



Mōhiohio pūtea **Financial** **information**

Introducing the Finances

Overview

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

Funding Impact Statements are included that outline revenue and rating mechanisms and provide detailed rating values for general and targeted rates for the 2025-26 year. Finally, this part of the documentation contains projections of annual administrative charges set under the Resource Management Act 1991 and the Local Government Act 2002.

Statement of Financial Performance

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

Horizons Regional Council (the Council) is a Regional Council as defined in the Local Government Act 2002. The Council's principal activities are outlined within our Long-term Plan 2024-34.

The financial information contained within this Annual Plan and its associated policies and document is financial information in terms of current financial reporting standards, including Financial Reporting Standard (PBE FRS 42). The purpose for which it has been prepared is to enable the public to participate in the decision-making process relating to services to be provided by the Council to the community for year ending 30 June 2026, and to provide a broad accountability mechanism of the Council to the community.

In relation to those standards, the financial information for 2025-26 financial year is considered to be a forecast. (A forecast is based on assumptions that the Council reasonably expects to occur).

Cautionary Note

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

Other Disclosures

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

Prospective Statement of Comprehensive Revenue and Expense for the year ending 30 June 2026 (\$000)

	Long-term Plan 2025	Long-term Plan 2026	Annual Plan 2026
Revenue			
Rates	65,994	73,940	73,511
Subsidies and grants	25,028	14,766	14,948
Finance revenue	3,850	2,700	3,300
Other revenue	17,036	18,029	18,011
Total revenue	111,908	109,435	109,770
Expenditure			
Personnel costs	30,963	34,027	34,071
Depreciation and amortisation expenses	5,917	5,610	6,196
Finance costs	3,050	2,800	2,700
Other expenses	62,975	66,490	64,859
Total expenditure	102,905	108,927	107,825
Surplus/(Deficit) Before Tax	9,003	508	1,945
Income tax expense/benefit	-	-	-
Surplus/(Deficit) After Tax	9,003	508	1,945
Other comprehensive revenue and expense			
Financial assets at fair value through other comprehensive revenue and expense	100	72	118
Gain on property, plant, and equipment revaluations	42,009	20,451	31,687
Total Other Comprehensive Revenue and Expense	42,109	20,523	31,805
Total Comprehensive Revenue and Expense	51,112	21,031	33,750

Prospective Statement of Financial Position for the year ending 30 June 2026 (\$'000)

	Long-term Plan 2025	Long-term Plan 2026	Annual Plan 2026
Assets			
Current assets			
Cash and cash equivalents	3,078	4,580	9,060
Trade and other receivables	8,210	7,835	9,132
Revenue receivable	6,060	4,685	5,641
Prepayments and leases - current portion	1,204	1,398	1,235
Inventory	1,892	1,933	2,034
Tax refund due	-	-	-
Other current assets	1,857	1,798	1,969
Total current assets	22,301	22,229	29,071
Non-current assets			
Other financial assets			
Investments in CCOs and other similar entities	33,542	33,774	33,400
Loan to CCOs	17,000	15,500	15,500
Subtotal	50,542	49,274	48,900
Investments in other entities	3,602	3,474	3,845
Derivative financial instruments	245	79	83
Total other financial assets	54,389	52,827	52,828
Deferred taxation asset	-	-	-
Investment Property	3,850	4,160	4,290
Forestry assets	3,905	3,905	1,953
Land leases (prepaid) non-current	1,979	1,864	1,457
Restoration asset	1,384	1,407	582
Carbon credits	18,159	20,064	15,953
Intangible assets	2,851	2,807	3,342
Operational assets	112,401	113,924	110,575
Infrastructural assets	1,076,356	1,102,302	1,303,423
Total non-current assets	1,275,274	1,303,260	1,494,403
Total assets	1,297,575	1,325,489	1,523,474

	Long-term Plan 2025	Long-term Plan 2026	Annual Plan 2026
Liabilities			
Current liabilities			
Trade and other payables	19,915	20,200	20,542
Provisions - general	46	50	94
Provisions - employee entitlements	3,470	3,807	3,998
Debt - current portion	7,000	8,000	15,000
Derivative financial instruments (current)	-	-	-
Total current liabilities	30,431	32,057	39,634
Non-current liabilities			
Derivative financial instruments	-	-	-
Debt - non-current portion	71,131	76,225	73,347
Deferred taxation liability	-	-	990
Provision - replanting	2,094	2,258	-
Total non-current liabilities	73,225	78,483	74,337
Total liabilities	103,656	110,540	113,971
Net assets (assets minus liabilities)	1,193,919	1,214,949	1,409,503
Equity			
Asset revaluation reserves	763,596	784,047	979,478
Fair value through other comprehensive revenue and expense reserves	1,706	1,778	2,036
Restricted reserves	14,470	14,984	16,434
Infrastructure insurance reserves	5,160	5,280	5,280
Accumulated funds	408,987	408,861	406,275
Total equity	1,193,919	1,214,950	1,409,503

Prospective Statement of Changes in Equity for the year ending 30 June 2026 (\$'000)

	Long-term Plan 2025	Long-term Plan 2026	Annual Plan 2026
Balance at 1 July	1,142,807	1,193,919	1,375,754
Total comprehensive revenue and expense for the year	51,113	21,031	33,749
Balance at 30 June	1,193,920	1,214,950	1,409,503

Prospective Statement of Cash Flows for the year ending 30 June 2026 (\$000)

	Long-term Plan 2025	Long-term Plan 2026	Annual Plan 2026
Cash flows from operating activities			
Receipts from rates revenue	65,189	72,122	72,473
Subsidies and grants received	24,602	16,102	15,365
Interest received	1,692	1,750	1,750
Dividends received	2,350	1,150	1,500
Receipts from rate penalties	1,100	1,150	1,375
Receipts from other revenue	13,648	15,810	16,292
Payments to suppliers and employees	(93,571)	(99,777)	(98,613)
Interest paid	(3,021)	(2,775)	(2,675)
Income tax paid/refunded	-	-	-
GST (net)	-	65	-
Net cash flows from operating activities	11,990	5,597	7,467
Cash flows from investing activities			
Receipts from sale of operational assets	630	786	786
Receipts from sale/maturity of investments	48,416	49,357	48,495
Repayment of loan principal from CCO	-	1,500	1,500
Purchase of forestry assets	-	-	-
Purchase of Property, Plant, and Equipment	(22,192)	(12,130)	(10,318)
Purchase of intangible assets	(231)	(338)	(338)
Purchase of investment property	-	-	-
Payment of loan to CCO	-	-	-
Acquisition of investments	(48,434)	(49,364)	(48,423)
Net cash flows from investing activities	(21,811)	(10,189)	(8,298)
Cash flows from financing activities			
Proceeds from borrowings	8,700	8,292	5,136
Repayment of borrowings	(1,412)	(2,198)	(1,907)
Net cash flows from financing activities	7,289	6,094	3,229
Net (decrease)/increase in cash and cash equivalents, and bank overdrafts	(2,532)	1,502	2,398
Cash and cash equivalents, and bank overdrafts	5,612	3,078	6,662
Closing Cash Balances	3,080	4,580	9,060

Prospective Reserve Balances for the period ending 30 June 2026 (\$'000)

