessments, and including forward looking information.

HDC Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. HDC Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to HDC Group in full, without recourse by HDC Group; or
- The financial asset is more than 90 days old.

HDC Group considers writing off a financial asset primarily when the debt is older than a year and there has been no response after six months of being sent to debt collectors, however this is treated on a case by case basis.

HDC Group considers fixed interest and term deposit financial instruments to have low credit risk when its credit rating is equivalent to a credit rating of A+ or higher.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. The maximum period considered when estimating ECLs is the maximum contractual period over which HDC Group is exposed to the credit risk.

Financial assets at fair value through surplus or deficit include investments in managed funds. Fair values of these units are determined by reference to published price quotations in an active market. Also included is investments in equity shares of unquoted companies, namely Liquium, Ferronova, and Medical Kiwi. HDC Group holds non-controlling interests in these companies.

Debt instruments at amortised cost are held to maturity and may generate a fixed or variable interest income for HDC Group. The carrying value may be affected by changes in the credit risk of the counterparties.

Property, Plant and Equipment

Property, plant and equipment consist of:

- **Operational assets** – These include land, buildings, library collections, plant and equipment and motor vehicles.
- **Restricted assets** – Restricted assets are parks and reserves, cemeteries and endowment properties and associated built assets owned by HDC which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- **Infrastructure assets** – Infrastructure assets are the fixed utility systems owned by HDC. Each asset class includes all items that are required for the network to function, for example, sewer reticulation includes reticulation piping, sewer pump stations and infrastructure land and buildings.

Land (operational and restricted) is measured at fair value, and buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

ADDITIONS

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to HDC and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

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

DISPOSALS

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included through the surplus or deficit.

When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

SUBSEQUENT COSTS

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to HDC and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

DEPRECIATION

HDC's depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The average useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Useful Life	Depreciation Rate
Operational assets		
Land	N/A	N/A
BUILDINGS:		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	0.025
Electricals	40 years	0.025
Plant, equipment and vehicles	3 to 25 years	3% to 25%
Library assets	10 years	0.1
SOLID WASTE MANAGEMENT:		
Building structure	50 to 100 years	1% to 2%
Building roofing	40 years	0.025
Roading	50 years	0.02
Cell site works and earthworks	33 years	0.03
Cell lining, drainage and irrigation	33 years	0.03
Cell electricals	10 years	0.1
Restricted assets		
Land	N/A	N/A
BUILDINGS:		
Structure	20 to 100 years	1% to 5%
Roofing	40 years	0.025
Electricals	40 years	0.025
Improvements	4-25 years	4% to 25%

	Useful Life	Depreciation Rate
Infrastructural assets		
ROADING: (AVERAGE LIVES AND DEPRECIATION RATES OF MAJOR COMPONENTS)		
Land	N/A	N/A
Formation	N/A	N/A
Berms	100 years	0.01
Surface water channels	50 to 100 years	1% to 2%
Bridges and culverts	40 to 100 years	1% to 2.5%
Drainage	80 years	0.0125
Sealed pavement	78 years	0.0129
Basecourse	60 years	0.0166
Footpaths – concrete	60 years	0.0166
Footpaths – metal	100 years	0.01
Footpaths – other	20 to 45 years	2.22% to 5%
Crossings	50 years	0.02
Streetlights – poles	30 to 50 years	2% to 3.33%
Streetlights – lights	25 years	0.04
Signage	12 years	0.0833
Surfacing	1 to 25 years	4% to 100%
STORMWATER:		
Pump stations	100 years	0.01
Manholes	80 years	0.0125
Sumps	60 years	0.0167
Pipes	20 to 100 years	1% to 5%
Pumps	15 years	0.0667
WATER:		
Land	N/A	N/A
BUILDINGS:		
Structure	50 to 100 years	1% to 2%
Roofing	40 years	0.025
Electricals	40 years	0.025
Treatment facilities	8 to 100 years	1% to 12.5%
Pipes	20 to 80 years	1.25% to 5%
Laterals	50 to 90 years	1.11% to 2%
Tobies	60 years	0.0167
Valves	60 years	0.0167
Hydrants	60 years	0.0167