	Long-term Plan 2025	Long-term Plan 2026	Annual Plan 2026
Asset Revaluation Reserves			
Balance at 1 July	721,587	763,596	947,791
Increase/(Decrease) in revaluation reserves	42,009	20,451	31,687
Transfer to Accumulated Funds	-	-	-
Balance at 30 June	763,596	784,047	979,478
Fair Value Through Other Comprehensive Revenue and Expense Reserves			
Balance at 1 July	1,606	1,706	1,918
Increase/(Decrease) in fair value reserve	100	72	118
Balance at 30 June	1,706	1,778	2,036
Restricted Reserves - River and Drainage			
Balance at 1 July	13,743	14,470	16,132
Plus/(Less) Retained Earnings	727	514	302
Balance at 30 June	14,470	14,984	16,434
Infrastructure Insurance Reserve			
Balance at 1 July	5,040	5,160	5,160
General Rate Contribution	120	120	120
Withdrawals	-	-	-
Balance at 30 June	5,160	5,280	5,280
Accumulated Funds			
Balance at 1 July	400,831	408,988	404,752
Less transfer to restricted reserves	(727)	(514)	(302)
Less transfer to Infrastructure Insurance Reserve	(120)	(120)	(120)
Net Surplus/Deficit for the year	9,004	508	1,945
Balance at 30 June	408,988	408,862	406,275

Prospective Funding Impact Statement for the Whole of Council to 30 June 2026

(\$000)

	Long-term Plan 2025	Long-term Plan 2026	Annual Plan 2026
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	38,757	43,473	43,501
Targeted rates	27,236	30,467	30,010
Subsidies and grants for operating purposes	14,141	13,860	12,698
Fees and charges	14,221	15,028	15,010
Interest and dividends from investments	3,850	2,700	3,300
Local authorities fuel tax, fines, infringement fees and other receipts	-	-	-
Total sources of operating funding (A)	98,206	105,528	104,520
Applications of Operating Funding			
Payments to staff and suppliers	94,772	100,730	99,384
Finance costs	3,050	2,800	2,700
Other operating funding applications	-	-	-
Total applications of operating funding (B)	97,822	103,530	102,084
Surplus (Deficit) of Operating Funding (A-B)	384	1,998	2,436
Sources of Capital Funding			
Subsidies and grants for capital expenditure	10,887	906	2,250
Development and financial contributions	-	-	-
Increase (decrease) in debt	7,288	6,094	3,229
Gross proceeds from sale of assets	630	786	786
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	18,805	7,786	6,265
Applications of Capital Funding			
Capital expenditure:			
· to meet additional demand	-	-	-
· to improve the level of service	22,126	12,004	10,192
· to replace existing assets	297	464	464
Increase (decrease) in reserves	(3,216)	(2,676)	(1,955)
Increase (decrease) of investments	(18)	(7)	-
Total applications of capital funding (D)	19,189	9,785	8,701
Surplus (Deficit) of Capital Funding (C-D)	(384)	(1,998)	(2,436)
Funding Balance	-	-	-
Depreciation	5,917	5,610	6,196

Reconciliation between the Prospective Funding Impact Statement for Whole of Council and the Prospective Statement of Comprehensive Revenue and Expense for the period ending 30 June 2026 (\$000)

	Long-term Plan 2025	Long-Term Plan 2026	Annual Plan 2026
Surplus/(Deficit) of Operating Funding	384	1,998	2,436
Subsidies and Grants for Capital Expenditure	10,887	906	2,250
Gross Proceeds from sale of assets	630	786	786
Other Capital Funding	(115)	(115)	(90)
Gain/(loss) on revaluations through surplus/(deficit)	300	310	310
Capitalised Labour	949	328	544
Depreciation	(5,917)	(5,610)	(6,196)
Gain/(loss) on Carbon Credits	1,885	1,905	1,905
Surplus/(Deficit) after tax	9,003	508	1,945

Statement of Accounting Policies to 30 June 2026

Reporting Entity

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

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

Horizons has the following as investments in the balance sheet:

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

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

The prospective financial statements presented are those of the 'parent entity' only and are to the year ending 2026. These statements have been prepared at the 'parent entity' level only, as group financials are not considered appropriate because the group information is not readily available. Also, group financials have no impact on the Funding Impact Statement (FIS).

The prospective financial statements of the 'parent entity' HRC comprise the following groups of activities of HRC: Land and Water Management; Flood Protection and Control Works; Biosecurity and Biodiversity Management; Regional Leadership and Governance; Transport; and Investment. As these activities are carried out for environmental and community benefit and not for financial return, HRC has designated itself

as a Public Benefit Entity (PBE) for the purposes of New Zealand equivalents to International Public Sector Accounting Standards (IPSAS).

The prospective financial statements presented are those of HRC for the periods ending 2026. Council is planning to authorise for issue the 2025-26 Annual Plan on 24 June 2025.

Basis of Preparation

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

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

Statement of Compliance

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

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

Comparative Information

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

Presentation and Currency

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

Basis of Consolidation

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

Subsidiaries

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

The power exists where HRC controls the majority voting power on the governing body or where such policies were irreversibly predetermined by HRC, or where the determination of such policies is unable to

materially affect the level of potential ownership benefits that arise from the activities of the subsidiary. Power also exists where the funding received by the entity from HRC is greater than funding from other sources.

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

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

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

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

Joint Ventures

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

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

Changes in Accounting Policies

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

Standards issued and not yet effective, and early adopted

Financial instruments

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

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

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

Standards issued and not yet effective, and not early adopted

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

Service Performance Reporting

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

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

Revenue

The specific accounting policies for major categories of revenue are outlined below:

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates, and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. The Council considers the effect of payment of rates by instalments is

not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue

- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy

Revenue from Government

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

Other Grants Received

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

Vested Physical Assets

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

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

Other Revenue

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

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

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

Expenditure

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

Grant Expenditure

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

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

Leases

Operating Leases

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

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

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

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

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, on-demand or call deposits, other short-term deposits with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities, in the statement of financial position.

Trade and Other Receivables

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

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

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

Rates are “written-off”:

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

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

Inventories

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

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

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

Financial Derivatives

Derivative financial instruments are used to manage exposure to interest rate risks arising from HRC’s financing activities. In accordance with its

treasury policy, HRC does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each balance date. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

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

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

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

Financial Assets

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

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

- fair value through surplus and deficit (FVTSD).

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

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

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

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

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected

credit losses. Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and loans to subsidiaries and associates.

Subsequent measurement of financial assets at FVTOCRE

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

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

Subsequent measurement of financial assets at FVTSD

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

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

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

Expected credit loss allowance (ECL)

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

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

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

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

Foreign Currency Transactions (FCTs)

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

Investment Property

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

Investment property is measured initially at its cost, including transaction costs. After initial recognition, all investment property is measured at fair value at each reporting date. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Property, Plant and Equipment

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

- i) All operational land and buildings will be valued at fair value by an independent, registered valuer, with additions at cost, less

accumulated depreciation on buildings. HRC undertakes revaluations in a three-yearly cycle. In a non-revaluation year, fair values are assessed and if the values are determined to have moved significantly, a full revaluation is performed in line with relevant accounting standards.

- ii) Infrastructural assets are revalued annually at depreciated replacement cost by HRC engineering staff that are directly associated with the administration of these schemes. The valuation methodology is reviewed by suitably qualified, independent consultants, to confirm that the methodology is consistent with PBE IPSAS 17
- iii) Plant and vehicles are valued at cost less accumulated depreciation and impairment
- iv) Furniture and fittings are valued at cost less accumulated depreciation and impairment
- v) Office equipment, scientific equipment and computer equipment are valued at cost less accumulated depreciation and impairment
- vi) Capital Work in Progress includes:
 - (a) Assets in process of construction, and
 - (b) Purchases and disposals awaiting finalisation (e.g. subdivision titles) and thus not yet processed through the fixed asset register

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

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

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to HRC, and the cost of the item can be measured reliably.

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

In most instances, such items are recognised at cost. Where an asset is acquired through a non-exchange transaction, it is recognised at fair value as at the date of acquisition.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold; the amounts included in asset revaluation reserves in respect of those assets, are transferred to retained earnings.

Subsequent Costs

Costs incurred, subsequent to initial acquisition, are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit, as they are incurred.

Infrastructural Assets

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

Depreciation

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

Buildings	50 years
Heavy plant and machinery	5-15 years
Other plant and machinery	5-15 years
Motor vehicles	4-15 years
Furniture and fittings	5-15 years
Office equipment	5-6 years
Scientific equipment	3-20 years
Computer equipment	3-5 years
Communications equipment	3-15 years
Equipment and electronics	3-12 years

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

Concrete block walls	100-200 years
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Major floodgate Structures	70-100 years
Floodgate culverts (over 1.2 m)	70 years
Flow diversion structures	70-200 years
Pump station structure	70 years
Drop structures	50-120 years
Amenity enhancements	50 years
Concrete/timber flood walls	50-200 years
Grade controls	50 years
Portable flood barriers	50 years
Pump station floodgates/pumps	50 years
Timber retaining walls	50 years
Weirs	50 years
Pump station electrical/mechanical	25 years
Gabions	20 years
Permeable mesh units	20 years
Rangitikei stopbanks	20 years

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

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

Accounting for Revaluations

HRC accounts for revaluations of property on a class of asset basis. The results of revaluing are credited or debited to other comprehensive revenue and expense, and are accumulated to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserves, this balance is expensed in surplus or deficit. Any subsequent increase on revaluation that off-sets a previous decrease

in value so treated, will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in the prospective Statement of Revenue and Expense.

Intangible Assets

Computer Software

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

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

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

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

Costs associated with maintaining computer software are treated as an expense when incurred, as follows:

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

Carbon Credits

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

Impairment of Property, Plant, Equipment and Intangibles

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

Property, plant, equipment and intangible assets subsequently measured at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell, and its value-in-use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus or deficit.

Value in Use for Non-cash-generating Assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash-generating assets, value-in-use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in Use for Cash-generating Assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Forestry Assets

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

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

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

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

Carbon Credits

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

Free carbon units received from the Crown are recognised at fair value on receipt. They are not amortised; but are, instead, tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

Employee Entitlements

Short-term Employee Entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service, are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

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

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

Long-term Employee Entitlements

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

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement, and contractual entitlement information, and
- The present value of the estimated future cash flows.

Superannuation Schemes

Defined Contribution Schemes

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

Other Provisions

HRC recognises a provision for future expenditure of uncertain amount or timing; when there is a present obligation (either legal or constructive) as a result of a past event, and it is probable that expenditures will be required to settle this obligation, and a reliable estimate of the amount can be determined. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time,

value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in 'finance costs'.

Creditors and Other Payables

Creditors and other payables are initially measured at the amount payable.

Borrowings

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

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

Borrowing Costs

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

Equity

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

The components of equity are:

- Asset revaluation reserves
- Fair Value through Other Comprehensive Revenue and Expense Reserve

- Restricted reserves
- Insurance infrastructure reserve, and
- Retained earnings

Asset Revaluation Reserves

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

Fair Value through Other Comprehensive Revenue and Expense

These reserves relate to the revaluation of financial assets to fair value. This reserve comprises the cumulative net change in the fair value through other comprehensive revenue and expense.

Restricted Reserves

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

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

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

Insurance Infrastructure Reserve

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

Accordingly, we have a level of rating to build reserves to provide for a level of self-insurance against our assets that now have limited or no insurance cover.

Goods and Services Tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Cost Allocation

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

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

Income Tax

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

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

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses.

Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements, and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised, or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which HRC expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all temporary differences. Deferred tax assets are recognised to the extent that, it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

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

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination or transactions recognised in other comprehensive revenue and expense, or directly in equity.

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

Critical Accounting Estimates and Assumptions

In preparing these prospective financial statements, HRC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable, under the circumstances. The estimates

and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Infrastructural Assets

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

These include:

- The physical deterioration and condition of an asset, e.g. HRC could be carrying an asset at an amount that does not reflect its actual condition. This risk is minimised by HRC adhering to maintenance requirements included in asset management plans currently in force, to ensure design standards are adequately maintained
- Estimating any obsolescence or surplus capacity of an asset, and
- Estimates are made when determining the remaining useful lives over which the assets will be depreciated. These estimates can be impacted by local conditions; for example, weather patterns and population and/or traffic growth. To minimise this risk, HRC's infrastructural assets' useful lives were determined in conjunction with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering (NAMS) Group

Senior engineering staff working in the river and drainage area initially revise infrastructural asset valuations, and their methodology is then

subject to peer review, and also reviewed by experienced independent valuers.

Fair Value of the Investment Property

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

Critical Judgement in Applying Accounting Policies

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

Classification of Property

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

Fair value of the Investment Property

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

Capital Management

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

The Local Government Act 2002 (the Act) requires HRC to manage its revenues, expenses, assets, liabilities, investments and general financial dealings, prudently, and in a manner that promotes the current and future interests of the community. Largely as a by-product of this prudential management, ratepayers' funds are managed accordingly.

In order to achieve intergenerational equity, a principle promoted in the Act, HRC utilises asset management plans for its major assets and groups of assets, detailing renewal and maintenance programmes; to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Long-term Plan identifies the long-term expenditure needs in relation to these asset management plans, and sets out the sources and level of funding necessary to achieve these.

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

Rates Funding Impact Statement to 30 June 2026 (\$000)

		Long-term Plan 2025	Long-term Plan 2026	Annual Plan 2026
Common Rates	Rating Method			
General Rate	Capital Value (Equalised)	28,636	32,799	32,848
Uniform Annual General Charge	UAGC per separately used or inhabited part of a property (SUIP)	4,881	5,154	5,056
Sustainable Land Use Initiative (SLUI) UAC	SUIP	4,091	4,320	4,221
Environmental Initiatives UAC	SUIP	3,333	3,665	3,689
Individual Rates				
Manawatū River Accord	SUIP	450	460	460
Biosecurity and Biodiversity (per ha)	Per hectare >4 ha	1,490	1,651	1,664
Rangitikei Environment Group greater than 4 ha	SUIP	53	54	54
Rangitikei Environment Group less than 4 ha	SUIP	53	54	54
River & Drainage Scheme	Mix of Rating Mechanisms	11,305	12,291	12,224
River & Drainage Scheme Rates (UAC)	SUIP	1,509	1,641	1,693
Regional Park UAC	SUIP	14	15	15
Transport Passenger Services	Capital Value	8,132	9,677	9,172
Waitārere Community Biodiversity Project	SUIP	20	20	20
Lake Horowhenua Restoration	SUIP	813	939	900
Grand Total		64,779	72,740	72,072
Penalties and Remissions		1,150	1,200	1,375
Total Rates Including Penalties and Remissions		65,929	73,940	73,447

The projected number of rating units within the region at 30 June 2025 is 117,939.

The projected total capital value of all rating units within the region at 30 June 2025 is \$99,417 million.

The projected total land value of all rating units within the region at 30 June 2025 is \$56,454 million.

All figures are exclusive of GST unless otherwise stated

Rates Funding Impact Statement

Notes:

1. All rates in this Funding Impact Statement are inclusive of GST.
2. The final payment for all rates is 30 September 2023. Except where prior arrangements are made, penalties for late payment will be applied at the maximum rates allowable, being 10 per cent on 7 October 2023. A 10% penalty will also be added to accumulated rates arrears from previous financial years on 8 July 2023 and 13 January 2024.
3. A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner/a person other than the owner, and who has the right to use or inhabit that portion by virtue of tenancy, lease, license, or other agreement. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long term basis by someone other than the owner. For the purpose of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'. For the avoidance of doubt, a rating unit that has a single use or occupation is treated as having one separately used or inhabited part.
4. For further information on the activities funded by the targeted rates listed below, please refer to the "How we will fund this activity" in the activity sections on pages 200 to 204 of the Long-term Plan 2021-31.
5. The Council is not inviting any lump sum contributions in respect of any targeted rates.