	Useful Life	Depreciation Rate
Meters	20 years	0.05
SEWER:		
Land	N/A	N/A
BUILDINGS:		
Structure	25 to 70 years	1.43% to 4%
Roofing	40 years	0.025
Electricals	40 years	0.025
Treatment and disposal facilities	10 to 100 years	1% to 10%
Pipes	60 to 80 years	1.25% to 1.67%
Laterals	60 to 100 years	1% to 1.67%
Pump stations	50 to 60 years	1.67% to 2%
Manholes	80 years	0.0125
Pumps	10 to 25 years	4% to 10%

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

REVALUATION

Land and buildings (operational and restricted) and infrastructure assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

The carrying values of revalued assets are assessed annually to ensure that those values are not materially different from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

HDC accounts for revaluations of property, plant and equipment on a 'class of asset' basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value is recognised in the surplus or deficit, it will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expense.

Those asset classes that are revalued are valued on a three-yearly valuation cycle on the basis described below. All other asset classes are carried at cost less accumulated depreciation and impairment losses.

ECONOMIC AND REMAINING LIVES

The economic life of an asset is the period of time beyond which it is economically worthwhile to replace rather than to continue to repair or maintain. The economic life varies for each asset. These have been calculated in accordance with the New Zealand Institute of Asset Management (NZIAM) guidelines and then further modified if local knowledge and experience suggests this is appropriate.

There are assets within the asset register that have already exceeded their assumed useful life. Therefore, to account for these assets it has been assumed that each asset has a minimum remaining useful life of five years for long life assets and two years for short life span assets. Pipe assets have been given a minimum useful life of 10% of their expected useful life.

There have been no changes in useful lives for reticulation and non-reticulation assets. Useful lives for the treatment plant asset dataset are however revised and in line with the assets.

Resource consents are included and valued using the term of the consent. Where a consent has expired, we have assumed it has been rolled over.

Intangible Assets

SOFTWARE ACQUISITION AND DEVELOPMENT

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs that are directly associated with the development of software for internal use by HDC are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads.

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

SOFTWARE-AS-A-SERVICE (SAAS) ARRANGEMENTS

SaaS arrangements are service contracts providing HDC with the right to access the cloud provider's application software over the contract period.

Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received.

Some of these costs incurred are for the development of software code that enhances or modifies, or creates additional capability to, existing on-premise systems and meets the definition of and recognition criteria for an intangible asset. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives of these assets are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

EASEMENTS

Easements are recognised at cost, being the costs directly attributable in bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised but are instead tested for impairment annually.

CARBON CREDITS

Purchased carbon credits are recognised at cost on acquisition and revalued to the market value annually at 30 June. Free carbon credits received from the Crown are recognised at fair value on receipt and revalued annually after that based on the market price for carbon credits. They are not amortised but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

AMORTISATION

HDC's carrying value of an intangible asset with a finite life is amortised on a 'straight-line' basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-

recognised. The amortisation charge for each period is recognised through the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as:

Software licences - 3 to 10 years 10% to 33.3%

Internally generated intangible assets 3 to 10 years 10% to 33.3%

Forestry assets

Forestry assets are independently revalued annually at fair value less estimated point of sale costs. Fair value is determined based on the present value of expected net cash flows discounted at a current market determined pre-tax rate. This calculation is based on existing sustainable felling plans and assessments regarding growth, timber prices, felling costs and silvicultural costs and takes into consideration environmental, operational and market restrictions.

Gains or losses arising on initial recognition of forestry assets at fair value less estimated point of sale costs and from a change in fair value less estimated point of sale costs are recognised through surplus or deficit.

The costs to maintain the forestry assets are included through surplus or deficit.

Commercial 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.

Commercial property is measured initially at its cost, including transaction costs.

After initial recognition, HDC measures all investment property at fair value as determined annually by an independent valuer under PBE IPSAS 16.

Gains or losses arising from a change in the fair value of investment property are recognised through surplus or deficit.

IMPAIRMENT OF PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS

Property, plant, and equipment that have a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

VALUE IN USE FOR NON-CASH-GENERATING ASSETS

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value in use is the depreciated replacement cost.

VALUE IN USE FOR CASH-GENERATING ASSETS

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets is the present value of expected future cash flows.

Creditors and Other Payables

Short-term creditors and other payables are recorded at their face value.