Equalised Capital Value

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

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

General Rate

What it funds

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

Group of Activities	Revenue Sought 2025-26 (Including GST)
Partnership, governance and leadership	-
Strategy, science and regulation	17,920,780
Catchment operations	17,767,394
Transport and regional services	6,212,599
Investments	(4,125,090)
Grand Total	37,775,683

How it is applied

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

District/City	% of EQCV	All Properties \$ per \$ of Capital Value	Revenue Sought 2025-26 (Including GST)
Horowhenua DC	14.58%	0.0003625	5,506,036
Manawatū DC	15.24%	0.0003598	5,755,291
Palmerston North CC	30.10%	0.0003901	11,372,063
Part Stratford DC	0.15%	0.0003593	55,675
Part Taupō DC	0.00%	0.0004657	743
Part Waitomo DC	0.07%	0.0004140	25,323
Rangitikei DC	7.84%	0.0003885	2,961,023
Ruapehu DC	7.47%	0.0003890	2,823,070
Tararua DC	9.28%	0.0003860	3,506,783
Whanganui DC	15.27%	0.0003821	5,769,676
Grand Total	100%		37,775,683

Uniform Annual General Charge

What it funds

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

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

How it is applied

The revenue required is \$ 5,814,643. It is applied on a uniform basis to every SUIP in the region.

Activities	Revenue Sought 2025-26 (Including GST)
Partnership, governance and leadership	6,821,651
Strategy, science and regulation	58,765
Investments	(1,065,773)
Grand Total	5,814,643

The 2025-26 rate is \$50.48 per SUIP (GST inclusive).

Public Transport Rate

What it funds

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

How it is applied

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

District/City	% of EQCV	All Properties \$ per \$ of Capital Value	Revenue Sought 2025-26 (Including GST)
Horowhenua DC	13.82%	0.0000565	414,580
Manawatū DC	9.03%	0.0001351	647,324
Palmerston North CC	46.75%	0.0002949	7,312,882

Rangitikei DC	4.21%	0.0000271	60,391
Ruapehu DC	3.71%	0.0000093	18,407
Tararua DC	2.61%	0.0000121	16,741
Whanganui DC	19.86%	0.0001973	2,077,993
Grand Total	100%		10,548,316

Sustainable Land Use Initiative Rate

What it funds

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

How it is applied

The revenue required is \$ 4,854,701. It is applied on a uniform basis to every SUIP in the region.

The 2025-26 rate is \$ \$42.14 per SUIP (GST inclusive).

Environmental Initiatives Rate

What it funds

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

How it is applied

The revenue required is \$ 4,242,215. It is applied on a uniform basis to every SUIP in the region.

The 2025-26 rate is \$ \$36.83 per SUIP (GST inclusive).

Biosecurity and Biodiversity Protection (per ha) Rate

What it funds

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

How it is applied

The revenue required is \$ 1,914,155. It is applied on a per hectare basis to every rating unit larger than four hectares.

The 2025-26 is \$ \$1.16 per ha (GST inclusive).

Regional Park Rate

What it funds

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

How it is applied

The revenue required is \$ 17,030. It is applied on a uniform basis to every SUIP in the Manawatū District and Palmerston North City.

The 2025-26 rate is \$ \$0.35 per SUIP (GST inclusive).

Rangitīkei Environment Group

What it funds

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

How it is applied

The revenue required is \$ 123,406. Half of this is applied on a uniform basis to every SUIP in the Rangitīkei District larger than four hectares. The other half is applied on a uniform basis to every SUIP in the Rangitīkei District smaller than four hectares.

The 2025-26 rate is \$ \$7.76 per SUIP for properties greater than 4 hectares and \$ \$37.81 per SUIP for properties less than 4 hectares (GST inclusive).

Waitārere Community Biodiversity Project

What it funds

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

How it is applied

The revenue required is \$ 23,506. It is applied on a uniform basis to every SUIP in the Waitārere Beach community.

The 2025-26 rate is \$ \$0.0000303 per dollar of capital value (GST inclusive).

Manawatū River Accord Rate

What it funds

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

How it is applied

The revenue required is \$ 528,882. It is applied on a uniform basis to every SUIP in the Manawatū River catchment.

The 2025-26 rate is \$ \$8.99 per SUIP (GST inclusive).

Horowhenua Water Quality Improvement

What it funds

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

How it is applied

The revenue required is \$ 1,034,866. It is applied on a uniform basis to every SUIP unit in the Horowhenua District.

The 2025-26 rate is \$ \$55.79 per SUIP (GST inclusive).

River and Drainage Schemes	Class/Diff	Rating Basis	Number Rating of Units	Unit Rate	Revenue Sought 2025-26
RIVER SCHEMES					
Kahuterawa	KM	\$ Per Hectare	47	116.6095279	5,513
				Scheme	5,513
Lower Kiwitea Stream	CK	\$ Per Hectare	137	215.2830499	29,428
	CN	\$ Per Hectare	23,401	1.3935175	32,609
	MK	\$ Per Hectare	293	333.4929810	97,812
				Scheme	159,850
Lower Manawātū	CE	\$ Per Hectare	269,024	0.6646215	178,785
	CL	\$ Per Hectare	141,600	2.2683327	320,959
	CW	\$ Per Hectare	77,999	1.1341663	88,464
	DR	\$ Per Hectare	187	171.9410207	32,118
	F1	\$ per \$ of Land Value	355,058,000	0.0007586	269,340
	F2	\$ per \$ of Land Value	431,932,000	0.0006069	262,124
	F3	\$ per \$ of Land Value	246,000,000	0.0004551	111,966
	F4	\$ per \$ of Land Value	1,070,482,000	0.0003034	324,819
	F5	\$ per \$ of Land Value	1,615,674,150	0.0000759	122,118
	FB	\$ per \$ of Capital Value	1,075,034,000	0.0000804	86,222
	FG	\$ per \$ of Capital Value	4,612,718,000	0.0001187	545,870
	HF	\$ Per SUIP	774	703.9899500	544,888
	IC	\$ Per SUIP	51,169	15.6889427	802,495
	IE	\$ Per SUIP	2,891	7.8444713	22,663
	IF	\$ Per SUIP	6,173	5.1773511	31,913
	IS	\$ Per SUIP	11,979	7.8444713	93,930
	IW	\$ Per SUIP	948	5.1773511	4,906
	PN	\$ per \$ of Capital Value	21,319,804,500	0.0000645	1,374,461
	R1	\$ Per Hectare	3,927	95.2671850	374,115
	R2	\$ Per Hectare	162	19.0534370	3,088
	SA	\$ per \$ of Capital Value	32,065,000	0.0006448	20,675
	SB	\$ per \$ of Capital Value	147,768,000	0.0005689	84,070
	SC	\$ per \$ of Capital Value	61,903,550	0.0003793	23,479
	SD	\$ per \$ of Capital Value	280,435,650	0.0001896	53,183
				Scheme	5,776,654

Lower Manawātū Special Project	AH	\$ per \$ of Capital Value	823,911,000	0.0000014	1,131
	SP (On specified PN scheme)	\$ per \$ of Capital Value	21,056,452,000	0.0000433	910,283
	TU (Turitea)	\$ per \$ of Capital Value	22,650,000	0.0005104	11,560
				Scheme	922,974
Lower Whanganui River	N1	\$ per \$ of Capital Value	9,820,696,650	0.0000190	186,300
	N2	\$ Per SUIP	3,815	24.4167223	93,150
	W1	\$ per \$ of Capital Value	252,001,000	0.0001102	27,778
	W2	\$ per \$ of Capital Value	9,638,356,650	0.0000551	531,206
				Scheme	838,433
Mākirikiri	A	\$ Per Hectare	-	-	-
	A1	\$ Per Hectare	-	-	-
	B	\$ Per Hectare	-	-	-
	B1	\$ Per Hectare	-	-	-
	C	\$ Per Hectare	-	-	-
	C1	\$ Per Hectare	-	-	-
	CN	\$ Per Hectare	-	-	-
	F	\$ Per Hectare	-	-	-
	F1	\$ Per Hectare	-	-	-
	GF	\$ Per SUIP	-	-	-
	LF	\$ Per SUIP	-	-	-
	T1	\$ Per SUIP	-	-	-
				Scheme	-
Mangatainoka	CK	\$ Per Hectare	16,361	0.7248670	11,860
	CM	\$ Per Hectare	6,001	0.1045104	627
	CU	\$ Per Hectare	15,992	2.7848419	44,532
	DR	\$ Per Hectare	212	108.3380241	23,000
	F1	\$ Per Hectare	462	63.7769410	29,489
	F2	\$ Per Hectare	757	38.2661645	28,956
	IN	\$ Per Hectare	39,501	1.0364526	40,939
	KL	\$ Per Hectare	167	167.9356556	27,996
	LH	\$ Per Hectare	221	19.8586534	4,384
	LL	\$ Per Hectare	594	3.9717309	2,358
	LM	\$ Per Hectare	47	11.9151916	556
	MH	\$ Per Hectare	796	59.0510410	47,023
	ML	\$ Per Hectare	536	11.8102081	6,334

	MM	\$ Per Hectare	1,273	35.4306246	45,115
	MR	\$ Per Hectare	500	9.6988382	4,847
	PU	\$ per \$ of Capital Value	567,313,100	0.0002356	133,595
	R1	\$ per \$ of Capital Value	73,000,000	0.0004038	29,479
	R2	\$ per \$ of Capital Value	10,873,000	0.0002779	3,022
	UH	\$ Per Hectare	398	167.8865050	66,876
	UL	\$ Per Hectare	506	33.5773010	16,980
	UM	\$ Per Hectare	250	100.7319029	25,221
				Scheme	593,186
Matarawa	CM	\$ per \$ of Capital Value	9,820,696,650	0.0000024	23,476
	CN	\$ Per Hectare	8,147	1.8055573	14,710
	IN	\$ Per SUIP	351	17.4179359	6,114
	L1	\$ Per Hectare	93	9.0225223	840
	L2	\$ Per Hectare	70	9.0225235	635
	L3	\$ Per Hectare	14	36.0900913	495
	M1	\$ Per Hectare	390	60.1501509	23,467
	M3	\$ Per Hectare	67	12.0300304	810
	M4	\$ Per Hectare	31	12.0300281	378
				Scheme	70,925
Ohakune	UR	\$ per \$ of Capital Value	805,569,000	0.0000967	77,788
				Scheme	77,788
Ōhau-Manakau	AD	\$ Per Hectare	132	38.5656037	5,093
	CD	\$ Per Hectare	5	24.0698256	126
	CH	\$ Per Hectare	393	36.5947756	14,391
	CL	\$ Per Hectare	1,374	2.7446082	3,772
	FH	\$ Per Hectare	393	138.0898360	54,303
	FL	\$ Per Hectare	1,374	10.3567377	14,232
	HD	\$ Per Hectare	418	20.0267665	8,372
	IN	\$ Per Hectare	12,010	8.8028728	105,719
	KD	\$ Per Hectare	186	42.5568862	7,911
	L2	\$ Per Hectare	23	34.9568750	794
	LD	\$ Per Hectare	60	69.9137566	4,190
	MC	\$ Per Hectare	396	5.7693124	2,283
	ML	\$ Per Hectare	40	135.1117215	5,453
	MU	\$ Per Hectare	57	316.3904940	18,184
	OL	\$ Per Hectare	33	81.6283536	2,703
	OM	\$ Per Hectare	74	245.6721876	18,296

	OT	\$ Per Hectare	112	938.5600259	104,976
	OU	\$ Per Hectare	50	439.2849003	21,756
	PD	\$ Per Hectare	69	35.9025928	2,475
	SD	\$ Per Hectare	52	12.4263178	644
	TD	\$ Per Hectare	134	54.1222460	7,237
	UM	\$ per \$ of Capital Value	90,032,000	0.0000641	5,748
	UO	\$ per \$ of Capital Value	147,348,000	0.0000516	7,597
	UW	\$ per \$ of Capital Value	158,135,000	0.0001504	23,777
	WD	\$ Per Hectare	263	25.2640572	6,650
	WL	\$ Per Hectare	83	107.9260985	8,919
	WU	\$ Per Hectare	77	267.3313017	20,536
				Scheme	476,137
Pakihi Valley	A	\$ Per Hectare	100	169.5865527	16,992
				Scheme	16,992
Pohangina - Ōroua	DR	\$ Per Hectare	21	-	-
	EZ	\$ Per Hectare	367	0.1411105	52
	IA	\$ per \$ of Capital Value	827,520,000	0.0000158	13,062
	IN	\$ Per Hectare	54,390	3.0953977	168,359
	O1	\$ Per Hectare	391	99.8590521	39,017
	O2	\$ Per Hectare	690	142.9983612	98,609
	O3	\$ Per Hectare	0	79.8875706	14
	O4	\$ Per Hectare	15	114.3986889	1,691
	P1	\$ Per Hectare	285	278.8671538	79,512
	P2	\$ Per Hectare	629	167.3202923	105,297
	P3	\$ Per Hectare	130	30.7595716	3,991
	P4	\$ Per Hectare	38	223.0937252	8,438
	P5	\$ Per Hectare	2	133.8562221	303
	P6	\$ Per Hectare	0	24.6067416	0
				Scheme	518,346
Porewa Valley	A	\$ per \$ of Capital Value	40,406,900	0.0004883	19,731
	B	\$ per \$ of Capital Value	32,882,500	0.0002832	9,313
	C	\$ per \$ of Capital Value	141,191,500	0.0001367	19,305
	D	\$ per \$ of Capital Value	179,718,000	0.0000244	4,388
	E	\$ per \$ of Capital Value	93,585,400	0.0000146	1,371