Financial Liabilities

INITIAL RECOGNITION AND MEASUREMENT

Financial liabilities at amortised cost are classified, at initial recognition and include loans and borrowings, or payables.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

HDC Group's financial liabilities include payables under exchange transactions and loans and borrowings.

SUBSEQUENT MEASUREMENT

After initial recognition, interest-bearing loans and borrowings or payables are subsequently measured at amortised cost using the effective interest rate (EIR)

method. Gains or losses are recognised in surplus or deficit when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of financial performance.

DERECOGNITION

A financial liability is derecognised when the obligation under the liability is discharged, waived, cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of financial performance.

Borrowings and all other financial Liabilities

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

Borrowings due to be settled within 12 months of balance date are treated as current liabilities. All other borrowing is classified as term liabilities.

FINANCIAL GUARANTEE CONTRACTS

A financial guarantee contract is a contract that requires HDC to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arm's length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received, the fair value of the liability is initially measured using a valuation technique, such as considering the credit enhancement arising from the guarantee or the probability that HDC will be required to reimburse a holder for a loss incurred discounted to present value. If the fair value of a guarantee cannot be reliably determined, liability is only recognised when it is probable there will be an outflow under the guarantee. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the higher of:

1. The estimated amount determined if it is probable there will be an outflow to settle the guarantee; and
2. The amount initially recognised less, when appropriate, cumulative amortisation as revenue.

Employee Entitlements

Employee benefit liabilities are calculated based on estimate of individual staff members reaching the long service leave milestones based on current salaries.

SHORT-TERM EMPLOYEE ENTITLEMENTS

Employee benefits, that HDC expects to be settled within 12 months after the end of period in which the employee renders the related service, are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months.

HDC recognises a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

LONG-TERM EMPLOYEE ENTITLEMENTS

Entitlements that are payable beyond 12 months after the end of period in which the employee renders the related service, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

1. The likely future entitlements accruing to staff (based on years of service), years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
2. The present value of the estimated future cash flows.

PROVISIONS

HDC recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event. It is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense.

EQUITY

Equity is the community's interest in HDC and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

1. Retained earnings;
2. Asset revaluation reserves; and
3. Other reserves.

OTHER RESERVES

This reserve relates to restricted reserves which are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by HDC. The details of the reserve funds can be found on the Statement of Reserve Funds.

Restricted reserves are those subject to specific conditions accepted as binding by HDC and which may not be revised by HDC 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 HDC decision. HDC may alter them without references to any third party or the Courts. Transfers to and from these reserves are at the discretion of HDC.

ASSET REVALUATION RESERVES

This reserve relates to the revaluation of property, plant and equipment to fair value.

Cost Allocation

HDC has derived the cost of service for each significant activity of HDC using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as costs and revenues, actual usage, staff numbers and floor area.

Going Concern

THREE WATERS REFORM/LOCAL WATER DONE WELL

In December 2023, the New Zealand Government announced a new direction for water services – including potable water, wastewater and stormwater services (three waters). The policy and legislation are generically referred to as Local Water Done Well.

As part of the reform, there is a requirement for councils to work together to determine the future of water assets to ensure effective management and to maintain quality and sustainability of water services across a region. This will require a change to the current state where three water assets are held by Council and services are delivered by the Council.

HDC made a decision on 4 June to adopt as its future Water Service Delivery Model a joint Water Services Organisation (in the form of a Water Services Council-Controlled Organisation) (Water Services Organisation), with Palmerston North City Council and Rangitikei District Council. Regardless of the decision, council has the plan and the resources to continue to operate into the foreseeable future whether or not a separate water entity is created.

From that date, all water assets will transfer from councils to the new organisation, which will manage water services and bill water users directly.

MATTERS STILL TO BE FINALISED

There are several significant things still to be finalised before any asset transfer can be completed including but not limited to:

- Creation of a new water entity This is expected to be finalised around XX.
- Commitment Agreement.
- A formal transfer agreement needs to be agreed – this would include a definitive listing of assets to be transferred, timing of the transfer and consideration received. This is expected to be finalised around XX.
- The water services organisation needs to be sufficiently resourced and capable of taking the assets.
- While the participating councils have agreed (prior to 1 July 2025) to be part of a new water services organisation, agreement needs to be reached on all details about how the entity is governed plus the rights/obligations of the participating councils.
- Completion of the final stages of legislation.