Rangitikei River	F	\$ per \$ of Capital Value	432,554,400	0.0000049	2,112	South East Ruahines	CN	\$ Per Hectare	48,798	1.6189274	78,968	
	U1	\$ per \$ of Capital Value	36,804,000	0.0000391	1,434		DK (Dannevirke only)	\$ per \$ of Capital Value	1,061,200,500	0.0000823	86,982	
	U2	\$ per \$ of Capital Value	38,498,000	0.0000098	376		DR	\$ Per Hectare	350	-	-	
				Scheme	58,029		IN	\$ Per Hectare	63,875	1.3314198	85,018	
							M1	\$ Per Hectare	1,205	49.6995429	59,902	
	CD	\$ Per Hectare	24,988	0.4044788	10,107		M2	\$ Per Hectare	616	91.2462310	55,462	
	CN	\$ Per Hectare	173,430	0.8089577	140,298		M3	\$ Per Hectare	110	96.6316256	10,591	
	CU	\$ Per Hectare	55,398	0.4044788	22,407		M4	\$ Per Hectare	439	99.3455524	43,639	
	DR	\$ Per Hectare	88	250.7686986	22,057		M5	\$ Per Hectare	1,717	17.4062997	29,872	
	E1	\$ Per Hectare	585	86.5554303	50,603		RZ	\$ Per Hectare	230	0.0274993	6	
	E2	\$ Per Hectare	703	34.6221721	24,346		SZ	\$ Per Hectare	297	0.0212393	6	
	E3	\$ Per Hectare	1,201	154.5252995	185,661		W1	\$ Per Hectare	529	11.7508622	6,214	
	E4	\$ Per Hectare	1,289	131.4521532	169,386		W2	\$ Per Hectare	745	21.8778004	16,306	
	F1	\$ Per Hectare	1,523	104.2847058	158,818		W3	\$ Per Hectare	8,378	15.1229865	126,706	
	F2	\$ Per Hectare	783	62.5708235	49,006		WO (Woodville only)	\$ per \$ of Capital Value	369,013,700	0.0000864	31,867	
	F3	\$ Per Hectare	42	15.1815550	642							
	F4	\$ Per Hectare	160	35.5343471	5,675					Scheme	631,540	
	F5	\$ Per Hectare	220	73.2204483	16,091							
	F6	\$ Per Hectare	53	43.9322678	2,325		Tararua	CN	\$ per \$ of Capital Value	8,794,738,610	0.0000408	359,021
	GF	\$ Per SUIP	51	484.9672275	24,733						Scheme	359,021
GT	\$ Per SUIP	228	140.4128746	32,014								
IN	\$ Per Hectare	40,440	0.7201538	29,123								
Ruapehu DC	RF	\$ per \$ of Capital Value	1,435,000	0.0042530	6,103	Tawataia - Mangaone	B	\$ Per Hectare	105	86.3511299	9,095	
					C		\$ Per Hectare	658	28.7837098	18,953		
	RH	\$ per \$ of Capital Value	4,340,000	0.0017269	7,495		D	\$ Per Hectare	12	14.3918584	175	
									Scheme	28,223		
	RO	\$ per \$ of Capital Value	176,598,000	0.0000224	3,962	Turakina						
	UF	\$ per \$ of Capital Value	23,699,000	0.0010436	24,733		CN	\$ Per Hectare	81,718	0.1462635	11,952	
	UL	\$ per \$ of Capital Value	1,756,455,050	0.0000255	44,863		T1	\$ Per Hectare	267	43.5440389	11,637	
							T2	\$ Per Hectare	150	38.7923801	5,818	
	UT	\$ per \$ of Capital Value	100,938,400	0.0003172	32,014		T3	\$ Per Hectare	223	26.1125851	5,818	
							T4	\$ Per Hectare	1,412	16.6595426	23,518	
	UU	\$ per \$ of Capital Value	364,024,200	0.0000229	8,352		T5	\$ Per Hectare	105	7.6955400	810	
				Scheme	1,070,814					Scheme	59,553	
Ruapehu DC					Tūtaenui							
	CN	\$ per \$ of Capital Value	7,208,802,800	0.0000402		289,509	CN	\$ Per Hectare	12,722	0.8860152	11,272	
						IN	\$ Per Hectare	12,722	0.8685110	11,049		
				Scheme		289,509	TL	\$ Per Hectare	454	22.7255604	10,318	
						TW	\$ Per Hectare	292	48.4237525	14,139		
					UB (Bulls)	\$ per \$ of Capital Value	433,136,000	0.0000395	17,130			

	UM (Marton)	\$ per \$ of Capital Value	1,052,430,000	0.0000505	53,175
					Scheme 117,082
Upper Manawatū	CN	\$ Per Hectare	265,812	0.3721049	98,902
	D1	\$ Per Hectare	122	17.7382590	2,171
	D2	\$ Per Hectare	215	13.1246474	2,823
	D3	\$ Per Hectare	238	13.6658202	3,257
	D4	\$ Per Hectare	86	30.2351402	2,606
	IN	\$ Per Hectare	23,728	1.4392441	34,139
	M1	\$ Per Hectare	256	104.3704953	26,731
	M2	\$ Per Hectare	37	333.2213139	12,461
	U1	\$ Per Hectare	588	164.9724105	97,059
	U2	\$ Per Hectare	159	124.5051435	19,767
	U3	\$ Per Hectare	148	199.3007719	29,428
	U4	\$ Per Hectare	99	122.6180482	12,154
					Scheme 341,497
Upper Whanganui	IN	\$ per \$ of Capital Value	4,149,166,900	0.0000144	59,817
	R1	\$ per \$ of Capital Value	3,965,000	0.0002668	1,058
	R2	\$ per \$ of Capital Value	2,882,500	0.0001334	385
	R3	\$ per \$ of Capital Value	16,127,000	0.0001618	2,570
	R4	\$ per \$ of Capital Value	11,227,000	0.0000809	908
	U1	\$ per \$ of Capital Value	183,045,500	0.0001691	30,945
	U2	\$ per \$ of Capital Value	578,977,000	0.0000676	39,131
					Scheme 134,814
Whangaehu - Mangawhero	CN	\$ Per Hectare	169,646	0.1347743	22,864
	IN	\$ Per SUIP	455	14.3570923	6,532
	LW	\$ Per Hectare	844	3.0007541	2,534
	MW	\$ Per Hectare	1,298	10.6678554	13,845
	UM	\$ Per Hectare	79	46.1350356	3,627
	UW	\$ Per Hectare	632	25.1848607	15,922
					Scheme 65,325

DRAINAGE SCHEMES

Ashhurst Stream	AC	\$ per \$ of Capital Value	827,520,000	0.0000150	12,423
	AL	\$ Per Hectare	10	65.4279641	631

AN	\$ Per SUIP	1,248	9.9582774	12,423
AU	\$ Per Hectare	22	17.2998942	383
			Scheme	25,860
A	\$ Per Hectare	37	56.7476837	2,074
B	\$ Per Hectare	207	42.5607613	8,820
C	\$ Per Hectare	159	28.3738407	4,502
D	\$ Per Hectare	550	14.1869204	7,810
E	\$ Per Hectare	80	7.3771977	587
F	\$ Per Hectare	139	3.9723374	551
			Scheme	24,343
CN	\$ Per Hectare	815	10.8245943	8,826
UB	\$ per \$ of Capital Value	678,712,000	0.0000564	38,247
			Scheme	47,073
A	\$ per \$ of Land Value	29,795,000	0.0007364	21,941
			Scheme	21,941
A	\$ Per Hectare	490	22.9714474	11,259
B	\$ Per Hectare	407	16.0800132	6,552
C	\$ Per Hectare	673	8.0400066	5,408
D	\$ Per Hectare	1,125	4.1348605	4,652
E	\$ Per Hectare	1,363	1.6080014	2,192
F	\$ Per Hectare	403	1.1485725	462
			Scheme	30,524
AC	\$ Per SUIP	192	109.8403417	21,089
DA	\$ Per Hectare	100	31.5134685	3,162
DH	\$ Per Hectare	56	21.1183020	1,176
DL	\$ Per Hectare	39	4.6995105	182
DM	\$ Per Hectare	173	16.6350304	2,878
DP	\$ Per Hectare	21	55.2781797	1,155
DS	\$ Per Hectare	646	32.5964246	21,049
IN	\$ Per Hectare	4,248	4.7718335	20,268
UH	\$ per \$ of Capital Value	64,773,000	0.0000217	1,409
UL	\$ per \$ of Capital Value	4,766,032,500	0.0000061	28,974
			Scheme	101,342
A1	\$ Per Hectare	175	65.1445971	11,420
A2	\$ Per Hectare	214	32.5722985	6,975

	C1	\$ Per Hectare	30	24.6331048	734		C2	\$ Per Hectare	143	24.1647981	3,462
	C2	\$ Per Hectare	127	16.2578487	2,071		CB	\$ Per Hectare	-	-	-
	C3	\$ Per Hectare	112	8.1289240	909		CK	\$ Per Hectare	357	16.1276565	5,752
	C4	\$ Per Hectare	99	26.0950320	2,578		CM	\$ Per Hectare	214	20.2589212	4,333
	C5	\$ Per Hectare	107	17.2227210	1,837		CO	\$ Per Hectare	3,498	1.3966582	4,885
	D1	\$ Per Hectare	501	47.7355344	23,911		EC	\$ Per Hectare	8,627	2.3381072	20,170
	D2	\$ Per Hectare	79	23.8677678	1,880		G1	\$ Per Hectare	140	11.2465584	1,576
	D3	\$ Per Hectare	141	29.8226699	4,212		K1	\$ Per Hectare	366	88.2282204	32,304
	D4	\$ Per Hectare	63	14.9113338	943		L1	\$ Per Hectare	242	29.1642309	7,055
	D5	\$ Per Hectare	348	31.0826170	10,817		L2	\$ Per Hectare	334	11.6656926	3,897
	D6	\$ Per Hectare	113	15.5413088	1,762		M1	\$ Per Hectare	219	39.9640379	8,740
	D7	\$ Per Hectare	250	54.0218255	13,483		M2	\$ Per Hectare	129	15.9856148	2,054
	D8	\$ Per Hectare	166	27.0109129	4,470		O1	\$ Per Hectare	4,080	56.2666228	229,579
	F1	\$ Per Hectare	753	13.1822595	9,922		O2	\$ Per Hectare	1,219	22.5066491	27,435
	F2	\$ Per Hectare	720	7.9093557	5,691		OC	\$ Per Hectare	6,038	6.5110803	39,316
	F3	\$ Per Hectare	107	3.9546783	425		PB	\$ Per Hectare	131	273.4435749	35,771
	F4	\$ Per Hectare	157	1.3182257	208		PK	\$ Per Hectare	357	170.5554921	60,826
	F5	\$ Per Hectare	124	43.8780225	5,453		PM	\$ Per Hectare	214	191.9072360	41,050
	F6	\$ Per Hectare	238	17.5512091	4,175		PO	\$ Per Hectare	3,498	63.9759585	223,764
	I1	\$ Per Hectare	1,287	7.1734483	9,234		R1	\$ Per Hectare	121	55.2188140	6,697
	I2	\$ Per Hectare	306	9.9468368	3,039		T1	\$ Per Hectare	224	47.1613780	10,558
	I3	\$ Per Hectare	663	8.6167339	5,717					Scheme	787,903
	I4	\$ Per Hectare	635	11.4123652	7,246						
	IA	\$ Per Hectare	1,816	1.7136208	3,112	Manawatū	CL	\$ Per Hectare	26	180.4228784	4,669
	IK	\$ Per Hectare	5,229	1.8616719	9,734		CN	\$ Per Hectare	15,420	11.4916306	177,203
	IN	\$ Per Hectare	1,066	30.6585754	32,682		DR	\$ Per Hectare	17,149	27.8681420	477,915
	K1	\$ Per Hectare	131	123.8196196	16,253		DU	\$ Per SUIP	1,443	107.8561216	155,636
	K2	\$ Per Hectare	104	61.9098104	6,433		F1	\$ Per Hectare	1,181	54.4876949	64,353
	P1	\$ Per Hectare	110	253.5330015	27,870		F2	\$ Per Hectare	497	27.2438475	13,536
	P2	\$ Per Hectare	176	167.3317812	29,434		F3	\$ Per Hectare	211	5.4487692	1,152
	P3	\$ Per Hectare	48	198.8296280	9,498		P1	\$ Per Hectare	723	206.8185516	149,596
	P4	\$ Per Hectare	97	131.2275542	12,713		P2	\$ Per Hectare	176	103.4092760	18,166
	P5	\$ Per Hectare	30	233.2159742	6,953		P3	\$ Per Hectare	904	51.7046379	46,740
	P6	\$ Per Hectare	127	153.9225435	19,606		P4	\$ Per Hectare	263	10.3409276	2,722
	P7	\$ Per Hectare	112	76.9612716	8,604					Scheme	1,111,688
	P8	\$ Per Hectare	99	253.1865047	25,011						
	P9	\$ Per Hectare	107	167.1030933	17,821	Moutoa	B1	\$ Per Hectare	4	248.4463231	1,039
				Scheme	364,836		B2	\$ Per Hectare	36	198.7570604	7,164
							B3	\$ Per Hectare	62	37.2669479	2,316
Makerua	B1	\$ Per Hectare	306	35.9222092	10,988		C1	\$ Per Hectare	114	63.3415598	7,213
	B2	\$ Per Hectare	129	14.3688833	1,855		C2	\$ Per Hectare	21	50.6732457	1,066
	C1	\$ Per Hectare	97	60.4119957	5,835		C3	\$ Per Hectare	5	19.0024757	104

D1	\$ Per Hectare	1,135	40.1862482	45,620
D2	\$ Per Hectare	713	22.8424416	16,278
D3	\$ Per Hectare	1,336	9.1369767	12,208
D4	\$ Per Hectare	1,011	10.4894570	10,600
D5	\$ Per Hectare	136	4.1957824	569
MC	\$ Per Hectare	4,460	25.1481729	112,151
P1	\$ Per Hectare	196	144.7490222	28,378
P2	\$ Per Hectare	844	115.7992177	97,772
P3	\$ Per Hectare	410	43.4247068	17,807
P4	\$ Per Hectare	599	115.2399490	69,024
P5	\$ Per Hectare	376	92.1919591	34,639
P6	\$ Per Hectare	103	34.5719849	3,551
			Scheme	467,498

P3	\$ Per Hectare	48	39.8122916	1,910
			Scheme	51,643
			Including GST	16,004,899
			Excluding GST	13,917,304

Te Kawai	AC	\$ Per SUIP	611	101.8613001	62,186
	C1	\$ Per Hectare	81	20.1788033	1,644
	C2	\$ Per Hectare	851	0.7704346	655
	CF	\$ Per Hectare	13,309	1.9760990	26,300
	CR	\$ Per Hectare	711	4.8660965	3,459
	CU	\$ Per Hectare	36	58.1925905	2,091
	DA	\$ Per Hectare	1,633	2.5718626	4,200
	DO	\$ Per Hectare	4,160	9.7778314	40,681
	DR	\$ Per Hectare	314	13.8980293	4,200
	DS	\$ Per Hectare	7,516	18.1041134	136,064
	FK	\$ Per Hectare	206	15.6817727	3,237
	FM	\$ Per Hectare	1,090	57.5652260	62,756
	P1	\$ Per Hectare	40	69.1434374	2,773
	P2	\$ Per Hectare	11	17.2858653	185
	PR	\$ Per Hectare	332	22.9578248	7,613
Scheme				358,043	

Whirokino	D1	\$ Per Hectare	112	76.9434358	8,593
	D2	\$ Per Hectare	156	50.7826676	7,902
	D3	\$ Per Hectare	4	7.6943413	31
	D4	\$ Per Hectare	45	177.6693201	7,979
	D5	\$ Per Hectare	26	71.0677271	1,833
	F1	\$ Per Hectare	89	59.2457431	5,244
	F2	\$ Per Hectare	4	35.5474510	145
	F3	\$ Per Hectare	267	5.9245746	1,584
	IN	\$ Per Hectare	458	5.6433506	2,582
	P1	\$ Per Hectare	28	398.1229049	11,240
	P2	\$ Per Hectare	16	159.2491614	2,602