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Horowhenua District Council's annual report
for the year ended 30 June 2025

Glossary

Provides short definitions of the jargon that may appear in local authority documents.

Advocate	Council acts as an advocate when it represents the views and interests of the community to a range of organisations including Government Agencies and the Regional Council.
Asset	An asset is an item of value owned by Council on behalf of the people of Horowhenua. Examples are bank accounts, amounts owing by debtors, parks, roads, land, buildings, vehicles, computers and the water, wastewater and stormwater networks.
Asset Management Plan (AMP)	This is a long-term plan for managing an asset to ensure that capacity to provide a service is kept up, and that costs over the life of the asset are kept to a minimum. Council has such plans for all of its major assets including roading, water supply, wastewater disposal, parks and solid waste assets. The plans cover things like service standards, maintenance regimes and future developments.
Capital Expenditure	Money spent with effect on the Long-Term rather than the short term. Examples are to buy or build a new asset, or to improve the potential of an existing asset. Capital expenditure is generally expected to lead to a higher level of service to the community.
Community Outcomes	Statements of the community's vision and goals for the future of the district. It is intended that these outcomes inform and coordinate the activities and planning of all sectors of the community (including Council).
Council Controlled Organisation (CCO)	An organisation that manages facilities and/or provides services on behalf of the Horowhenua community, in which Council directly or indirectly controls more than 50% of either the votes or the appointments of directors or trustees.
Debt	The amount owed for borrowed funds.
Depreciation	The allocation of the cost of an asset over its estimated useful life.
District Plan	The plan prepared by Council under the Resource Management Act that manages, through rules, potential adverse impacts of subdivisions and land use on the environment.
Financial Year	Council's financial year starts on 01 July and ends on 30 June of the following year.
Projected Financial Statement	The 20-year plan for Council's revenue and expenditure, cash flows and borrowing.
Funding Impact Statement	An explanation of how Council's funding requirements are planned to be met through various mechanisms including rates.
Governance	The way in which Council engages with the community, how it makes decisions and the ways in which citizens can influence these processes.
Hapori	Community
Infrastructure	Assets that form inalienable physical links between or within communities. Examples are roading, water supply systems, wastewater disposal systems and stormwater drainage systems.

Land Value	The value of land, excluding any improvements. For rating purposes, Council contracts Quotable Value New Zealand to assess the land value of all properties every three years.
Liability	Present obligation arising from past events. Current liabilities are those due for payment within one financial year, and non-current liabilities are those due in the longer term.
Long Term Plan (LTP)	A Long-Term (20-year) plan (reviewed every three years) that describes community outcomes and the activities of Council and provides a Long-Term focus for the decisions and activities of Council.
Operating Costs	The costs of running Council in the short term. Examples are the costs of maintaining assets, employing staff and the interest costs of loans.
Performance Target	A measure that shows how well Council is doing in achieving the goals that it set for itself.
Rates	Property taxes collected by Council, which help fund the services that Council provides to the community.
Renewal Expenditure	The cost of replacing components of existing assets to restore them to their original condition. Examples are the replacement of old water mains and the resealing of roads.
Revenue	The amount earned from operations: Examples are rates, dog registration fees, building permit fees, subsidies, rental revenue and interest on investments.
Rohe	District
Significance	The degree of importance of an issue under consideration, as assessed by Council, in terms of its likely consequences for the current and future wellbeing of the community.
Stormwater	Rain that runs off properties and roads.
Sustainability	The use of natural, social and physical resources in such a way that takes care of current needs and allows for the ongoing use of those resources for future generations.
Targeted Rates	Any rate other than a general rate, targeted at users or beneficiaries of a particular service. Examples are rates for solid waste, water supply and wastewater.
Uniform Annual General Charge (UAGC)	A fixed-sum rate payable by all properties as part of their contribution to general rates. There are statutory rules whereby the UAGC is not payable on contiguous properties – where two or more properties are next to each other, owned by the same ratepayer, used for a common purpose.
Wastewater	The liquid waste from a property. Examples are sewage, grey water and trade waste.



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