Total Rates Summary (\$000)	Including GST	Excluding GST
General Rate	37,776	32,848
Uniform Annual General Charge	5,815	5,056
Sustainable Land Use Initiative (SLUI) UAC	4,855	4,221
Environmental Initiatives UAC	4,242	3,689
Manawatū River Accord	529	460
River and Drainage Scheme	14,058	12,224
River and Drainage Scheme Rates (UAC)	1,947	1,693
Regional Park UAC	17	15
Biosecurity and Biodiversity Protection (per ha) Rate	1,914	1,664
Rangitīkei Environment Group greater than 4 ha	62	54
Rangitīkei Environment Group less than 4 ha	62	54
Public Transport	10,548	9,172
Waitārere Community Biodiversity Project	24	20
Lake Horowhenua Restoration	1,035	900
Sub Total	82,882	72,072
Penalties and Remissions	1,581	1,375
Total Rates Including Penalties and Remissions	84,464	73,447

River and Drainage Scheme Reserves Summary for the year ending 30 June 2026

Overview

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

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

The total estimated opening balance of these funds at 1 July 2025 is \$15.06 million. Deposits in total of \$0.70 million (including interest) and withdrawals in total of \$0.24 million are estimated to occur during the year. The total estimated closing balance of these reserves is \$15.52 million.

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

Scheme Reserve Name	Estimated Opening Balance 1 July 2025 Credit/(Debit)	Transfers In Credit/(Debit)	Transfers Out Credit/(Debit)	Estimated Closing Balance 30 June 2026 Credit/(Debit)
Ashhurst Drainage Scheme	79,132	-	(3,921)	75,211
Forest Road Drainage	(124)	806	-	682
Foxton East Drainage Scheme	796,377	-	(23,645)	772,732
Haunui Drainage Scheme	16,740	66	-	16,806
Himatangi Drainage Scheme	1,002	953	-	1,955
Hōkio Drainage Scheme	67,952	-	(51,007)	16,945
Kahuterawa River Scheme	14,011	-	(13,049)	962
Koputaroa Drainage Scheme	218,528	-	(50,309)	168,219
Lower Kīwitea Scheme	509,087	23,216	-	532,303
Lower Manawatū Scheme	826,768	182,329	-	1,009,097
Lower Manawatū Scheme Special Projects	3,122,351	10,917	-	3,133,268

Lower Whanganui River Management Scheme	1,283,410	7,980	-	1,291,390
Makerua Drainage Scheme	504,177	-	(14,965)	489,212
Makirikiri Flood Control Scheme	30,840	-	(33,666)	(2,826)
Manawatū Drainage Scheme	229,588	5,109	-	234,697
Mangatainoka River Scheme	1,821,985	52,300	-	1,874,285
Matarawa Flood Control Scheme	51,726	4,057	-	55,783
Moutoa Drainage Scheme	298,653	-	(13,735)	284,918
Ohakune Flood Protection Scheme	125,351	442	-	125,793
Ōhau-Manakau Scheme	756,441	39,341	-	795,782
Pakihi Flood Control Scheme	23,500	2,676	-	26,176
Pohangina-Ōroua River Control Scheme	46,516	75,833	-	122,349
Porewa Flood Control Scheme	(65,911)	2,651	-	(63,260)
Rangitīkei River Control Scheme	1,564,964	118,496	-	1,683,460
Ruapehu Scheme	104,169	1,090	-	105,259
South-East Ruahines Scheme	752,072	107,228	-	859,300
Tararua Scheme	41,991	1,208	-	43,199
Tawataia-Mangaone Scheme	27,766	-	(1,086)	26,680
Te Kawau Drainage Scheme	117,493	-	(16,034)	101,459
Turakina River Scheme	102,659	1,282	-	103,941
Tūtaenui Flood Control Scheme	(61,495)	2,964	-	(58,531)
Upper Manawatū-Lower Mangahao Scheme	780,062	58,193	-	838,255
Upper Whanganui River Scheme	348,964	-	(10,903)	338,061
Whangaehu-Mangawhero River Scheme	93,174	-	(1,756)	91,418
Whirokino Drainage Scheme	41,344	-	(4,138)	37,206
Amenity Enhancements - Contestable	384,183	4,593	-	388,776
Total Scheme Reserve	15,055,446	703,730	(238,214)	15,520,962

River and Drainage Scheme Capex Renewal Reserves Summary for the year ending 30 June 2026

Overview

In accordance with our new 30-Year Infrastructure Strategy we will, as from 1 July 2018, set aside funds in scheme-specific renewal reserve accounts. The purpose of these funds is to enable the renewal of infrastructure assets at the end of their useful lives, as assessed in accordance with Council's Asset Management policy.

The total estimated opening balance of these funds at 1 July 2025 is \$1.08 million. Deposits in total of \$0.06 million (including interest) and withdrawals in total of \$0.22 million are estimated to occur during the year. The total estimated closing balance of these reserves is \$0.91 million.

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

Renewal Scheme Reserve Name	Estimated Opening Balance 1 July 2025 Credit/(Debit)	Transfers In Credit/(Debit)	Transfers Out Credit/(Debit)	Estimated Closing Balance 30 June 2026 Credit/(Debit)
Ashhurst Stream	2,100	-	-	2,100
Forest Road Drainage	4,400	200	-	4,600
Foxton East Drainage	5,521	630	-	6,151
Himitangi Drainage	3,768	430	-	4,198
Hōkio Drainage	4,170	516	-	4,686
Koputaroa	176,359	-	(1,597)	174,762
Lower Manawatū	19,227	-	-	19,227
Lower Whanganui	(7,365)	-	-	(7,365)
Makerua Drainage	179,159	-	(47,415)	131,744
Makirikiri	48,582	-	(7,267)	41,315
Manawatū Drainage	232,631	-	(84,721)	147,910
Mangatainoka	(24,788)	-	-	(24,788)

Matarawa Valley	39,824	6,750	-	46,574
Moutoa Drainage	(21,513)	19,055	-	(2,458)
Ōhau-Manakau	203,818	10,000	-	213,818
Pakihi Valley	1,711	345	-	2,056
Pohangina-Ōroua	(31,253)	-	-	(31,253)
Porewa	34,942	5,100	-	40,042
South-East Ruahines	25,209	12,814	-	38,023
Tawataia-Mangaone	9,410	100	-	9,510
Te Kawau Drainage	150,816	-	(78,851)	71,965
Tutaenui	7,505	350	-	7,855
Upper Manawatū	1,727	1,000	-	2,727
Whirokino Drainage	10,787	-	(708)	10,079
Total Scheme Reserve	1,076,747	57,290	(220,559)	913,478

Annual Plan Disclosure Statement for the year ending 30 June 2026

What is the purpose of this statement?

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

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

Benchmark	Limit	Planned	Met
Rates affordability benchmark			
income	\$69.3M	\$73.51M	Not met
increases	5.00%	11.39%	Not met
Debt affordability benchmark	175%	80.48%	Met
Balanced budget benchmark	100%	101.8%	Met
Essential services benchmark	100%	311.15%	Met
Debt servicing benchmark	15%	2%	Met

Notes

1 Rates affordability benchmark

(1) For this benchmark,—

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

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

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

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

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

2 Debt affordability benchmark

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

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

3 Balanced budget benchmark

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

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

4 Essential services benchmark

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

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

5 Debt servicing benchmark

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

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

